

Meghalaya Energy Corporation Limited.
Specification No. MeECL Bond Series-1/2018-19

1. Description of work : Engaging Merchant Bankers for Underwriting to mobilize bonds on Private placement basis for 800 crore.
 2. Quantum : Rs 800 crores
 3. Due Date & time for receipt of tenders : 27.06.2018 by 11.00 am -
: 27.06.2018 by 12.00 noon -
 4. Technical bid opening date
 5. Price bid opening date
If the due date for receiving /opening the tenders happen to be declared holiday, then the tenders will be received/opened on the subsequent working day, for which no prior intimation shall be given.
 6. Earnest Money Deposit : Rs.25,00,000/-
(Rupees Twenty Five lakh only).
 7. Tender outer cover should be addressed to : Company Secretary
 8. Method of submission of Tender : Sealed Tender in hard copy – Two part System
 9. Clarification to be sought for from : Company Secretary,
MeECL Ltd.,
Lumjingshai, Short Round Road,
Shillong, Meghalaya - 793001
-

10. Required number of tender copies : One Set of Tender Document
11. Place at which tenders will be opened : Company Secretary
MeECL Ltd,
Lumjingshai, Short Round Road,
Shillong, Meghalaya - 793001
12. Cost of Tender Specification : Rs.10,000/-
within/outside
Meghalaya.
Rs.100/- to be paid extra if the tender
documents are required by post.

**NOTE-1: The tender documents shall be supplied to the indenting tenderers after
collecting the amount prescribed above (item 12).**



Meghalaya Energy Corporation Limited
(Office of the Company Secretary)

TENDER SPECIFICATION
FOR
ENGAGING MERCHANT BANKERS FOR UNDERWRITING
BONDS ON PRIVATE PLACEMENT BASIS

Due on: 27.06.2018 at 11:00 A.M



**MEGHALAYA ENERGY CORPORATION LIMITED & SUBSIDIARIES
TENDER DOCUMENT – MERCHANT BANKERS
INFORMATION OF MEGHALAYA ENERGY CORPORATION LIMITED
& SUBSIDIARIES - ISSUER**

I) General:

For and on behalf of Meghalaya Energy Corporation Limited & Subsidiaries (MeECL) sealed bids through “Two-part Open Tender” system are invited from Merchant Bankers to underwrite as indicated herein below, on private placement basis of bonds by the Company Secretary, Lumjingshai, Short Round Road, Shillong, Meghalaya – 793001.

II) Background:

The Meghalaya Energy Corporation Ltd is a Government Company, wholly owned by the Government of Meghalaya, incorporated under the Companies Act, 2013 in the year 2009 and inherited its business from the erstwhile Meghalaya State Electricity Board (MeSEB) in the year 2010. It has wholly owned three subsidiary Companies namely Meghalaya Power Generation Corporation Ltd, Meghalaya Power Transmission Corporation Ltd and Meghalaya Power Distribution Corporation Ltd responsible for Generation, Transmission and Distribution of Electricity respectively throughout the State as State Utilities.

The erstwhile Meghalaya State Electricity Board (MeSEB) was formed in the year 1975 after the formation of new State of Meghalaya from undivided State of Assam. The first Hydro Electric project in Meghalaya had started its operation in the year 1921, thereafter different Hydro Electric projects are being Constructed throughout the State of Meghalaya utilising the natural water resources, efficient and experienced engineering wing and beautiful working environment of the State.

The following is the synopsis of the MePGCL:



NAME OF THE PROJECT	TYPE OF DEVELOPMENT	CAPACITY (MW)	DATE OF COMMISSIONING	DESIGN ENERGY (MU)	Generation in 2017-18 (MU)	Remarks
SONAPANI MHP	RUN-OF THE RIVER	1 X 1.5	1921/2009	5	7.44	
UMTRU, DEHAL, BYRNIHAT	RUN-OF THE RIVER	4 X 2.8	1957	39	0.0	Under Shut Down
UMIAM STAGE-I, SUMER	STORAGE	4 X 9	1965	116	128.61	
UMIAM STAGE-II, UM-SUMER	POWER CHANNEL (PONDAGE)	2 X 10	1970	46	63.92	
UMIAM-UMTRU STAGE-III, KYRDEMKULAI	PONDAGE	2 X 30	1979	139	132.15	R&M Proposed
UMIAM-UMTRU STAGE-IV, NONGKHYLLEM	PONDAGE	2 X 30	1992	207	217.27	
MYNTDU LESHKA H.E. PROJECT	RUN-OF THE RIVER	3 X 42	2011-13	486	502.88	
NEW UMTRU HEPROJECT	PONDAGE	2X20	2017-18	235	173.61	Part of the Year Generated
		354.70		1273	1225.89	

The Meghalaya Power Distribution Corporation Ltd is executing different flagship programme and increasing its consumer base very fast. The following table shows the growth of the Power Distribution business in Meghalaya:

Details	2006	2013	2017
Number of Consumers	2,03,378	3,17,710	4,12,071
Connected Load	541 MW	623 MW	660.16 MW
Number of Electrified villages	4217	5300	6098
Number of 33/11KV Sub Stations	58	87	103
Capacity of 33/11KV Sub Stations	227 MVA	345 MVA	411.68 MVA
Length of 33KV Lines	1179 Km	1919 Km	2692 Km
Length of 11KV Lines	8846 KM	12043 Km	13096.41 Km
Length of LT Lines	7812 KM	12745 Km	16248.5 Km
Number of Distribution Sub Stations	4558	7859	9857
Capacity of Distribution Sub Stations	367002 KVA	537604 KVA	674710 KVA

The MeECL and its subsidiaries availed loans mainly from Power Financial Corporation Ltd and Rural Electrification Corporation Ltd mostly for funding to the Power Generation Projects and some loans availed for meeting the Power Purchase dues. The loan was availed in the past when the interest rate was higher, however the Corporation is selling the Power in the present market where the expected return is very less in case of sale of Power in the Open market. Considering the mismatch, the management felt to restructure the present borrowing by issuing BOND through private placement.

III) Bond Issue And its Objectives:

The proposed BOND will be for 10(Years) period will be backed by the State Government Guarantee from the Government of Meghalaya and adequate Redemption reserve (initially proposed for Rs 53 Crore/ year) and escrow mechanism for interest payment. The Redemption will be made by a bullet payment at the end of the 10th Year.

The Corporations are responsible for Supplying Power to the State of Meghalaya will be benefited with the issuance of BOND by improving its Cash flow. This issue will be ultimately reduce the cost of Power to be supplied to the Consumers of the State.

The Corporations has taken different steps to reduce its Cash flow gap by reducing the AT&C losses of Distribution Corporation under UDAY Scheme. With the issuance of the present BOND the overall Cash flow gap will be further reduced.

IV) Earnest Money Deposit:

Tenderers should pay the specified amount towards Earnest Money Deposit as follows:

Earnest money deposit: Rs.25,00,000/- (Rupees Twenty Five lakhs only).

1. The Earnest Money Deposit specified above should be in the form of Demand Draft/Banker cheque from any Nationalised/ Scheduled Banks payable at Shillong/ at par in favour of- ("Principal Account, MeECL". The above Demand Draft/Banker cheque may be placed either in the 'Outer cover' or in 'Cover-A'.)
2. Cheque will not be accepted towards EMD and the tenders shall be rejected if EMD is not paid in the prescribed manner.
3. The EMD will not carry any interest.
4. If the Bid Qualification Requirements (Clause V) are found to be fraudulent / non-genuine, the EMD paid will be forfeited in addition to black listing in future contracts with MeECL.
5. The EMD will be forfeited, if the successful bidder –
 - i) Withdraws his tender or backs out after acceptance.
 - ii) Withdraws his tender before the expiry of validity period stipulated in the Specification or fails to remit the Security Deposit.
 - iii) Violates any of the provisions of tender regulations contained herein.
 - iv) Revises any of the terms quoted during the validity period.
6. The EMD of the unsuccessful bidders will be refunded on finalization of tender and on application for refund along with pre-stamped receipts.



V) Bid Qualification Requirements:

1. The merchant bankers shall hold valid SEBI Registration certificate as 'Category-I' merchant banker for minimum 5 financial years and the registration shall be valid during the bond mobilization period - Copy of the Certificate of Registration issued by SEBI to be enclosed. Mere submission for renewal acknowledgment from SEBI will not be considered as fulfilment of eligibility criteria.
2. The merchant banker should be in ranking of combined league table of 'SLU +SFI of Prime Database consistently in each of the last three financial year (2015-16, 2016-17, 2017-18). Prime Ranking 'SLU+SFI' means League Table with further following specification
Deal Type: Distributed, Structured, On Tap & Mobilisation, Issue
Amount Credit To arrangers: Full Basis, Other Conditions: a) Excluding Capital Gain Bonds, Infrastructure Bonds, Tax Free Bonds, b) By Issue Amount, c) Issue Amount in Indian Rupees)
3. The merchant bankers shall underwrite to mobilize Rs 800 crores. Such unconditional underwriting should be provided on letterhead of arranger. Also, if the mandated merchant bankers performance is successful for mobilising the underwritten amount Rs.800 crores at the end of defined period, then the work order may be extended for further 1 year for incremental structuring & mobilising requirement of the issuer if mutually agreeable.
4. The merchant banker should have not defaulted on their commitments on private placement of NCD issues in the past with any Central/State Government organization/s
5. The merchant banker should not be blacklisted with any Central/State Government organization/s
6. The joint Venture/ consortium bidding is not allowed.
7. Any conditional bid will be rejected. Also any bid from merchant banker who does not qualify in any of above criteria BQR (1 to 6) will be rejected.

Note: The evidences required for satisfying BQR conditions shall be furnished along with the offer. Otherwise, offers will be summarily rejected. The BQR evidences submitted after the due date & time of submission of tender shall not be accepted.

VI) Scope Of Work:

- i) The Arranger has to assist the Issuer in all legal and statutory areas, to provide assistance in preparing the offer documents and to assist in the preparation of 'Disclosure Document'.
- ii) Arranger's service include finalization of Disclosure Document, placement/ marketing of issue, banking of the application money, formalities with SEBI, stock exchange and other functions vested with the merchant bankers and to assist and co-ordinate with the Issuer in connection with listing formalities.



VII) Rejection Of Tenders:

- I. Tender will be summarily rejected if –
 - a) Not accompanied the EMD or proof of exemption from payment of EMD.
 - b) Not meeting the Bid Qualification Requirements (Clause V).
- II. Tender is liable for rejection if it is -
 - a) Not in the prescribed form of Schedule 'A' and 'B' enclosed in this specification.
 - b) Not properly signed by the tenderer.
 - c) Received after the expiry of the due date and time.
 - d) Received by Telex or FAX or telegram or e-mail.
 - e) Received without superscription as prescribed in the specification.
 - f) Received from the tenderer who is directly or indirectly connected with Government service or Board service or service of Local Authority.
 - g) Received from the tenderer whose past performance / undertaking is not satisfactory.
 - h) Received from the blacklisted /Poor firm.
 - i) With validity period less than specified in the specification.
 - j) Incomplete and evasive offer.

IX) Instruction To Bidders:

1.0. General:

Sealed tenders are invited superscribed as "TENDER FOR SPECIFICATION No. MeECL Bond Series-1/2018-19 for engaging Merchant Bankers to underwrite for mobilizing resources through bonds on private placement basis."

2.0. Tendering Procedure:

- 2.1. The tender should be furnished in sealed double covers; Cover-A and Cover-B along with proof towards Earnest Money Deposit, put in a sealed cover.
- 2.2. The sealed outer cover shall be sent in person /by Registered Post or Courier super scribed as indicated in Clause 1.0. above.

2.3. The sealed covers 'A' and 'B' shall contain the following:

Cover-A: Documentary evidence in support of Bid Qualification Requirement as per Item No.V.

Cover-B: The PRICE BID containing 'Schedule of Prices'.

The words 'Cover-A' and 'Cover-B - Price Bid' shall be clearly written on the respective covers to avoid accidental opening of Price Bid during tender opening.



2.4. The Demand Draft / Banker's Cheque in respect of EMD should be placed either inside of the Outer Cover or in Cover-A. Offers not satisfying the above requirements **will summarily be rejected.**

2.5. The 'Outer Cover' should be addressed to

Company Secretary
Lumjingshai, Short Round Road, Shillong,
Meghalaya - 793001

and reach this office not later than the due date and time.

3.0. Opening of Tender:

3.1. The offers containing **Part-A** will be opened on the due date and the representatives of the bidders may be present at the time of opening, if they so desire.

3.2. The offer contained in **Part-B** of the bidders who fulfil the conditions prescribed herein and are qualified in the Bid Qualification Requirements (Clause V) alone will be opened on day and Time mentioned herein above. The representatives of such bidders may be present at the time of opening, if they so desire. The offers made by the bidders who are not responsive in accordance with the tender documents as per the evaluation of Part-A, will be rejected and their Price Bid will not be opened.

3.3. After selection of the qualified bidders based on the **Part-A** and **Part-B** of the offer, the decision of the award of the contract would be based on least cost basis i.e., lowest all inclusive cost on xirr basis (coupon plus arranger fee). In case the coupon/fee quoted appears to be very high, MeECL will have a right to negotiate the coupon/fee with the L-1 bidder.

3.4. The issuer reserves the right to appoint one or more than one arranger at any point of time without assigning any reasons.

3.5. The issuer reserves the right to scrap the tender at any point of time without assigning any reasons

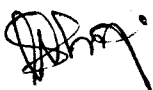
4.0. Modification / Clarification Of Tender Documents:

4.1. At any time after issue of the tender documents and before the opening of the tender, MeECL may make any changes, modifications or amendments of the tender documents and shall send information of such changes to all those who have purchased the tender documents.

4.2. The offer shall be furnished as per the price schedule enclosed to this specification only. Offer furnished in the other formats are liable for rejection.

4.3. The tenderers are advised to peruse all the clauses in the Specification and Instruction to Tenders before quoting.

4.4. If a tenderer has any doubt in the meaning of any of the clauses in the specification, he/she is advised to seek clarification on the same from the Company Secretary, Lumjingshai, Short Round Road, Shillong, Meghalaya - 793001. The clarification, if any, sought for by the tenderer before 48 hours of the opening of the tender will be replied to.



5.0. Evaluation And Comparison Of Tender Offers:

- 5.1. In case of discrepancy between the prices quoted in words and figures, the lower of the two shall be considered.
- 5.2. The quoted prices shall be corrected for arithmetical errors.

X) Commercial Terms And Conditions:

3.0. Payment Terms

Once the underwritten issue is successful, issuer will release arranger fees within 7 working days. If the bidder fails to honour their underwritten commitment, the EMD & Security Deposit will be forfeited.

4.0. Security Deposit:

Security deposit: Rs.1,00,00,000/- (Rupees One crore only).

- 4.1. The successful bidder(s) has to deposit an amount of Rs. 1 crore as Security Deposit. However, the EMD paid by them will be adjusted towards Security Deposit and the bidder has to pay the balance amount towards Security Deposit in the form of Demand Draft/Banker cheque from any Nationalised/Scheduled Banks payable at Shillong in favour of " Principal Account, MeECL".
- 4.2. The Security Deposit shall be refunded after successful contractual obligation, and it will not carry any interest.
- 4.3. The Security Deposit of the successful bidder will be forfeited, if he/she fails to mobilize the underwritten amount at the accepted terms.

5.0. Validity Of the Bid:

The bid shall be valid for acceptance for a period of at least 30 working days from the date of opening of the bid.

6.0. Right To Terminate The Contract:

In the event of non-fulfilment and negligence, the contract will be terminated and both the security deposit and EMD will be forfeited.

7.0. Alterations:

No alterations in the tender will be permitted after its submission.

8.0. Bar Of Jurisdiction:

The Courts situated within the city of Shillong alone shall have the jurisdiction to decide all disputes and claims that may arise between the parties. The venue of Arbitration shall be at Shillong and the language of Arbitration shall be English.

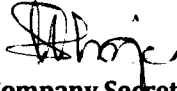
9.0. Reservation Of Rights:

MeECL reserves the right –

- a) Not to accept the lowest or any tender.
- b) To appoint one or more arrangers if the bidders match the lowest financial bid.



- c) To negotiate the coupon, arranger fee and other terms and conditions with the bidders.
- d) To relax or waive any of the conditions stipulated in the tender specification as deemed necessary in the best interest of the MeECL for good and sufficient reasons.
- e) To revise the completion period of the assignment during the pendency of contract.
- f) To vary the terms and conditions for the successful mobilization of the entire quantum of the issue.
- g) The decision of MeECL shall be final and shall be binding on the successful bidder(s).

 19/6/2018
Company Secretary

Schedule-A

MEGHALAYA ENERGY CORPORATION LTD, Shillong

1. Name of the Applicant :
(Merchant Banker)
2. Address for communication :
 - i) Telephone/Mobile No. :
 - ii) FAX No. :
 - iii) e-mail id :
3. Whether copy of certificate of :
Registration with SEBI enclosed
4. Amount/Funds mobilized in the last :
three financial years
(Details of issues
of State/ Central Level Undertakings,
State/ Central Level Financial
Institutions shall be given separately
5. Whether Documentary Proof enclosed :
6. Whether undertaking is furnished :
7. Whether any conditional bid submitted : Yes /No.
8. Any other information the Bidder :
desired to add

Signature:

Name:

Place:

Designation:

Date:

Organisation Seal:

Schedule-B

Meghalaya Energy Corporation Ltd. Shillong-

FORM OF SUBMISSION OF PRICE BID

Sub: Bid for appointment of arrangers for the proposed mobilization of Resources.

1. Name of the Applicant
(Merchant Banker) :
2. Coupon (per annum payable quarterly)
3. Arranger Fee (one time) :

(Excluding GST).

The fee should be quoted in two decimals

We hereby underwrite and agree to abide by the terms and conditions prescribed in Meghalaya Energy Corporation Ltd's Specification MeECL Bond Series-1/2018-19, vdt._____and other terms and conditions as may be prescribed by MeECL for the successful mobilization of entire Rs 800 crores of bonds.

Place:

Date:

Signature:

Name:

Designation:

Organisation Seal: