

Meghalaya Energy Corporation Limited (MeECL)
Tender No. MeECL/CS/Bond/2017/2289 dated 04/11/2022

1	Description of work	Engaging Merchant Bankers for mobilisation of Bonds on private placement basis for Rs. 240.70 crore with 100% underwriting to be issued in single or multiple tranches during the financial year 2022-23.
2	Quantum	Rs. 240.70 crore with 100% underwriting to be issued in single or multiple tranches during the financial year 2022-23.
3	Due Date & time for submission of tender	14 th November, 2022 by 2 p.m.
4	Technical bid opening date	14 th November, 2022 at 3:00 p.m.
5	Price bid opening date	16 th November, 2022 at 11 a.m.
<p>Note: If the due date for receiving /opening of 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.</p>		
6	Earnest Money Deposit	Rs. 5,00,000/- (Rupees five lakh) only
7	Method of submission of Tender	Online mode only through email at companysecretaryme ecl@gmail.com, and me ecl_cao@yahoo.in.
8	Clarification to be sought for from	Director (Finance) & Chief Financial Officer Meghalaya Energy Corporation Ltd. Lumjingshai, Short Round Road, Shillong, Meghalaya – 793001 e-mail ID: companysecretaryme ecl@gmail.com and me ecl_cao@yahoo.in
9	Place at which tenders will be opened	MeECL's Conference Room Meghalaya Energy Corporation Ltd. Lumjingshai, Short Round Road, Shillong, Meghalaya – 793001
10	Cost of Tender Specification	Rs. 5,000/- within/outside Meghalaya. Rs.100/- to be paid extra if the tender documents are required by post. Payable by Demand Draft/Banker Cheque in favour of Principal Account, MeECL

Q R h

Meghalaya Energy Corporation Limited
Office of the Director (Finance) & Chief Financial Officer

TENDER

For

**ENGAGEMENT of MERCHANT BANKERS
FOR MOBILISATION OF BONDS ON PRIVATE PLACEMENT BASIS
FOR RS. 240.70 CRORE WITH 100% UNDERWRITING
TO BE ISSUED IN SINGLE OR MULTIPLE TRANCHES
DURING THE FINANCIAL YEAR 2022-23.**

**DUE DATE FOR RECEIVING OF BIDS: DATE AND TIME
14TH NOVEMBER, 2022 BY 2 P.M.**

Handwritten signature

TENDER DOCUMENT
INFORMATION OF MEGHALAYA ENERGY CORPORATION LIMITED (MeECL)– ISSUER

I) General:

The proposed Bond aggregating to Rs. 240.70 Cr. of the Meghalaya Energy Corporation Limited will be issued in single or multiple tranches during the financial year 2022-23 with 100% underwriting.

The Meghalaya Energy Corporation Limited hereby invites “Two-part Limited Tender” system from the Merchant Bankers for mobilisation on private placement basis of Bonds of Rs. 240.70 Cr. with 100% underwriting to be issued in single or multiple tranches during the financial year 2022-23.

II) Background:

The Meghalaya Energy Corporation Ltd. (MeECL) 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. (MePGCL), Meghalaya Power Transmission Corporation Ltd. (MePTCL) and Meghalaya Power Distribution Corporation Ltd. (MePDCL) responsible for Generation, Transmission and Distribution of Electricity respectively throughout the State as State Utilities. The MeECL has an issuer rating of BWR A-(CE) (Stable) assigned by M/s Brickwork Ratings India Private Ltd. on 5th July, 2022 for the period of one year.

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 are the projects operated and maintained by the MePGCL:

NAME OF THE PROJECT	TYPE OF DEVELOPMENT	CAPACITY (MW)	DATE OF COMMISSIONING	DESIGN ENERGY (MU)
SONAPANI MHP	RUN-OF THE RIVER	1 X 1.5	1921/2009	5
UMTRU, DEHAL, BYRNIHAT	NOT IN SERVICE RUN-OF THE RIVER	4 X 2.8	May 1957 (Unit –I, II & III) July 1968 (Unit IV)	39
UMIAM STAGE-I, SUMER	STORAGE	4 X 9	Feb 1965 (Unit –I) March, 1965 (Unit – II)	116



			June, 1965 (Unit-III) Nov 1965 (Unit-IV)	
UMIAM STAGE-II, UM-SUMER	POWER CHANNEL (PONDAGE)	2 X 10	July 1970	46
UMIAM-UMTRU STAGE-III, KYRDEMKULAI	PONDAGE	2 X 30	Jan, 1979 (Unit-I) March, 1979 (Unit-II)	139
UMIAM-UMTRU STAGE-IV, NONGKHYLLEM	PONDAGE	2 X 30	September, 1992 (Unit-I) August, 1992 (Unit-II)	207
MYNTDU LESHKA H.E. PROJECT	RUN-OF THE RIVER	3 X 42	April, 2012 (Unit-I & II) April, 2013 (Unit -III)	486
NEW UMTRU HEPROJECT	PONDAGE	2X20	July, 2017	235
LAKROH MINI HYDEL PROJECT	RUN-OF THE RIVER	1.5	March, 2019	11
TOTAL		356.20		1284
TOTAL AFTER EXCLUDING UMTRU H.E.P.		345		1245

The MePTCL (State Transmission utility) is implementing various schemes in order to bring about improvements in the transmission network and is capable of handling the State peak demand of 350 MW, along with the Open Access demand of 50 MW.

Details of transmission lines and sub-stations capacity under MePTCL and transformation capacity utilised are as detailed below:

A. Transmission Network (as on 31.03.2020):

- The existing transmission system in the State comprises a total line length **1287.158** circuit km (400 kV - **4.648**ckm, 220 kV – **226.84**ckm & 132 kV – **1055.67** ckm) with sub-station installed capacity of 1740MVA (400/220 kV - 630 MVA, 220/132 kV - 520 MVA & 132/33 kV, 132/33/11 kV, 132/11 kV - 590 MVA). It is capable of handling the State peak demand of 381MW, along with the Open Access demand of 46MW.
- Details of transmission lines and sub-stations capacity under MePTCL and transformation capacity utilised are as detailed below:

➤ **Transmission Lines (as on 31.03.2020)**

Transmission Line / Voltage Level	Number of Circuits	Line length
400 kV Line	Double Circuit	2.324 km
220 kV Line	Double Circuit	113.42 km
132 kV Line	Single Circuit	618.37 km

Transmission Line / Voltage Level	Number of Circuits	Line length
132 kV Line	Double Circuit	218.65 km
Total length in circuit km (400 kV)		4.428
Total length in circuit km (220 kV)		226.84
Total length in circuit km (132 kV)		1055.67
Total length in circuit km (400 kV, 220 kV & 132 kV)		1287.16

➤ **Sub-station Capacity (as on 31.03.2020)**

Sl.No	Voltage	Capacity (MVA)	Nos	Total Capacity (MVA)
1	400/220/33 kV	315	2	630
2	220/132 kV	160	2	320
3	220/132 kV	100	2	200
4	132/33 kV	50	1	50
5	132/33 kV	25	3	75
6	132/33 kV	20	20	400
7	132/33 kV	12.5	2	25
8	132/33 kV	10	1	10
9	132/33 kV	5	2	10
10	132/11 kV	10	2	20
TOTAL				1740

The MePDCL is executing different flagship programme and increasing its consumer base. The approximate number of Consumers of the MePDCL within Meghalaya are 6,63,866 having connected load of 1122.99 MVA.

The MeECL and its three subsidiaries have availed loans mainly from the Power Financial Corporation Ltd. (PFC) and Rural Electrification Corporation Ltd. (REC) for funding the execution of Power Generation Projects by MePGCL and for meeting Power Purchase dues incurred by MePDCL. The Power Finance Corporation Ltd. (the Lender) has assigned an internal rating of 'A' to the MePGCL and 'A' to the MePTCL and both ratings are still effective.

III) Bond Issue:

The proposed Bond aggregating to Rs. 240.70 crore will have a maturity period of 10(ten) years with bullet repayment and will be backed by the State Government guarantee from the Government of Meghalaya. The Government of Meghalaya has accorded approval for providing above guarantee for the total bond (issued or to be issued) for the total amount of Rs. 630 Cr. The guarantee agreement sets out the modalities for payment of interest and principal through a Bond Servicing Account and a Debt Service Reserve Account, whereby adequate Redemption Reserve and escrow mechanism will be

maintained for all debt servicing for these Bonds. The copy of the draft Guarantee Deed is enclosed herewith for reference.

The instant bids invited for Rs. 240.70 Crore Bond to be issued in single or multiple tranches during the financial year 2022-23 with 100% underwriting from the technically qualified bidders.

IV) Objectives of the Bond Issue

The loan from PFC and REC were availed at a time when the interest rates were higher. However, since interest rate have fallen substantially since then the management has felt a need to restructure the present borrowing by way of fresh Bond issue.

A part of the proceeds of these Bond are intended to be used to repay/restructure the loans obtained from the PFC and/or REC so that the interest burden of the MePGCL/MePDCL is reduced. The balance of the proceeds will be utilised to reduce the outstanding dues of MePDCL.

V) Earnest Money Deposit:

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

Earnest money deposit: Rs.5,00,000/- (Rupees Five lakh 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 in favour of Principal Account, MeECL. The scanned copy of the above Demand Draft/Banker cheque and the original copy should be submitted before opening of the price bid. The bidder may also opt for sending the EMD through speed post however in such case the bidder shall submit the copy of the EMD and receipt of the speed post along with the bidding document.
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 VI) are found to be fraudulent / non-genuine, the EMD paid will be forfeited in addition to black listing in future contracts with MeECL&three Subs.
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.

VI) 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 bankers shall underwrite to mobilize 100% of the proposed BOND issue size. Such unconditional underwriting should be provided on letterhead of the arranger.
3. The Merchant Banker should be in TOP 15 Arranger's list of Prime Database under All issue category for Debt private placement during the financial year 2020-21 and FY 2021-22. The relevant prime list to be enclosed with Technical Bid documents.
4. The Merchant Banker should be in Arranger's list of Prime data Base under "State Level Undertaking" category for Debt private placement in two financial years out of last three financial years i.e. from FY 2019-20 till FY 2021-22. The relevant prime list to be enclosed with Technical Bid documents.
5. The merchant banker should have not defaulted on their commitments on private placement of NCD issues in the past with any organization/s.
6. The merchant banker should not be blacklisted with any organization/s.
7. Any joint Venture/ consortium bidding will not be accepted.
8. Preference will be given to the Merchant Banker having experience in mobilisation of issuance of BOND through Private placement BOND in State level undertaking preferably in Power Sector in last three Financial years. The documentary proof to be enclosed with Technical Bid document.
9. Any conditional bid will be rejected. Also any bid from merchant banker who does not qualify in any of above criteria BQR will be rejected.

Note: 1. 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.

VII) 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.

VIII) 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 VI).
- II. Tender is liable for rejection if it is -
 - a) Not in the prescribed form of Form -1 and Form -2 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, hard copy.
 - 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: The bids shall be submitted in online mode only. Documents (pdf format) shall be separately tagged, serially numbered.

2.0. Tendering Procedure:

2.1. The tender documents shall be submitted in **password protected pdf** format named as **"Technical Proposal (Form-1)"** and **"Financial Proposal (Form-2)"**.

OK

- 2.2. Both the files (Technical proposal and Financial Proposal) should be emailed at companysecretarymeecl@gmail.com and meecl_cao@yahoo.in, clearly mentioning the subject of email as "**Tender No. MeECL/CS/Bond/2017/2289 dated 04/11/2022**"
- 2.3. Technical Proposal (Form-1) shall consist documentary evidence in support of Bid Qualification Requirement as per Item No.VI.
- 2.4. Financial Proposal (Form-2) shall contain 'price bid'.
- 2.5. The offers not satisfying the above requirements **will summarily be rejected.**
- 2.6. The password protected bid documents should be submitted through emails only not later than the due date and time as specified above.
- 2.7. **The password shall be shared through email only, after request received at the time of opening of the tender from the specified email (mentioned in this tender document) send by the MeECL.**

3.0. Opening of Tender:

- 3.1. The offers containing Form -1 will be opened on the due date and the representatives of the bidders may be present **through video conferencing** at the time of opening. The link to join the virtual meeting for opening of the technical bids will be emailed to all bidders.
- 3.2. The offer contained in Form -2 of the bidders who fulfil the conditions **prescribed herein** and are qualified in the Bid Qualification Requirements (Clause VI) alone will be opened on day and Time mentioned herein above. The representatives of such bidders may be present **through video conferencing** at the time of opening, if they so desire. The link to join the virtual meeting for opening of the technical bids will be emailed to technical qualified bidders.
The offers made by the bidders who are not responsive in accordance with the tender documents as per the evaluation of form -1, will be rejected and their Price Bid will not be opened.
- 3.3. In case the coupon/fee quoted appears to be very high, the 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. Tenderers may also seek any further clarification from the Director (Finance) & Chief Financial Officer, MeECL by emailing at companysecretarymeecl@gmail.com and meecl_cao@yahoo.in before the date fixed as above for opening of the technical bids.

5.0. Evaluation and Comparison of Tender Offers:

5.1. The Lowest bidder(s) will be selected considering the actual cost of borrowing for the period of 10 years and arranger fees.

5.2. In case of discrepancy between the prices quoted in words and figures, the lower of the two shall be considered.

5.3. The quoted prices shall be corrected for arithmetical errors.

X) Commercial Terms and Conditions:

1.0. Payment Terms

Once the underwritten issue is successful as per the term of the 'mandate letter' issued to the successful bidder, MeECL/issuer will release arranger fees within 7 working days. If the bidder fails to honour their underwritten commitment, the EMD and Security Deposit will be forfeited.

2.0. Security Deposit: Security Deposit Rs. 20,00,000/- (Rupees Twenty Lakh Only)

2.1. The successful bidder(s) has to deposit an amount of Rs. 20,00,000/- (Rupees Twenty Lakh Only) 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".

2.2. The Security Deposit shall be refunded after successful contractual obligation, and it will not carry any interest.

2.3. The Security Deposit of the successful bidder will be forfeited, if he/she fails to mobilize the underwritten amount at the accepted terms.

3.0. **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. In case of bidder, who has submitted the EMD and tender cost in previous tender dated 21.10.2022, in this regard, such bidders need not required to submit the same for this tender.

4.0. **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.

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

6.0. 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.

7.0. 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).
- h) To cancel the tender without assigning any reason.

(C. Ramakrishna, IAS)
Director (Finance) &
Chief Financial Officer

MEGHALAYA ENERGY CORPORATION LTD, SHILLONG
ENGAGEMENT OF MERCHANT BANKERS FOR MOBILISATION OF BONDS ON PRIVATE PLACEMENT
BASIS FOR RS. 240.70 CRORE WITH 100% UNDERWRITING TO BE ISSUED IN SINGLE OR MULTIPLE
TRANCHES DURING THE FINANCIAL YEAR 2022-23.

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.	Whether the Merchant Banker is in Top 15 Arranger's List of Prime Database as per above mentioned clause VI (3).	Yes /No
5.	Whether the Merchant Banker is in Arranger's List of Prime Database under "State Level Undertaking" category for Debt Private Placement as per above mentioned clause VI (4).	
6.	Preference will be given to the Merchant Banker having experience in mobilisation of issuance of BOND through Private placement BOND in State level undertaking preferably in Power Sector in last three Financial years.	
7.	Whether Documentary Proof enclosed	
8.	Whether undertaking is furnished	
9.	Whether any conditional bid submitted	Yes /No.
10.	Any other information the Bidder desired to add	

Signature:
Name:
Designation:
Organisation Seal:

Place:

Date:

**MEGHALAYA ENERGY CORPORATION LTD., SHILLONG
ENGAGEMENT OF MERCHANT BANKERS FOR MOBILISATION OF BONDS ON PRIVATE PLACEMENT
BASIS FOR RS. 240.70 CRORE WITH 100% UNDERWRITING TO BE ISSUED IN SINGLE OR MULTIPLE
TRANCHES DURING THE FINANCIAL YEAR 2022-23.**

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-.....dated and other terms and conditions as may be prescribed by MeECL for the successful mobilization of Bonds on private placement basis for Rs. 240.70 crore with 100% underwriting to be issued in single or multiple tranches during the financial year 2022-23.

Signature:
Name:
Designation:
Organisation Seal:

Place:

Date: