

**TAMIL NADU POWER FINANCE and INFRASTRUCTURE DEVELOPMENT  
CORPORATION LIMITED.(PowerFin)**

**SPECIFICATION No:  
PowerFin Bonds – 1/2011-12**

**TENDER DOCUMENT  
FOR APPOINTING CREDIT RATING  
AGENCIES FOR  
PRIVATE PLACEMENT OF BONDS**

**TAMIL NADU POWER FINANCE AND INFRASTRUCTURE DEVELOPMENT  
CORPORATION LIMITED**

**2011-2012 BOND ISSUE**

**TENDER DOCUMENTS – CREDIT RATING AGENCY**

INFORMATION OF TAMIL NADU POWER FINANCE AND INFRASTRUCTURE  
DEVELOPMENT CORPORATION LIMITED - ISSUER

**i) BACK GROUND**

The Tamil Nadu Power Finance and Infrastructure Development Corporation Limited (PowerFin) was established in the year 1991 and is wholly owned by the Government of Tamil Nadu. It is a Non-Banking Finance Company registered with RBI vide Regn.No 07.00389. Further, PowerFin has been notified as Public Financial Institution vide Notification No.S.O.20(E), dated 9<sup>th</sup> January,2007 by the Government of India, Ministry of Corporate Affairs. It fulfills the objective of mobilizing funds through normal commercial channels to provide financial assistance for the development of power and infrastructure projects within the state of Tamil Nadu particularly to the schemes relating to generation, transmission and distribution network of erstwhile TNEB ( now TANGEDCO and TANTRANSOCO)

The authorized and paid-up equity capital of PowerFin is Rs.50 crore. The Corporation is a profitable entity and over the years, the net worth has risen to Rs.398 Crores due to the accretion of profits to reserves. The Corporation raises resources mainly through mobilizing fixed deposits. Its lending profile consists of Hire Purchase and Term Loans for long-tenure projects of power sector.

PowerFin raises deposits from the public through aggressive publicity campaigns and focused Depositors' Meets and mobilization drives. It has a network of agents operating across the country. The Corporation offers deposit schemes, with periods ranging between 12-60 months. PowerFin offers depositors' the choice between a Regular Interest payment scheme(RIPS) and a Cumulative Interest Payment Scheme(CIPS). In the former, the depositor receives interest at regular intervals while in the later, the interest is re-invested in the deposit and a gross payment made at the time of maturity of deposits. All the dues are promptly collected by PowerFin on the due dates and as on 30.11.2011 there are no Non Performing Assets.

The Corporation has been making profits consistently from the year 1995-96 and has been declaring dividend at 20% on the face value of its equity to Government of Tamil Nadu since 1995-96. PowerFin has accumulated net profits of Rs.348 crores upto 31.03.2011. So far a sum of Rs.71.42 crores has been paid as dividend to the Government of Tamil Nadu.

**ii) BOND ISSUE:**

The Tamil Nadu Power Finance Corporation has all along supported various power projects. Substantial increase in the capacity by expediting the ongoing projects and taking up of new projects has been planned for the development of power sector in the State of Tamilnadu for the next five years through TANGEDCO. In order to meet out the capital requirement of TANGEDCO additional resources are being raised through Private Placement of Bonds. The Government of Tamil Nadu has provided unconditional and irrevocable Government Guarantee to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited for Rs.6000 crores for mobilization of resources through Private placement of bonds.

In view of the above PowerFin has decided to float Bonds to the tune of Rs.6000 Crores (Rupees Six thousand crores only) so that it can provide additional resources to TANGEDCO to meet its Capital Expenditure. Keeping in mind, the resources required for investing in various power projects, the Tamil Nadu Power Finance and Infrastructure Development Corporation Limited has proposed to raise bonds on private placement basis to the tune of Rs.6000 Crores in the financial years 2011-12 and 2012-13.

The Government of Tamilnadu in Energy Department Vide G.O.Ms.No.129 Energy (D2) Department dated 23.12.2011 read with G.O.Ms. No.115 dt.25.11.2011 have granted permission to TN Power Finance to mobilize additional resources by floating government guaranteed bonds for Rs.6000 Crores for providing financial assistance to TANGEDCO to meet its capital expenditure and also guarantee in G.O.(Ms.) No.331 Finance (L&A Cell) Department, dt.03.12.2011 for the repayment of principal amount to the extent of Rs.6000/- Crores and payment of interest thereon by Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.

This guarantee is unconditional and irrevocable and shall be in force until the entire liabilities of Tamil Nadu Power Finance and Infrastructure Development Corporation Limited under the guarantee are extinguished. The issue of bonds by private placement may be in different tranches. The structure of the Bond will be decided later. Tamil Nadu Power Finance and Infrastructure Development Corporation Limited proposes to engage Credit Rating Agencies to assign the rating for the proposed Bond to be issued and to invite bids from the bidders who satisfies the conditions stipulated in the tender document.

**iii) SCOPE OF THE CREDIT RATING AGENCY :**

The credit Rating Agency is required to rate the proposed issue of bond as well as to monitor it during the tenure of the Bonds.

(iv) THE TERMS AND CONDITIONS OF THE BOND ARE GIVEN BELOW:

<b>Issuer</b>	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited
<b>Instrument / Facility</b>	State Government Guaranteed, Rated, Listed, Redeemable Non Convertible Bonds ("Bonds").
<b>Issue size</b>	Rs.6000 crores.
<b>Face value</b>	To be decided
<b>Issue price</b>	At par
<b>Rating Fee</b>	(i) Initial Rating Fees _____ (ii) Surveillance Fees for outstanding amount of Bond under the proposed issue at the time of surveillance subject to minimum Rs. _____ and maximum Rs. _____
<b>Tenor</b>	10 years.
<b>Put / Call option</b>	It will vary on tranche and structure will be intimated at the time of issue opening.
<b>Redemption</b>	It will be decided in each tranche at the time of issue opening.
<b>Settlement of mode</b>	DEMAT
<b>Listing</b>	On NSE and BSE
<b>Purpose</b>	The proceeds of the issue would be utilized for providing financial assistance to TANGEDCO for meeting its capital expenditure.

v) **BID QUALIFICATION REQUIREMENT OF THE BIDDERS:**

a) Credit Rating Agency, which responds to this tender, must have been registered with SEBI under SEBI Credit Rating Agency Regulations and should produce a copy of the valid registration certificate as an enclosure to the **Part-A** offer.

b) The Credit Rating Agency should have experience in having rated the debt instrument issued by any public sector undertakings, state level undertakings, any other state Government agencies or State Governments. The rating agencies are also requested to give details of the experience, which may be relevant to this issue.

**Bidders not meeting the above requirement will be summarily rejected.**

**vi) Earnest Money Deposit (EMD):**

The bidders are requested to remit Earnest Money Deposit (EMD) of Rs.5,000/- (Rupees five thousand only). Earnest Money Deposit will be refunded to the unsuccessful bidder and EMD remitted by the successful bidder shall be adjusted towards security deposit. The security deposit shall be refunded / returned on completion of work. If the successful bidder has not fulfilled the scope of the work assigned to them, the security deposit shall be forfeited. The EMD / Security Deposit could be furnished by means of DD, bankers cheque. EMD will not carry any interest.

Any bid submitted without EMD will be summarily rejected, except that bidders are specifically exempted by the Government of Tamil Nadu from the payment of EMD.

The EMD will be forfeited if:

- a) He withdraws his tender or backs out after acceptance.
- b) He withdraws his tender before the expiry of validity period stipulated in the Specification or fails to remit the Security Deposit.
- c) He violates any of the provisions of these regulations contained herein.
- d) He revises any of the terms quoted during the validity period.
- e) In the event of documents furnished with the offer being found to be bogus or the documents contain false particulars, the EMD paid by the tenderers will be forfeited in addition to blacklisting them for future tenders / contracts in POWERFIN & Government.

**vii) SECURITY DEPOSIT:**

The successful bidder shall be required to furnish security deposit by way of Banker Cheque / Demand Draft for Rs.10,000/- (Rupees ten thousand only), the security deposit shall be refunded after successful completion of contractual obligation. The Security Deposit will not carry interest.

**viii) COMPLETION PERIOD FOR RATING ASSIGNMENT:**

Since the issue of Bonds is proposed to open during January 2012, the Credit Rating Agency is required to complete the rating within 5 days from the date of Letter of Award. This time may be extended by Tamil Nadu Power Finance and Infrastructure Development Corporation Limited only when there are valid reasons.

**ix) VALIDITY PERIOD:**

The tenders offer shall be kept valid for acceptance for a period of 90 days from the date of opening of offer. In case of the extension required tender shall agree to extend the validity period without altering the substance and price of the bid.

**x) PRICE:**

The tenderer are requested to quote firm price only. Rates shall be in both in figures and words.

**xi) ALTERATES FOR COLLECTING TENDERS:**

No alteration in this tender will be permitted after it is submitted.

**xii) EVALUATION OF TENDER OFFER**

Tender will be evaluated strictly as per the Tamilnadu Tender Transparency Act 1998 and TNTR 2000.

The evaluated price will include all fees and taxes and duties if any. The quoted price will be corrected for arithmetic errors.

In case of any discrepancy between the price quoted in words and figures, the lower of the two will be considered.

**xiii) PAYMENT TERMS:**

The payment of fee will be made after the rating assignment is completed by way of informing the rating of Bonds to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited subject to deduction of Tax at source as per the applicable provisions of the Income Tax Act, 1961 and other Act, if any, and the rules, any notifications framed there under.

Please note that Tamil Nadu Power Finance and Infrastructure Development Corporation Limited will not be making any advance payment to the successful bidder.

Payment will be made by means of Cheque.

**xiv) INSTRUCTION TO BIDDERS:**

1. All offers (Bids) should be sent in two Parts (**Part-A** – containing the details of the bidder such as document evidence for Bid Qualification Requirements (BQR), experience of rating assigned, Earnest Money Deposit, etc., and **Part-B** – containing only the price bid, as per the format enclosed) in two separate sealed covers duly superscribed as "Part A" and "Part B" as the case may be. All corrections, over typing etc., in Part A and Part B of the offers should be attested.

2. Both the sealed covers (containing Part A cover and Part B cover) should be put in another separate sealed cover duly superscribed as "**Tender for Credit Rating Agency**" and sent to the following address before 2.00 P.M. on 05.01.2012. The offers received will be opened at the Office of the General Manager, Tamil Nadu Power Finance and Infrastructure Development Corporation Limited, "Tufidco-PowerFin" Tower, 490/3-4, Anna Salai, Nandanam, Chennai – 600 035. The offers received either after 2.00 p.m. on 05.01.2012 or the offers which are not in accordance with the prescribed forms enclosed herein will not be considered. Offers by Telegram / e-mail / Fax will not be accepted. Tamil Nadu Power Finance and Infrastructure Development Corporation Limited will not be liable for any delay in transmission through post or otherwise. The bidders sending their offers by post or otherwise are advised to send them well in advance so that the offers are delivered at the office of the General Manager/ Tamil Nadu Power Finance and Infrastructure Development Corporation Limited before 2.00 p.m. on or before 05.01.2012.

3. The offers containing **Part-A** will be opened at 3.00 p.m. on 05.01.2012 and the representatives of the bidders may be present at the time of opening, if they so desire. The offer contained in **Part-B** of the bidders who fulfill the conditions prescribed herein and are qualified in the Bid Qualification Requirement (BQR) alone will be opened. 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 are not qualified bidder as per the evaluation of Part-A offer will be rejected.

4. 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 the lowest fee of the qualified bidders. If lower fee is quoted by more than one bidder, then the successful bidder shall be determined based on the experience / facilities offered by the bidders who have quoted the same fee.

5. The bidder, after submission of his offer shall not resale from his offer or modify the terms and conditions thereof in a manner not acceptable to Tamil Nadu Power Finance and Infrastructure Development Corporation Limited. The offer of the selected bidder shall not be altered till the entire scope of work is completed.

6. The offer should be unconditional.

7. Offers submitted without properly and fully complying with the tender requirements will be disqualified and will not be considered.

**(xv) RIGHTS OF POWERFINANCE CORPORATION:**

The Tamil Nadu Power Finance and Infrastructure Development Corporation Limited, notwithstanding anything contained in this Specification, reserves the rights:

- a) To split the Tendered Quantity and place orders on one or more than one firm as per the Tamil Nadu Transparency in Tender Rules 2000 since the tendered material is so vital in nature and the failure in supply would affect the public interest.
- b) To cancel the orders for not keeping up the delivery schedule.
- c) To vary the period based on the requirement at the time of placing the order.
- d) To accept or not accept the lowest eligible tender.
- e) To reject any or all the tenders or cancel without assigning any reason therefor.
- f) To relax or waive or amend any of the conditions stipulated in the tender specification wherever deemed necessary in the best interest of the POWERFIN.

GENERAL MANAGER



**PART "B"**

**PRICE BID FOR CREDIT RATING AGENCY PROPOSED TO BE ENGAGED FOR  
THE BONDS TO BE ISSUED BY TAMILNADU POWER FINANCE AND  
INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.,**

1. Name of the Applicant (Credit Rating Agency) :
  
2. Details of the Fee for the scope of the work defined in the Tender document :

Signature :

Name :

Designation :

Date:

Place: