

SOLAR ENERGY CORPORATION OF INDIA

(A Government of India Enterprise)

Invites Bids for
Funding the Credit requirement of SECI for
Rs. 49 Crores

TENDER No: SECI/Fin./Loan/02/2015
Dated: 02-11-2015



Solar Energy Corporation of India (SECI)
Telephone No & Fax No: 91-11- 71989242

SECI website: www.seci.gov.in

Email: finance@seci.gov.in

November-2015

INVITATION OF OFFER FOR LONG TERM LOAN

SECI intends to raise Rs.49 crores through Long Term Loan from Scheduled Commercial Banks for 15 years door to door tenor. For details, visit **<http://seci.gov.in/tenders>**. The last date of submission of offer is 17.11.2015.

The tender schedule period is as under:

1	Date of publication on SECI Website	2 nd November, 2015
2	Bids Submission start date	2 nd November, 2015
4	Bids submission end date	17 th November, 2015 (14:30 hrs)
5	Bids opening date	17 th November, 2015 (15:00 hrs)

(S K Gupta)
Add. General Manager (Fin.)

1. INTRODUCTION & GENERAL CONDITIONS

1.1 About SECI

Solar Energy Corporation of India (SECI) under the administrative control of the Ministry of New and Renewable Energy, Government of India was incorporated on 20th September 2011, under the Companies Act 1956 as an implementation and facilitation institution dedicated to solar energy sector. SECI is the implementing agency for many of the GOI's Scheme viz. the ongoing 750 MW Grid Connected Solar PV Project under Batch I Phase II of JNNSM, 2000MW Grid Connected Solar PV Power Project under Batch-III Phase-I of JNNSM, Rooftop Solar PV Program, Grid Connected Solar power project for the Warehouses, Solar Parks, Ultra Mega Solar Power Projects, Solarisation of Indo-Pak Border etc. apart from setting up our own 10MW Solar Power Project at Rajasthan.

1.2 Details of the Project to be financed

Solar Energy Corporation of India (SECI) is setting up a 10 MW solar PV power project under unallocated capacity JNNSM Phase-1, Batch-II which was implemented by NTPC Vidyut Vyapar Nigam Limited (NVVNL). The approved tariff by MNRE for the project is "Rs. 7.72 or applicable tariff of CERC in force at the time of commissioning (for 2015-16 the tariff is Rs.7.04/kWh), whichever is lower. The land for project development has been identified at Badi Sid", Tehsil Baap, District Jodhpur in the state of Rajasthan. SECI has registered the Project with RRECL, the single window agency for solar projects in Rajasthan. Technical feasibility of the connectivity for evacuation of power from the proposed power plant has been received from RVPNL (Rajasthan Rajya Vidyut Prasaran Nigam Limited), the STU of Rajasthan.

1.3 General Instructions to the Bidding Bankers

- 1.3.1 SECI proposes to invite financial bids from the Scheduled Commercial Banks for funding the credit requirement of SECI for its 10MW SPV Solar Power project.
- 1.3.2 Only Scheduled Commercial Banks are eligible to quote.
- 1.3.3 Bids should be submitted individually and independently by all the eligible Banks. The eligible banks should not form any consortium.
- 1.3.4 The bidders are requested to submit their financial proposals as price bid in the attached format at Annexure-A.

- 1.3.5 The loan has to be disbursed in instalments within a period of 1 year as per the progress of the project and requirements of SECI. The final disbursement schedule of the loan will be communicated after acceptance of offer.
- 1.3.6 The Corporation reserves the right to make early payment of the long term loans at its discretion which would not attract any penal charges or pre-payment premium.
- 1.3.7 Rate of Interest quoted is to be linked with the Base Rate of the State Bank of India quoting the Plus/Minus to Base Rate to arrive at the effective rate at which the offer for long Term Loan can be extended to SECI. The Base Rate to be considered for this purpose shall be as prevailing on 3 days prior to the publication of this tender document.
- 1.3.8 If a bank, whose offer has been accepted fails to disburse the loan amount then, SECI reserve the right to avail the loan amount partly or fully from any other bank at the risk & cost of the defaulting bank and any loss suffered by SECI on this account shall be recovered from the defaulting bank.
- 1.3.9 The aforesaid credit requirement has been rated as “ICRA AA-/high Safety” by ICRA Ltd. indicating high degree of safety regarding timely servicing of financial obligations. The debt carry very low credit risk.
- 1.3.10 The Bid should be valid for a period of 90 days from the date of opening the Price Bids. The Bidder should submit the price bid along with unconditional acceptance of the terms and conditions of the bid in the requisite format in the envelope. The proposal shall be submitted at SECI preferably by hand, latest by 17.11.2015 by 14:30 Hrs. at the address given below. Any bid received after the due date and time shall not be considered. The proposal may be submitted at the following address:

Add. General Manager (Fin.)
Solar Energy Corporation of India,
D-3, Wing-A, First Floor, Religare Building
District Centre, Saket,
New Delhi-110017

- 1.3.11 The bidding banks should confirm that all information, documents, statements produced by them in their bid are true and complete and signed and stamped on their letterhead or under their seal by their authorized officer(s). Under no circumstances, the bidding bankers should give or withhold any information or statement or document that is likely to mislead the Borrower.

1.3.12 SECI reserves the right to accept or reject any of the proposals received at its sole discretion without assigning any reasons whatsoever. Incomplete proposals and proposal submitted after due date or proposals not submitted in the prescribed format shall be liable to be rejected.

1.3.13 Notwithstanding anything contained in this tender document, SECI reserves the right to cancel the request of quotation / tender at any stage, at its sole and absolute discretion, without assigning any reasons and without any financial implication on SECI, what so ever.

1.3.14 Bid shall be opened at 15:00 Hrs on 17.11.2015 at SECI Office.

1.3.15 "ONE BID SYSTEM" shall be followed for this tender. Bidder should take due care to submit their bid in accordance with requirement in sealed covers. SECI wants to finalize this tender within a limited time schedule. Therefore, bidders are advised to submit their bids complete in all respect as per requirement of tender document clearly specifying their categorical acceptance to all the clauses of the terms & conditions of this tender.

1.3.16 The Bidding Banks are requested to kindly submit the bids accepting all the terms and conditions mentioned in this tender document. No conditional bid would be accepted specifically in respect of pricing aspects of the tender as mentioned in clause 1.6. After evaluation of the bids and based on the final decision of SECI, a letter will be issued to Bank intimating them about acceptance of their offer.

1.3.17 For any query and for submission of proposals, kindly contact the following officials.

(i) Sh. S K Gupta,
Add. General Manager (Fin.),
E-mail: shaileshgupta@seci.gov.in
Phone No.: 011-71989210

(ii) Ms. Nidhi Jain
Sr. Accounts officer
E-mail: nidhijain@seci.gov.in
Phone No.: 011-71989251

1.4 Structuring of Bid

Following documents shall be submitted at the time of submission of bid:-

(i) Covering Letter as per attached format.

- (ii) Duly signed and stamped copy of this tender document accepting all the terms & conditions indicated therein.
- (iii) Price Bid in a separate sealed envelope as per format attached.
- (iv) Power of Attorney/Letter of Authorisation in favour of Authorised Signatory for submission of bid.

All the above documents then shall be sealed in a main envelope super scribed as **“Bid for Funding the Credit requirement of SECI of Rs. 49 Crores.”**

1.5 Evaluation of Bids

1.5.1 The interest rate spread offered by the Bidding Banks shall be firm and valid for the firm commitment of Rs. 49 crores. Partial bids i.e. bid amount of less than Rs. 49 crores shall be rejected. Quoting as the range of interest rate shall not be accepted.

1.5.2 If more than one bidder has bid at L1 interest rate, in such case, SECI reserves the right to take a decision regarding allocation of amount among the Bidding Banks.

1.6 Detailed Terms and Conditions

S. No.	Particulars	Description
1	Borrower	Solar Energy Corporation of India (hereinafter referred to as 'Borrower' or the 'Company') with 100% holding by Government of India (GoI) under the administrative control of Ministry of New & Renewable Energy (MNRE).
2	Project	Design, Engineering, Manufacture, Procurement & Supply, Erection, Testing, Commissioning and Comprehensive Operation & Maintenance for 5 (Five) years of 10MW (AC) Solar PV Plant on Turnkey basis at Village Badi Sid, Tehsil – Bap, Phalodi, District – Jodhpur, Rajasthan
3	Project Cost & Means of Finance	<p>The cost of the Project for 10 MW Solar Power Plant is estimated at Rs. 70 crore.</p> <p>The Project is proposed to be funded through Debt of Rs. 49 Crs and Equity contribution of Rs 21 Crs. The overall Debt Equity Ratio for the project would be maintained at 70:30.</p> <p>The preliminary and preoperative expenses incurred by the Borrower prior to Financial Closure, shall be allowed as part of the Project Cost.</p>

S. No.	Particulars	Description
4	Purpose of the facility	To meet the capital expenditure requirement of the Borrower for setting up the project.
5	Facility	Rupee Term Loan (RTL) of Rs. 49 Crore.
6	Tenor	Door to door tenor of 15 years including moratorium period of 1 year. The period of moratorium period shall begin from the date when the first instalment of the loan has been disbursed by the Bank to the Borrower.
7	Disbursements	<p>The Disbursement of debt shall be as per draw down schedule to be provided by the Borrower to the Lenders.</p> <p>The Net worth of the Company as on 31st August, 2015 is of Rs. 128.37 Crores.</p>
8	Repayment of Interest	<p>The interest will be repaid in equal quarterly instalments on the outstanding amount of loan for the period the amount has remained outstanding.</p> <p>The interest shall accrue from the respective date of drawdown of the instalments and the Borrower shall pay interest at the applicable interest rate on the interest payment dates to the Lender on the loan facility outstanding from time to time. The first of such interest shall be paid on the first Interest Payment Date falling after the drawdown.</p> <p>For avoidance of doubt, it is clarified that tax deducted at source is deductible in respect of interest as per the applicable law.</p> <p>Interest and all other charges shall be computed from day to day on the basis of 365 days a year and on the actual number of days elapsed.</p>
9	Loan repayment schedule	Loan will be repaid in equal quarterly instalments after the moratorium period. If for any reason, the RTL finally disbursed by the Lenders out of the RTL Facility is less than Rs 49 crs., the instalments of repayment of the principal amounts of RTL shall stand proportionately reduced.
10	Upfront Fee/Processing Fee	NIL
11	Interest Rate	Floating linked to prevailing State Bank of India Base Rate. The effective interest rate at present works out to 9.30% p.a. Any change in SBI Base Rate shall be effective only after issue of notification by SBI in this regard. The effect of such change will be on the outstanding amount of loan for the future period until it is repaid/further changes in the

S. No.	Particulars	Description
		<p>Base Rate by SBI.</p> <p>In case, SBI Base Rate discontinues to exist, the interest rate would be linked to new SBI Benchmark rate for long term loans and the spread would be re-determined in such a manner that the effective interest rate works out to be same as it would have been in linkage with SBI Base Rate. This revised spread shall remain fixed during the balance tenure of the loan. Statutory tax/levy if any payable on the interest payments would be additional.</p>
12	Prepayment Premium	The Borrower may at any time during the currency of the facility, prepay the facility or any part thereof. Such prepayment shall be without any prepayment charges/premium.
13	Default interest	<p>The Borrower shall pay penal interest at the rate of 0.5% p.a. on the outstanding amount in the event of default in payment of interest, principal any other monies due on their respective dates, for the period of such default.</p> <p>If the due date in respect of any payment to be made by the Borrower under this facility does not fall on a business day, then the due date for that payment shall instead be the immediately succeeding business day.</p>
14	Commitment Fees	Commitment fee shall be Nil on the amount of variance in disbursement with respect to quarterly disbursement schedule to be provided by the company at the start of each financial year. Such disbursement schedule may be amended or replaced with prior notice before the start of respective Quarter by the Borrower and the commitment fee will not be payable in case of such amendment or replacement. Further, such revised drawdown schedule shall be applicable from the immediately following drawdown schedule.
15	Financial Covenant	<p>Any adverse deviation by more than 20% from the levels stipulated as below in respect of the following item, Penal Interest of 0.5% will be levied for the period of non-adherence:-</p> <p>Company's Gross DSCR of 1.20. The Debt Service Coverage Ratio (DSCR) for each fiscal year (each a calculation year) shall be computed over the period of full calculation year, in each case based on the annual audited Statement of Accounts for such fiscal year.</p> <p>For the purpose of DSCR (Debt Service Coverage Ratio):</p>

S. No.	Particulars	Description
		<p>DSCR = Net Operating Income /Total Debt Service</p> <p>Net Operating Income means:- Profit After Tax (PAT) (+) Interest Expenses on both short-term and long-term loan (+) Non-Cash Items like Amortisation & Depreciation</p> <p>Total Debt Service refers to current debt obligations, meaning any interest & principal repayment which are due for repayment within a period of 1 year.</p> <p>For the avoidance of doubt, it is clarified that debt shall not include grant/VGF or subsidy amount received from MNRE or any other outside Agency or any other advance money received from any PSU for implementation of any project/scheme).</p>
16	Security	<p>The Term Loan would be secured by:</p> <ol style="list-style-type: none"> First charge on the fixed assets (moveable and immovable), both present and future related to the 10MW Solar PV power plant of the company. All securities shall be shared on a pari passu basis amongst other Lenders. If the Project requires Working Capital facilities, charge over current assets shall be required to be ceded to the Working Capital Banks.
18	Ranking of Security	<p>The above security for Lenders will rank pari-passu with charges created in favour of all Term Lenders participating in financing the Project.</p>
19	Pre-Commitment Conditions	<ol style="list-style-type: none"> The borrower shall agree to appointment of Lenders' Independent Engineer ("LIE") & Lenders' Legal Counsel ("LLC") (collectively, the "Consultants") or Security Trustee, if required by the Lender. However, the cost of services of the consultant shall be borne by the Lender only. The Borrower to provide undertaking for arranging funds in the form of equity/subordinated debt to meet any cost-over run (at the time of initial drawdown only).

S. No.	Particulars	Description
		<p>3. Undertake that in the event of any cost savings on account of custom duties/other taxes & duties or any other item of expenditure, a proportionate reduction in debt and equity would take place. However, the Borrower shall have the right to utilize the cost savings for any other expenditure relating to the Project.</p> <p>4. Agree and undertake that the Borrower shall furnish to the lenders such information and data as may be required by lenders to ensure that the physical progress as well as the expenditure incurred on the project are reasonable in line with schedule.</p> <p>5. Agree that the Lenders shall have access to the cost records of the Project at any time during the implementation of the Project as also before final disbursement of the Facility.</p>
21	Other Conditions	<p>Additional conditions applicable for the Term Loan are as under:</p> <p>a) The lenders will have the right to examine the books of accounts of the Borrower pertaining to the project and to have the Project facilities inspected from time to time by officers of the Lenders and/ or outside consultants. However, the cost of such inspection/examination shall be borne by the Lenders.</p> <p>b) Borrower shall permit the Lenders and their authorized officers or employees to carry out technical, financial and legal inspections of the assets created out of the Facility and to visit any facilities and sites included in the Project and to examine any installations, sites, works, buildings, properties, equipment; records and documents relevant to the performance of the obligations of Borrower under the Facility agreement. Any such representative of the Lenders shall have access to Borrower's properties upon suitable prior notice.</p> <p>c) Lenders shall maintain strict confidentiality of all the information made available to them by the Borrower. Lenders may, if required by law, disclose to banks/</p>

S. No.	Particulars	Description
		<p>RBI/ Government Credit Information Bureau of India Ltd. and any other statutory authorities information in connection with the Facility granted to the Borrower. All such correspondence shall be marked to the Borrower.</p> <p>d) The lenders may reserve the right to call up the Facility by giving a notice of 30 days upon the happening of any of the following event of Default (each an "Event of Default"):</p> <ul style="list-style-type: none"> a. Any instalment of principal amount of or interest on the Facility remaining unpaid for a period exceeding sixty (60) days from their respective due dates. b. The Borrower committing any breach or default in the performance or observance of the material covenants of the Facility Agreement and such breach or default continues for a period of ninety (90) days after receipt of a notice from the Lenders. c. Execution or distress being enforced or levied against the whole or any part of the Borrower's property and any order relating thereto is not discharged or stayed within a period of ninety (90) days from the date of enforcement or levy. d. The Borrower ceasing or threatening to cease to carry on its business for a continuous period exceeding ninety (90) days. e. Adverse deviation for a period exceeding 1 year in respect of the Financial Covenant beyond 20% from the stipulated limits. f. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety (90) Days. g. Abandonment of the project.

S. No.	Particulars	Description
		<p>h. The Borrower ceases to have the right to possess and use the project site or any of its assets or the Borrower indulges in a sale of its interest in the Project in violation of the Financing Documents;</p> <p>i. The security documents cease to be valid, effective or unenforceable under the applicable laws</p> <p>e) The Borrower shall furnish to the Lenders every year a copy of audited balance sheet and profit and loss account statements of the Borrower immediately on these being published.</p>

(Annexure-A)

(On the letterhead of the Bidding Bank)

Financial Bid

S. No. (1)	Particulars (2)	SBI Base Rate (%) (3)	Increase/Decrease in the Rate of Interest in relation to SBI Base Rate (%) (4)	Final Offered Rate of Interest (%) (5) = (3) +/- (4)
1.	Rate of Interest			

NOTE:

1. The spread either on the positive side or negative side, offered by the bidding Bankers will remain fixed during the entire period of loan tenor of 15 years.
2. The Base Rate of SBI to be considered for this purpose shall be the rate as prevailing on 3 days prior to the publication of this tender document.

Name and signature of

(Authorized Signatory)

Stamp of the Bidding Bank

Covering Letter

(The covering letter should be on the Letter Head of the Bidding Bank)

Ref. No. _____ **Date:** _____

From: _____ **(Insert name and address of Bidding Bank)**

Tel.: _____

E-mail address: _____

To

Solar Energy Corporation of India
(A Government of India Enterprise)
A Wing, 1st Floor, Religare Building
D-3, District Centre, Saket,
New Delhi-110017

Sub: Bid for “Funding the Credit requirement of SECI for Rs. 49 Crores”

Dear Sir,

We, the undersigned....[insert name of the ‘Bidder’] having read, examined and understood in detail the tender Document for funding the Credit requirement of SECI for Rs. 49 Crores, hereby submit our Bid comprising of Price Bid.

1. We give our unconditional acceptance to the tender, dated.....and tender Documents attached thereto, issued by Solar Energy Corporation of India including all its amendments. This shall also be construed as a token of our acceptance to the tender Documents including all its amendments and clarifications uploaded on SECI website (www.seci.gov.in).
2. We shall ensure that we execute such tender Documents as per the provisions of the tender and all provisions of such tender Documents shall be binding on us.
3. We have submitted our Price Bid strictly as per the terms & conditions of this tender document, without any deviations, conditions and without mentioning any assumptions or notes for the Price Bid in the said format(s).

4. We hereby unconditionally and irrevocably agree and accept that the decision made by Solar Energy Corporation of India in respect of any matter regarding or arising out of the tender shall be binding on us. We hereby expressly waive any and all claims in respect of Bid process.
5. We confirm that we have studied the provisions of the relevant Indian laws and regulations as required to enable us to submit this Bid and execute the tender Documents, in the event of our selection as Successful Bidder.
6. It is confirmed that our Bid is consistent with all the requirements of submission as stated in the tender and subsequent communications from Solar Energy Corporation of India. The information submitted in our Bid is complete, strictly as per the requirements stipulated in the tender and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our Bid. We confirm that all the terms and conditions of our Bid are valid for acceptance for a period of 90 days from the Bid deadline. We confirm that we have not taken any deviation so as to be deemed non-responsive.

Dated the _____ day of _____, 2015

Thanking you,

Yours faithfully,

Authorised Signatory's Sign and Stamp