SHORT TENDER NOTICE

The TANGEDCO has proposed to raise funds by way of private placement of bonds for **Rs.153.50 Crores** through TANGEDCO Bond Series 4/2011-12 with Government Guarantee for the Financial Year 2011-12 to invest in the capital expenditure of ongoing Generation and Distribution Network. The Merchant Banker holding valid SEBI registration certificate as ‘Category I Merchant Banker’ during the last two years are requested to quote the coupon rate (Semi Annualised rate) along with the Arranger’s fee (as a percentage)

2. The quotations should be submitted to the Chief Financial Controller/ TANGEDCO, 7th Floor, 144 Anna Salai, Electricity Avenue, Chennai – 2, Tamil Nadu in a sealed envelope. For further details please log on to TANGEDCO web site: [www.tneb.in](http://www.tneb.in)

**Due date and time for receipt of tenders:** upto 02:00 p.m. on 12.10.2011.

**Due date and time for opening of tenders:** at 03:00 p.m. on 12.10.2011.

S. ARULSAMY
CHIEF FINANCIAL CONTROLLER / TANGEDCO

From
S. ARULSAMY, M.Com., AICWA., A.C.S., B.Ed, B.G.L.,
CHIEF FINANCIAL CONTROLLER/TANGEDCO.

To
All Merchant Bankers.

Sir,

Sub: Raising resources through private placement of bonds to the tune of Rs.153.50 Crores - Selection of Merchant Bankers – Tender quotation – Called for - Reg.

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Tamil Nadu Generation and Distribution Corporation Limited has proposed to raise funds through private placement of Bonds to the tune of Rs.153.50 Crores to invest in the capital expenditure of ongoing Generation, Transmission and Distribution Net work. The TANGEDCO is likely to come out with the issue before the end of 3rd week of October 2011. I request you to intimate your willingness to offer your services to work as a Merchant Bankers and if so, to quote the best coupon rate (semi annualised rate) along with the expected arranger’s fee (as a percentage on the amount to be mobilised) in the prescribed format given below and submit in a cover superscribed as “TANGEDCO BOND SERIES -4/2011-12”. The terms of the bond are as follows:-

<table>
<thead>
<tr>
<th><strong>Issuer</strong></th>
<th>Tamil Nadu Generation and Distribution Corporation Limited (Tamil Nadu Generation and Distribution Corporation Limited “of the issuer”)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instrument / Facility</strong></td>
<td>State Government Guaranteed, Rated, Listed, Redeemable Non Convertible Bonds (&quot;Bonds&quot;).</td>
</tr>
<tr>
<td><strong>Issue size</strong></td>
<td>Rs.153.50 crores.</td>
</tr>
<tr>
<td><strong>Face value</strong></td>
<td>Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Bond.</td>
</tr>
<tr>
<td><strong>Issue price</strong></td>
<td>At par</td>
</tr>
<tr>
<td><strong>Coupon Rate</strong></td>
<td>% p.a. (semi annually) to be quoted by Merchant Bankers.</td>
</tr>
<tr>
<td><strong>Tenor</strong></td>
<td>10 years.</td>
</tr>
<tr>
<td><strong>Period of mobilisation</strong></td>
<td>Within 10 working days from the date of issue of mandate.</td>
</tr>
<tr>
<td>**Rating *</td>
<td>1. BWR A(SO) - M/s.Brick work Ratings India Pvt Ltd. 2. A-(SO) - M/s.CRISIL Ltd.</td>
</tr>
</tbody>
</table>
Put / Call option | At the end of 7th year.
--- | ---
Redemption | 1. 30% at the end of 8th year.  
2. 30% at the end of 9th year.  
3. 40% at the end of 10th year.
Interest on application money | From the date of realization of cheque / DD/ RTGS till one day prior to the date of allotment
Settlement of mode | DEMAT
Listing | On NSE / BSE
Purpose | The proceeds of the issue would be utilized to meet fund requirements for the business activities of the issuer and for the augmentation of capital for capital expenditure.
Arranger Fee | To be quoted by Merchant Bankers.

2. **CRITERIA FOR BID QUALIFICATION REQUIREMENTS:**

   (i) The Merchant Banker shall hold valid SEBI registration certificate as **Category I Merchant Banker** during the last two years, copy of the Merchant Bankers certificate is to be enclosed.

   (ii) The Merchant Bankers should have mobilized at least Rs.500 crores in the previous two financial years taken together in the bond issues of the State/Central Level Undertakings / State /Central Level Financial Institutions (SLUs/SFIs), either has a sole arranger or collectively with other arranges (proof to be enclosed).

   (iii) The Merchant Banker shall give the undertaking to mobilize or underwrite the committed amount.

   (iv) The **Cover-A** shall contain copy of the Merchant Bankers certificate and other relevant documents along with EMD. The **Cover-B** shall contain the financial bid.

   The bids of the Merchant Banker which do not comply / satisfy the eligibility criteria mentioned above will summarily be rejected.

3. If more than one option is given by the Merchant Bankers for raising funds, their offer will also be summarily rejected. The joint / consortium bidding is not allowed. Any offer received from the Merchant Bankers for an amount which is less than the issue size will also be rejected.

4. You may please note that in the event of not achieving the issue size, no arranger fee will be paid. Successful bidder have to mobilize funds within 10 working days from the date of opening of the issue and the subscribed amount is to be remitted to the Tamil Nadu Generation and Distribution Corporation Limited through Cheque / Demand Draft / Pay Order payable at Chennai.

5. Earnest Money Deposit of Rs.10,00,000/- (Rupees Ten lakh only) in the form of crossed Demand Draft / Pay order of the Nationalised / Scheduled bank should be drawn in favour of M/s. TANGEDCO, payable at Chennai – 600 002. The offer received without Earnest Money Deposit will be summarily rejected. It is also informed that if the successful Merchant Bankers fails to mobilize the committed amount at the above terms the
Earnest Money Deposit paid by them will be forfeited and their poor performance will be noted for future dealings with the TANGEDCO.

3

6. Your offer should reach the Chief Financial Controller / TANGEDCO, 7th Floor, NPKRR Maaligai, 144 Anna Salai, Chennai – 600 002 on or before 12.10.2011 upto 02.00 p.m. and the tender will be opened on 12.10.2011 at 03:00 p.m.

7. The selection of the Merchant Bankers will be at the sole discretion of the TANGEDCO.

S. ARULSAMY
Chief Financial Controller/ TANGEDCO

Note:

RATING

Rating was assigned by M/s.Brickwork Ratings India Pvt Ltd for Rs.1400 crs vide their Lr. dt.25.5.2011 and for enhanced Rs.1419 crs vide their Lr.dt.08.09.2011.

Rating was assigned by M/s.CRISIL Ltd for Rs.1400 crs vide their Lr.dt.27.5.2011.

Out of which TANGEDCO has mobilised following funds through Bonds:

<table>
<thead>
<tr>
<th>Bond series</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond series 1/2011-12</td>
<td>Rs.670.50 crs</td>
</tr>
<tr>
<td>Bond series 2/2011-12</td>
<td>Rs.539.00 crs</td>
</tr>
<tr>
<td>Bond series 3/2011-12</td>
<td>Rs. 37.00 crs</td>
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<tr>
<td>Total</td>
<td>Rs.1246.50 crs</td>
</tr>
</tbody>
</table>

Available Balance Dual rating is Rs.153.50 crs

CRISIL rating
BW rating
GO 30
GO 126