

To

All Merchant Bankers (registered with SEBI)

Dated 9.04.09

Subject: PSEB Non-SLR Bonds of Rs.184.40 crore .

Dear Sir,

The Punjab State Electricity Board intends to raise Rs.184.40 crore by Issue of Non- SLR Bonds for financing its Generation, Transmission and Distribution Schemes. The terms & conditions of the Bond issue would be as under:-

1. Tenure: The Bonds shall be for a period of ten years with Put & Call Option at the end of 7th year.

2. Rating:

- (i) M/s ICRA has assigned the rating “LBBB+(SO)” and revalidated the same vide their letter 11.12.08.
- (ii) CARE has assigned the rating ‘CARE A – (SO)’ and revalidated the same vide their letter 12.12.08.

3. Security: Govt. of Punjab has already given unconditional, irrevocable guarantee of Rs. 500 crore for raising of Non-SLR Bonds during the year 2008-09, against which Board has already issued Bonds of Rs. 315.60 crore . Govt. of Punjab is extending the guarantee for Rs.184.40 Crore.

You are requested to send sealed offer indicating the following:

- (i) Coupon Rate (Payable annually) at which Non-SLR Bonds can be raised.
- (ii) Arranger fee excluding service tax for raising such bonds. Service tax shall be payable as applicable.
- (iii) Documents required from PSEB.
- (iv) Period required for raising such Bonds.

You are therefore requested to send your offer on the above lines, , alongwith a demand draft of Rs.10 Lac on account of EMD (in a separate envelope) in favour of A.O/Cash, PSEB, Patiala payable at Patiala, to reach this office by 3.00PM on 24.04.09 positively, which shall be opened at 3.30 PM on the same day.

4. The Merchant bankers who have already deposited EMD of Rs.10 Lac against PSEB's tender opened on 20.3.2009 are not required to deposit EMD again.

5. In case the amount of Rs.184.40 Cr. is not mobilized by you by the closing date from the market then balance short amount will have to be deposited by you on the last day of closing of issue. In case you fail to mobilize Rs.184.40 Crore, no arranger fee would be paid & in addition EMD of Rs.10 Lac would also be forfeited.

PSEB reserves the right to accept or reject any or all offer(s) without assigning any reason.

Yours Sincerely

Advisor/ Finance
PSEB, The Mall, Patiala.
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