

**No. IREDA/Finance/Resource/ECB/24-25**

**Subject: Raising of unsecured ECB – Term Loan equivalent to JPY 16 billion with green shoe option in JPY– Request For Proposal (RFP) reg.**

Dear Sir/Madam,

**1. About IREDA:**

Indian Renewable Energy Development Agency Limited (IREDA) is a ‘Navratna’ Government Company and Non-Banking Finance Company with Infrastructure Finance Company (IFC) status in terms of RBI guidelines. IREDA occupies a key position in implementation of the Government’s plans for the growth of Indian RE sector. The Company is engaged in the business of financing RE & EEC sectors.

Presently, IREDA enjoys an International issuer credit rating of ‘BBB-’ long-term and ‘A-3’ short-term with Stable outlook from S&P Global ratings Limited and domestic ratings of AAA (Triple A) Stable rating from CARE, India Ratings & Research, ICRA, Brickwork Ratings and Acuite Ratings & Research for its various debt instruments. IREDA has in past raised funds through Masala Bonds from international market.

**2. Proposal:**

IREDA is looking to raise External Commercial Borrowing (ECB) in the form of Term Loan amounting to JPY 16 billion plus green shoe option, subject to applicable statutory approvals. Accordingly, you are requested to quote **unconditional and firm rate** for raising ECB as per ‘Annexure A’ enclosed.

The basic structure of the ECB proposed to be raised is as under:

Amount	JPY 16 Billion plus green shoe option
Currency	JPY
Purpose	For on lending towards renewable energy (RE), energy efficiency and conservation projects and allied services of RE in India.
Tenure	5 years with Bullet repayment
Interest payment	Floating interest linked to O/N JPY Tona, payable Semi-annually
Withholding tax	To be indicated, if applicable, else NIL to be specified

**3. Details & Timelines related to submission of Bids:**

Unique Bid reference number	IREDA/Finance/Resource/ECB/24-25
Mode of Bid Submission	<ul style="list-style-type: none"> <li>Bids to be submitted to the e-mail address – <a href="mailto:intlresource@ireda.in">intlresource@ireda.in</a> in soft copies (password protected) through e-mail on or before the close of bid submission time.</li> <li>The password for the encrypted file to be sent to the e-mail address - <a href="mailto:amitgoel@ireda.in">amitgoel@ireda.in</a>, after the closure of bid submission latest by 15:30 IST on T+28<sup>th</sup> Day i.e. 9<sup>th</sup> October, 2024; (T= Date of hosting of the RFP i.e. 11<sup>th</sup> September 2024).</li> </ul>
Name & Address of the Bid Inviting entity	<b>Name:</b> Indian Renewable Energy Development Agency Limited (IREDA)

	<b>Address:</b> 7th Floor, Plate-B, Block-2, NBCC Office Complex, East Kidwai Nagar, New Delhi – 110024
Name and address of Officer-in charge on behalf of bid Inviting entity	<b>Name:</b> Garima Agarwal <b>Designation:</b> Senior Manager (F&A) <b>Address:</b> 7th Floor, Plate-B, Block-2, NBCC Office Complex, East Kidwai Nagar, New Delhi – 110024 <b>Email:</b> <a href="mailto:garima@ireda.in">garima@ireda.in</a>
Bid evaluation criteria	Least Cost Based Selection (LCBS) - L1 (Please refer to the section title – “Evaluation criteria” for more details)
Website for downloading RFP, Corrigendum’s, Addendums etc.	<a href="https://www.ireda.in">https://www.ireda.in</a>
Date/ Time/ Place of Pre-bid Clarification	T+10 <sup>th</sup> Day i.e. 21 <sup>st</sup> September 2024; Virtual meeting (T= Date of hosting of the RFP i.e. 11 <sup>th</sup> September 2024). The time and Link of the meeting shall be shared to the bidder seeking clarification.
Last Date & Time of Submission of Bids	T+28 <sup>th</sup> Day i.e. 9 <sup>th</sup> October 2024; Time 15:00 IST (T= Date of hosting of the RFP)
Date & Time of Opening of Bids	T+28 <sup>th</sup> Day i.e. 9 <sup>th</sup> October 2024; Time 16:00 IST (T= Date of hosting of the RFP)
Validity of the offer	45 days from the last date of scheduled date and time of submission of Bids
<p>Note:</p> <ol style="list-style-type: none"> <li>Bids received by IREDA after the last date and time or received by fax or open letter will not be accepted. IREDA will not be liable for any non-receipt of e-mail due to delays in the mail server. For this, bidders are advised to submit the bids well in advance.</li> <li>IREDA reserves the complete right to cancel the bid process at any time prior to award of contract, without thereby incurring any liability to the bidders. Further, it shall have the final discretion with regard to acceptance/ rejection of any or all of the bids received, without assigning any reason thereof.</li> <li>No contractual obligation whatsoever shall arise from the RFP/ bidding process unless and until a formal contract/ mandate letter is signed and executed between the IREDA and the successful bidder(s).</li> <li>IREDA disclaims any factual/ or other errors in the RFP (the onus is purely on the individual bidders to verify such information) and the information provided therein are intended only to help the bidders to prepare a logical bid-proposal.</li> <li>In case the bid opening date or pre-bid meeting date is a holiday, the revised date will be notified for which the participating bidders have to refer IREDA’s website.</li> <li>The availability period for the drawl under firm commitment will be 60 days from the date of execution of loan/ facility agreement.</li> <li>All the Bids received within the time scheduled will not be allowed to be withdrawn by the bidder. In any case, once bids submitted will not be withdrawn by bidders. However, bidders can revise/ modify their bids within prescribed time scheduled i.e., on or before last date and time of bid submission.</li> </ol>	

#### 4. Eligibility Criteria:

- The invitation to bid is open to all banks and financial institutions (FIs) that have provided foreign currency loans in Japanese Yen (JPY) to other Central Public Sector Enterprises (CPSEs) functioning as Non-Banking Financial Companies (NBFCs) within the last five years from the date of publication of this RfP-
- The bidder should be in Compliance with FATF and OFAC Regulations.

The above eligibility criteria shall be applicable only to the bidding Bank/ FI. The same shall not be applicable to the ultimate lender in the event of downselling, if any.

## 5. Instructions to Bidders:

- a) **It is clarified that the bids of banks with an unconditional and firm proposal for JPY 16 billion or above shall only be considered as valid bids and bids with commitment amount of less than JPY 16 billion will not be considered.**
- b) The ECB shall be raised by IREDA on unsecured basis and only on its own financial strength.
- c) All the fields including one-time Legal costs and Agency Fee in the table provided in Annexure-A are required to be **mandatorily filled**.
- d) The bidders are required to quote the most competitive bid.
- e) The amount quoted by the bidders in Annexure-A, in respect of the Legal Fee and Agency Fee shall be considered as final, irrespective of the total amount of the facility decided to be raised by IREDA, including green shoe option.
- f) If roadshows are suggested by the banks, the quotes for the roadshow expenses will be taken from such banks and expenses will be incurred by banks on reimbursement basis based on submission of actual invoices.
- g) The raising of above facility shall be subject to RBI's guidelines, other statutory authority, or Government approvals in this regard. Incomplete/Conditional bids and bids not as per specified format are liable to be rejected.
- h) The L1 bidder or its selected AD Category-I Bank will function as the Authorised Dealer Category-I (AD Category-I) bank for this ECB-TL in accordance with the applicable RBI guidelines. No extra cost will be paid for these services.
- i) Submission of the proposal by the bank shall constitute acceptance by the bank of all the terms and conditions mentioned in this Request for proposal.
- j) Board resolution/ undertaking from a Director/ CS/ Head of Department of the bidder to be provided as a proof of authorized signatory, who will be signing the Annexure-A.

## 6. Evaluation Criteria:

- a) The L1 bidder shall be decided on LCBS criteria for which the **“Total cost”** will be calculated as per the evaluation method in Annexure-B. Each line item (mentioned as a,b,c,d and e in Annexure-B) will be considered upto 4 decimals (without rounding off). Accordingly, the offers shall be evaluated and marked as L1, L2, L3 etc. and L1 being the lowest offer, will be accepted.
- b) In case of two or more bidders bid same **“Total cost”**, bidder quoted the least margin over Interest Rate Benchmark shall be marked as L1.

## 7. Conditions agreeable to IREDA as borrower while drawing funds under RFP:

While bidding please consider the following non- negotiable points to be included as part of financial covenants or other conditions in the agreement for the proposed facility:

- a) The ECB shall be raised by IREDA on unsecured basis and only on the financial strength of IREDA.
- b) Consolidated financial covenants to be agreed by IREDA-
  - Limit in relation to Total Borrowings to Net Worth as may be mutually decided / finalized in consultation with IREDA. As on 31<sup>st</sup> March'24, the Total Borrowings to Net Worth stood at 5.80 times.
  - It will adhere to the minimum Capital Adequacy Ratio prescribed by the RBI.
  - It will adhere to the Liquidity coverage ratio requirements, as may be prescribed by the RBI.
- c) Clear Market Clause shall be applicable for not more than two months from drawl of funds and Syndication, if any, must be completed within said period. Further, IREDA reserves its rights to raise funds in any currency through alternate market/modes i.e. foreign bonds (including Masala Bonds) etc., loan with different underlying benchmark rate and including loan from multilateral institution like JICA, KfW, ADB, AFD, EIB etc. from offshore markets and loan/

bonds or any other mode in the domestic currency/ domestic markets in India.

- d) No pre-condition shall be accepted by IREDA requiring it to provide the copy of swift (MT103/MT202) one (1) Business Day prior to the relevant due date in relation to any payment. IREDA shall endeavor to provide an irrevocable payment instruction one (1) Business Day prior to such date.

## **7. Other matters related to RFP:**

### **A. Changes in the RFP**

- a) At any time, prior to the deadline for submission of bids, IREDA may for any reason, whether on its own initiative or as a result of a request for clarification by a bidder, modify the bidding document by issuing an addendum.
- b) In case any modification is made to the RFP or any clarification is issued which materially affects the terms and conditions in the RFP, IREDA shall publish such modification or clarification in the same manner as the publication of the initial RFP.
- c) In case, a clarification or modification is issued to the RFP, IREDA may, prior to the last date of submission of bids, extend such time limit in order to allow the bidder sufficient time to take into account the clarification or modification, as the case may be, while submitting their bids.
- d) Any bidder, who has submitted his bid in response to the original invitation, shall have the opportunity to modify or re-submit it, as the case may be, within the period of time originally allotted or such extended time as may be allowed for the submission of bids. The last bid submitted by the bidder shall be considered for evaluation and all purposes.

### **B. Period of Validity of Bids:**

- a) Bids submitted by the bidder shall remain valid for 45 days from the last date of scheduled date and time of submission of Bids. A bid valid for shorter period shall be rejected by IREDA as non-responsive Bid.
- b) Prior to the expiry of the period of validity of Bids, IREDA may request the bidder to extend the bid validity period for an additional specified period of time. A bidder may refuse the request and such refusal shall be treated as a withdrawal of Bid after the expiry of the initial validity period.

### **C. Format and signing of bids:**

Bidders are advised to submit the bids strictly in the format prescribed at Annexure-A. The bids must be submitted under the signatures of authorized officer of bidder.

### **D. Cost of Bidding**

The bidder shall bear all costs associated with the preparation and submission of its bid, and IREDA shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

### **E. Alternative/ Multiple Bids**

Alternative/ Multiple Bids shall not be considered at all.

### **F. Correction of Arithmetical Errors in the Bids**

If there is a discrepancy between the amount quoted in figures and in words, the amount in words shall prevail.

### **G. Lack of competition**

A situation may arise where, if after evaluation of Bids, the bid evaluation committee may end up with

one responsive Bid only. The bid process shall be considered valid even if there is one responsive Bid, provided that the Bid is unconditional and complete in all respects;


#### H. Confidentiality


The bidders are also advised to keep the matters and the information confidential, which may have an implication on the pricing and the offers received by IREDA, till the mandate letter is issued to successful bidder(s).

Bidders submitting the bids under the subject RFP are advised to read all the terms and conditions laid out here. Submission of bids shall construe that they unconditionally agree with all the terms and conditions as laid out in the RFP.

In case of any query related to RFP, Ms. Garima Agarwal, Senior Manager(F&A), may be contacted at [garima@ireda.in](mailto:garima@ireda.in) (M:9899334940).

Yours Sincerely,

  
(Garima Agarwal)  
Senior Manager (F&A)



Enclosure – Annexure A & B on the following pages.

## Price Bid

S. No.	Particulars			
1.	Currency	JPY		
2.	Tenure	5 years, Bullet repayment		
3.	Interest payment frequency	Semi-annually		
4.	Firm Commitment amount	JPY -----Billion		
5.	<b>Break up of all-in cost</b>	<b>Currency</b> (USD/INR/JPY)	<b>In figures</b>	<b>In Words</b>
a.	<b>Margin over Interest Rate Benchmark in basis points (bps) per annum</b> <i>(e.g. 0.90% per annum to be mentioned as 90 bps per annum in figures and Ninety Basis Points in Words)</i>			
b.	<b>Upfront fee (to be paid upfront) in loan currency in percentage on the Firm Commitment amount as at 4 above (Refer Note 1, 3, 4 and 5)</b> <i>(e.g. The upfront fee (to be paid upfront) shall be divided by firm commitment amount and again divided by 5. For example, 0.4 billion in JPY to be paid upfront on firm commitment amount of JPY 16 Billion shall be calculated as 0.4 Billion/16 Billion =2.5% which is to be again divided by 5 resulting in 0.5% per annum (without rounding off upto 4 decimal points). This will be mentioned as 50 bps per annum and Fifty Basis Points in Words.)</i>			
	Amount of Indian GST if included in above			
c.	<b>If Withholding Tax is applicable on the Firm Commitment Amount Offered, kindly specify the following or specify “Nil”: (Refer Note 2)</b> <i>In case of applicability, please mention the following:</i> <b>1. Taxable Portion of Firm Commitment Amount in %</b> <i>(e.g. In case applicable on entire Firm Commitment Offered, write as 100% in figures and One Hundred percent in Words, in case applicable on part amount say 50% of Firm commitment offered, write as 50% in figures and Fifty percent in Words.)</i> <b>2. Applicable Withholding Tax Rate in %</b> <i>(e.g Suppose the applicable withholding tax is 10.92% as per applicable tax laws, write as 10.92% per annum in figures and Ten Point Nine Two percent in words)</i>			
d.	<b>Legal cost (One-time) (Refer Note 1, 3 and 4)</b> <i>(e.g. The legal cost (one-time)is USD 25,000 payable, will be mentioned as USD 25000 in figures and Twenty Five Thousand dollars in Words.)</i>			
	Amount of Indian GST if included in above			
e.	<b>Agency fee (Total for 5 years, payable annually) (Refer Note 1, 3 , 4 and 5)</b> <i>(e.g. The agency fee is USD 25,000 payable (total for 5 years, payable at USD 5,000, annually), will be mentioned as USD 25000 in figures and Twenty Five Thousand dollars in Words.)</i>			
	Amount of Indian GST if included in above			

**Note 1:** The legal fee quoted should be all-inclusive quote including out of pocket expenses, stamp paper charges (to be procured by legal counsel on behalf of IREDA), taxes in foreign countries etc., but excluding the Indian GST which shall be paid by IREDA on reverse charge basis.

**Note2:** Kindly note that the cost of withholding tax during the tenure of the loan shall be at actuals and in no case higher than to the levels considered during the evaluation (calculated as per point c in Annexure-B). IREDA will not bear any additional withholding tax liability, except for statutory variations.

**Note 3:** Withholding Tax, if applicable, on upfront fees, legal fees and agency fees will be deducted at the time of payment.

**Note 4:** TDS, if applicable, on upfront fees, legal fees and agency fees will be deducted at the time of payment.

**Note 5:** Upfront Fee and Agency Fee quoted should be all-inclusive quote including taxes in foreign country as well. In case, bill is raised by foreign entity, the Indian GST, if applicable, on upfront fee and agency fee shall be paid by IREDA on reverse charge basis as per the applicable provisions.

**Note 6:** The bills for claiming legal cost and Agency Fee raised on IREDA shall be reimbursed to the agency/bank directly by IREDA as preferred by the bidder.

**Undertaking by the authorized representative of the Bidder:**

1. We unconditionally agree to all the terms and conditions as laid out in the RFP.
2. We have provided foreign currency loans in Japanese Yen (JPY) to other CPSEs operating as NBFCs in last five years.
3. Declaration of Compliance with FATF and OFAC Regulations

*“We hereby declare that the entity fully complies with all provisions and guidelines set forth by the Financial Action Task Force (FATF) and the Office of Foreign Assets Control (OFAC). Further, we ensure that none of our activities or transactions involve entities or individuals listed on any sanctions lists maintained by these organizations and also indemnify you for the same in future. Additionally, we hereby confirm and undertake to adhere to all relevant anti-money laundering (AML) and counter-terrorist financing (CTF) regulations as mandated by FATF and OFAC. In the event of any violation of any such condition, we will be held sole responsible and you shall have a liberty to take any action against us at our own cost.”*

**Signature of the authorized officer of the bidder**

## Evaluation Method

S. No.	Particulars
1.	Currency JPY
2.	Tenure 5 years, Bullet repayment
3.	Interest payment frequency Semi-annually
4.	Firm Commitment amount for the purpose of evaluation JPY 16 Billion
5.	<b>Break up of all-in cost</b>
a.	Margin over Interest Rate Benchmark basis points (to be calculated in %) (e.g. 0.90% per annum)
b.	<b>Upfront fee (to be paid upfront) in percentage terms per annum on the Firm Commitment amount as at 4 above (Refer Note 1)</b> (e.g. The upfront fee (to be paid upfront) shall be divided by firm commitment amount and again divided by 5. For example, 0.4 billion in JPY to be paid upfront on firm commitment amount of JPY 16 Billion shall be calculated as 0.4 Billion/16 Billion =2.5% which is to be again divided by 5 resulting in 0.5% per annum (rounded off to 4 decimal points).
c.	<b>Cost of Withholding Tax on the Firm Commitment Offered as at 4 above (if applicable) in the Company's hands.</b>  Cost of withholding tax to IREDA as a % of Firm Commitment Amount= (((X * Y)*(A+B))/(1-Z))*Z/X)*100 Where: X= Firm Commitment Amount in JPY Billion i.e. Point 4 above Y= Taxable Portion of Firm Commitment Amount in % Z= Applicable, Withholding Tax Rate in % A= Benchmark Rate (Refer Note 1) B= Margin over interest in % i.e. point 5 (a) above  Illustratively, if X= 16 billion JPY Y= 40% Z= 10.92% A= 0.09% B= 0.90%  Cost of withholding tax to IREDA as % of Firm Commitment Amount= ((((16* 40%)*(0.09%+0.90%))/(1-10.92%))*10.92%/16)*100= 0.0485% <b>Note : The Interest Rate Benchmark for the purpose of evaluation will be considered as 0.09% for all the bidders. Other inputs will be taken as per the values quoted in Annexure A.</b>
d.	<b>Legal cost (One-time) (Refer Note 1)</b> (e.g. The legal cost (one-time) shall be divided by firm commitment amount and again divided by 5. For example, USD 25,000 payable on firm commitment amount of shall be calculated as 0.003995# /16 Billion = 0.0250% which is to be again divided by 5 resulting in 0.005% per annum (without rounding off upto 4 decimal points).
e.	<b>Agency fee (Total for 5 years, payable annually) (Refer Note 1)</b> (e.g. The agency fee shall be divided by firm commitment amount. For example, USD 25,000 for 5 years (payable annually at USD 5,000) on firm commitment amount shall be calculated as 0.003995# /16 Billion = 0.0250% which is to be again divided by 5 resulting in 0.005% per annum (without rounding off upto 4 decimal points).
	<b>Total Cost (a + b + c + d + e + f) (shall be calculated by IREDA based on that quoted in 5 (a to e) of Annexure A)</b>

#For the purpose of evaluation, any quote in USD shall be converted into JPY, assuming the following exchange rates (source:

Rate published on 11-09-2024 at [www.rbi.org.in](http://www.rbi.org.in)):

USD 1= INR 83.9508

YEN 1= INR 0.5938

**Note: The Indian GST will be suitably considered for evaluation. Presently, IREDA takes 50% of GST paid as input credit and the balance 50% forms part of the cost.**