



Information Memorandum

Date: 14.01.2022

Subject: Request for In-Principal Proposal: Rupee term facility of INR 424.80 Crores Ircon Haridwar Bypass Limited (IHBL)- wholly owned SPV of IRCON International Limited

Brief Background on the Project:

The Government of India had entrusted to the National Highways Authority of India (NHAI) for the development, maintenance and management of National Highway No. 58 and 74 including the section from km 00+000 to km 15+100 under Haridwar Bypass section (approx. 15.100 km). The Authority had resolved to Upgradation and Four Laning of Haridwar Bypass Package-1 From Km. 0+000 (Km 188+100 of NH-58) to Km. 15+100 (Km 5+100 of NH 74) in the state of Uttarakhand on Hybrid Annuity mode (approximately 15.100 km) in the State of Uttarakhand by Four-Laning thereof (the "Project") on design, build, operate and transfer (the "DBOT Annuity" or "Hybrid Annuity") basis, which shall be partly financed by the Concessionaire who shall recover its investment and costs through payments to be made by the Authority, in accordance with the terms and conditions to be set forth in a concession agreement to be entered into.

IRCON International Limited was declared L1 for the project and has incorporated Ircon Haridwar Bypass Limited (IHBL) a wholly-owned SPV for execution of the project. Total length of the project is 15.10 kms. Construction period is 24 months. The Bid Project Cost of the project INR 861 Crores with 40% price index multiplier adjusted payments to be made by NHAI during construction period in 10 equal annuity payments. The project is to be funded in the Debt: Equity ratio of 80:20. The detailed capital structure of the project is as:

Particular	INR (crores)
Total Project Cost (adjusted for inflation)	900.14
Annuity payments (construction)	369.14
Project Funding Requirement	531.00
Debt Contribution (80%)	424.80
Equity Contribution (20%)	106.20

Evaluation Criteria of the Bid:

The bids received will be evaluated by the Borrower solely based on the interest rates proposed by the bidder. The Bidder has to prudently furnish all information as required. Any incomplete information or changes at a later stage will disqualify the bidder.

Basic Conditions:

1. Interest Rates should be linked to MCLR of Bank.
2. The rates quoted by the Bidder should reflect the break-up of Basic MCLR plus Spread.
3. Spread will be fixed for the tenure of the construction and post construction will have the flexibility for negotiation.
4. Zero Upfront fee.
5. Any material terms and conditions should be explicitly brought about by the bidder.
6. Pre-Payment fee will be applicable only till COD plus one year.

Disputes:

In case of all tender conditions, the decision of IRCON International Limited shall be final and binding. In case of any dispute arising out of the Tender, such will be subject to jurisdiction in New Delhi.

General Terms and Conditions:

1. It is to be duly noted that the submission of offers have no cause of action or claim against either the Borrower or the Promoter. Any bidder, whose offer has not been accepted shall not be entitled to claim any costs, charges and expenses incidental to or incurred by them in connection with submission of their offer or its consideration by Borrower.
2. The borrower, in its full capacity, shall have the rights to modify/withdraw the Invitation to Tender or has the right to not accept the offer or cancel the Tender as a whole.
3. The Borrower/Promoter does not take any responsibility for delays in transmission, loss or non-receipt of the bids by email/courier/post.
4. The Borrower shall be at liberty to accept or reject any offer or offers or part at its sole discretion and the same shall not be claimable at the behest of the bidder.
5. After the issuance of acceptance to the successful bidders, Final sanctions would have to be submitted within a period of 45 calendar days unless extended due to unforeseen circumstances.
6. Borrower and Promoter reserves the right to reject any tenders or all tenders received at its discretion without assigning any reason whatsoever.
7. By participating in the bid, the prospective bidder is understood to abide by the ethics of confidentiality.
8. The bid participation is not applicable for consortium. Single bank tie-up is preferred.
9. Due to Covid situation, both offline and online(password protected sheet) submission is allowed.



SPECIAL TERMS AND CONDITIONS:

Particulars	Comments
Tenure	Door to door tenure of the loan will be 15 years with repayment tenure of 12 years 6 months.
Interest Rate	Interest rate shall be quoted by the banks at their 3-month MCLR plus Spread. The Spread will be negotiable post SCOD.
Validity of the sanction	The sanction will be valid for a period of 6 months from the date of issuance of final sanction
Annuity Payments	40% of BPC (adjusted for Price Index Multiplier) will be due to the Borrower in 10 equal instalments during the construction period and remaining 60% of the price adjusted BPC shall be due and payable in 30 bi-annual instalments commencing from 180 th day of COD in accordance with the provisions of clause 23.6.3 of the agreement.
Repayment Schedule	The repayment schedule is as mentioned in the financial model provided to the bidders. No tweaking in the same will be allowed.
Upfront fee	No upfront fee is to be charged by the lender.
Other Charges	All charges including Processing, Vetting, Escrow, Commitment, Documentation, Prepayment charges etc to be waived off. All other charges like LLC, NEFT/RTGS, Stamp Duty etc will be reimbursed on actual basis by the borrower.
Mandatory Prepayment	No mandatory prepayments will be made (can be discussed as additional insurance proceeds, sale of any movable asset, LD's etc come under the purview of mandatory prepayment)
DSRA	Will be provided in the form of a BG
MMRA	Will be maintained as per the stipulations of Concession Agreement
Sponsor Undertaking	The Sponsors will undertake the following: <ol style="list-style-type: none">Investing Equity/Equity Equivalent required for the project as per the Base Case ScenarioBring in additional funds to meet time/ cost overruns in full without any recourse to project assetsMaintain minimum of 51% of management control till tenor of the loan facility.Ensuring maintenance obligations as per Concession agreement are complied with and undertake that any deficit in Annuity Payment, on account of non-compliance of maintenance obligations by the Borrower shall be met by the Sponsor to the extent of such shortfall.Ensuring compliance to the terms of Concession agreement.
Corporate Guarantee	IRCON International will undertake that Corporate Guarantee will be available till receipt of First Annuity or COD+180 days, whichever is later.
Validity of the offer	The validity of the bid shall be 90 days from the date of opening.

Other Conditions:

1. Last date for receiving the offer is 7th February, 2022 by 4p.m. IST.
2. The offers are to be sent via password protected email documents/sealed envelopes **by the above-mentioned timings**. The emails to be sent at treasury@ircon.org .Sealed Envelopes to be sent to Sh. Mahadeb Mandal/AGM/Treasury/IRCON International Limited/C-4 District Centre, Saket/New Delhi-110017.
3. In case of emailed bids, the passwords to be sent by the respective banks in the email id (treasury@ircon.org) between 4p.m.(IST) to 4:30 p.m. (IST) on 7th February, 2022. It is also advised to provide a contact number of the concerned person.
4. No further extensions to the bids will be provided.
5. All queries to the bid will be addressed to priya.chauhan@ircon.org.

Enclosed: Bid Submission form.

On Behalf of IRCON International Limited


(B.Mugunthan)
CGM/Finance/Works

(Annexure 1) (to be submitted on the letterhead of the bank)

BID FORM

Ref No: _____

Date: _____

Bidding for Rupee Term Loan (RTL) of INR 424.80 crores for Ircon Haridwar Bypass Limited

SNo	Description	Particulars
1	Quantum of Loan	Rs. _____ Crore
2	<u>Interest Rate</u>	
	(i) 3-MCLR of Bank (as applicable on date)	-----%
	(ii) Fixed Spread	-----%
	Effective Rate of Interest (considering i + ii)	-----%

The bids are to be sent along with the signed acceptance of the attached Information Memorandum.