



Government of Rajasthan

**Expression of Interest
for
Bonds under UDAY Scheme**

Expression of Interest are invited from the Scheduled Banks, Pension Funds, investment bankers, insurance companies and other market participant upto 1100 hrs on 21.06.2016 for subscription to the Government of Rajasthan Bonds under UDAY Scheme 2016-17 amounting to Rs.20,807.32 crore. The detailed terms and conditions of the issue and format for submission of EoI are available on the website of the Finance Department, Government of Rajasthan.

<http://finance.rajasthan.gov.in>

**Government of Rajasthan
Finance Department
(Ways and Means)**

No.F.5(9)FWM/2016

Jaipur, Dated: 16th June, 2016

Expression of Interest

Ministry of Power, Govt. of India issued Notification No. 06/02/2015-NEF/FPR dated November 20, 2015 on UDAY Scheme for operational and Financial Turnaround of State Power Distribution Companies. In terms of para 7(a) of the scheme, States are expected to issue Non-SLR bonds in the market or directly to the respective banks/Financial Institutions (FIs) holding the DISCOM debt to the appropriate extent. Ministry of Finance, Government of India has given consent under Article 293(3) of the Constitution of India for Rs.20,807.32 crore (Rs. Twenty Thousand Eight Hundred Seven crore and Thirty Two lac only) to raise borrowings preferably through private placement of Non-SLR Bonds with lending institutions.

Government of Rajasthan invites "Expression of Interest" (Eoi) from the eligible entities for issuance of Non-SLR Bonds under UDAY Scheme.

All the Scheduled Banks, Insurance Companies, Pension Funds, Investment Bankers and other market participant(s) are eligible to send "Expression of Interest" (Eoi) to Government of Rajasthan for subscription of **Government of Rajasthan "UDAY" Non-SLR Bonds for the financial year 2016-17.**

The terms and conditions for the issue of Non-SLR Bonds will be as under:

- **Date of Publication of Eoi:** 17.06.2016
(on the website <http://finance.rajasthan.gov.in>)
- **Purpose:** The Bonds are to be issued to eligible investors/market participants to take over the debt liability of the State DISCOMs.
- **Amount:** Rs.20807.32 crore
- **Face Value:** Rs.100 of each bond
- **Redemption value:** Rs.100
- **Tenor:** Bonds shall be issued of equal strips having maturities of 2, 3, 4, 5, 6, 7, 8, 9 & 10 years from the date of issue. (Herein after "Structure")



Each investor has to subscribe for the entire Structure. Selective subscription for strip of any particular tenor will not be allowed. (e.g. If an investor quote for Rs.900 crore, bonds will be issued of Rs.100 crore each of a maturity of 2, 3, 4, 5, 6, 7, 8, 9 & 10 years).

- **Minimum Offer:** Minimum size of the offer should be **Rs.900 crore**. ***Consortium and Joint offer will not be considered.***
- **Coupon:** Uniform Spread offered by the investor for all strips with a cap of 75 basis points will be added in FIMMDA yield of corresponding tenors of Gol, G-sec (T-1). [T is the date of Notification, T+1 will be the date of allotment]
[For removal of doubt it is clarified that if the 10 year G-sec yield is say 7.11% for two years and investor wants to quote spread of 59 bps then the coupon rate for strip of two years maturity will be 7.70% (7.11+0.59) and so on.]
- **Interest:** The Bonds shall carry a nominal interest payable half yearly till maturity, at a rate as decided by the Government of Rajasthan. Day count basis 30/360 will be used for interest calculation as followed by Reserve Bank of India.
- **Validity of the Offer:** The offer will be valid for 3 working days from the day of submission of offer i.e. the offer will be valid up to 23.06.2016.
- **Submission of Offer:** The Eol is to be sent by email at uday@rajasthan.gov.in on or before 1100 hrs, 21.06.2016. Expression of Interest has to be submitted on the letter head of the respective institution with the signature of authorized signatory and official seal in prescribed format as attached. The hardcopy of the offer can be scanned and submitted to the email address as mentioned above.
- **Clarification:** For any clarification on the Eol, the investor/market participant may contact Shri Sharad Mehra, Director, Finance (Budget) Department, Government of Rajasthan at Phone No. 0141-2227799 and 09414056000.
- **Principles of Issuance:**
 - ❖ Subscriber will be required to purchase the entire "Structure";
 - ❖ Issuance amount will be uniformly distributed across all tenors;
 - ❖ Spread will be added to the FIMMDA yield of corresponding tenors of Gol G-Sec as closed on previous day of issue of Notification;



- ❖ Date of Notification, 22.06.2016 say "T", then the allotment will be done on T+1 i.e. on 23.06.2016 based on FIMMDA yield of corresponding tenors of Gol G-Sec of T-1 i.e. 21.06.2016.
- ❖ In case, the offer ratio is greater than 1, the allotment shall be done to the successful Participants on pro rata basis.
- ❖ Minimum offer amount will be of Rs.900 crore or more.
- ❖ In case the eligible investor/market participants does not maintain current account/SGL with RBI, a separate mandate from the investor/Institution bank must be submitted to the RBI on date of issuance to debit its current account with RBI and credit CSGL.

• **Process:**

1. The eligible investor/market participants shall quote the **spread (Annexure 1)** at which it intends to subscribe the entire structure alongwith the **quantum** and send it by email to: uday@rajasthan.gov.in on or before 1100 hrs, 21.06.2016. It may be noted that EOI received after the date & time will not be considered under any circumstances.
2. The lowest Uniform Spread offered for all strips with a cap of 75 basis points will be the "Cut off" spread and this will be conveyed to all participants by 1400 hrs on same day.
3. All Participants will be allowed to send their revised proposal for the quantum on the "Cut off" spread by 1700 hrs on same day in Annexure 3. The proposal received after 1700 hrs as above will not be considered under any circumstances.
4. The eligible investor/market participant, who has submitted the lowest offer, will also be able to increase the quantum, but in no circumstances he/she will be allowed to reduce the quantum as submitted earlier by Annexure 1.
5. In case, the offer ratio is greater than 1, the allotment shall be done to successful Participants on Prorata basis.
6. Any decision of the State Government in the interest of the issue will be final. The Government can take decision with regards to removing practical difficulties, if any.



- **Contractual Obligation:** All the eligible investor/market participants are expected to follow Contractual Obligation. In case of default, action against the investor/market participant will be initiated.
- **Government of Rajasthan's Right:** The Government of Rajasthan reserves the right to accept or reject any/all offers, to negotiate the spread and quantum with lowest/any/all investors, for securing better offers in the interest of the State Government. It would be the sole discretion of the Government of Rajasthan to take final decision in this regard.

The final allotment to intending eligible investor/market participants will be conveyed on same day. On finalisation of the spread and quantum, the successful investor/market participants will be required to submit the mandate to debit their current account in **Annexure 2** by email to the **General Manager, RBI, Mumbai** **directly** by fax with a copy to uday@rajasthan.gov.in on or before 1100 hrs, 22.06.2016. All the Subscribers should have adequate Funds for transactions on 23.06.2016.



(Bhaskar A. Sawant)
Secretary, Finance (Budget)
Government of Rajasthan

Annexure 1

The Secretary (Budget)
Finance Department
Government of Rajasthan
Jaipur

Date:

Dear Sir,

UDAY - Expression of Interest - participation in proposed issuance of bonds

This is with reference to the "Expression of Interest" (EoI) issued by Government of Rajasthan for subscription of Government of Rajasthan "UDAY" Non-SLR Bonds for the financial year 2016-17.

We,.....
(name of entity)

intend to purchase the entire structure for gross amount of investment of Rs. crore
(in words Rs. crore)
at a spread of bps (in words bps)
over FIMMDA yield of corresponding tenors of Govt G-Sec as closed on previous day of Notification.

Signature with seal

Name of the Authorized Signatory.....

Email id

Tel. No.

Mob No.

Annexure 2

The General Manager
Reserve Bank of India
Mumbai

Date:

Dear Sir,

UDAY - Mandate to Debit our current account

We hereby mandate RBI to debit our current account by Rs..... crore
(in words Rs. crore)
today on account of purchase of UDAY bonds issued by the Government of
Rajasthan.

1	Name of Investor Bank/Institution	
2.	Aggregate amount (in Rs)	
3.	Current account No. with a or b below	
	a. with RBI	
	b. Name of Bank if current account is not with RBI *	
4.	SGL/CSGL No.	

*** In case the investor does not maintain current account/SGL with RBI, a separate mandate from the investor/Institution bank must be submitted to the RBI on date of issuance to debit its current account with RBI and credit CSGL.**

Signature with seal

Name of the Authorized Signatory.....

Email id

Tel. No.

Mob No.

Annexure 3

The Secretary (Budget)
Finance Department
Government of Rajasthan
Jaipur

Date:

Dear Sir,

UDAY - Expression of Interest (Revised) - participation in proposed issuance of bonds for subscription of Government of Rajasthan "UDAY" Non-SLR Bonds for the financial year 2016-17.

This is with reference to the email dated 21.06.2016 sent by Government of Rajasthan on the captioned subject.

We,.....
(name of entity)
intend to submit revised proposal to purchase the entire structure for gross amount of investment of Rs. crore
(in words Rs. crore)
at a "Cut off" spread of bps (in words bps)
as intimated by Government of Rajasthan, over FIMMDA yield of corresponding tenors of Govt G-Sec as closed on previous day of Notification.

Signature with seal

Name of the Authorized Signatory.....

Email id

Tel. No.

Mob No.