

PUNJAB STATE ELECY. BOARD
OFFICE OF ADVISOR/FINANCE
(BONDS SECTION)

To

All Merchant Bankers (Registered with SEBI)

Dated 06.03.2009

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 (guarantee is being got extended).

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, enclosing also therewith copy of valid registration certificate of Merchant Banker with SEBI, 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 12.00 Noon on 20.03.09 positively, which shall be opened immediately thereafter.

In case of successful bidder, EMD would be converted into security, to be refunded on faithful execution of the mandate.

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.
Ph. 0175-2213048