

**ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE
CORPORATION LIMITED**

(A Govt. of Andhra Pradesh Undertaking)



**Expression of Interest
for
advancing loan for land acquisition at various places of State
of Andhra Pradesh as a part of industrialization of the state**

Jan 2017

Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)

1st Floor, Sri Siva Complex, 59A-20/3/2A, Funtimes Club Road, Teachers Colony, Vijayawada – 520 008.

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EXPRESSION OF INTEREST

1. Background

Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) was incorporated on 26th September, 1973 with authorised capital of Rs. 20.00 crores and paid up capital of Rs. 9.22 crores. APIIC is a wholly owned Undertaking of Government of Andhra Pradesh.

Vested with the objective of providing industrial infrastructure through the development of industrial areas, the Corporation has so far developed more than 300 industrial parks spreading over an extent of about 1,21,655 acres (including allotted area). Besides, the Corporation is also developing sector focussed parks like apparel park/food processing parks/leather parks, Special Economic Zones in the state.

With the advent of economic liberalization the Corporation has reoriented itself to the changing needs of economy and assumed the role of facilitator. To its credit the Corporation has developed Hi-Tech city with a private promoter. The corporation is the principle facilitator in Mega Projects like Special Economic Zone, Visakha Industrial Water Supply, Convention Centre, Mega Industrial Parks at Parawada, Pashamylaram, Financial District Hardware Park at Hyderabad.

The Corporation has to its credit the execution of civil works for various Government Departments. It has executed works covering Referral Hospitals, Navodaya Schools Polytechnic Buildings Court Complex, Building and Hostel for Indian Institute of Information Technology. Government entrusted the responsibility of constructing Games Stadia and Games Village for the National Games on Project Management Basis. The Corporation is the Nodal Agency for Government Sponsored scheme like Growth Centres, Export Promotion Industrial Parks, Integrated Infrastructure Development Centres.

2. Objectives of the Corporation:

1. To formulate, promote, finance, aid, assist, establish, manage and control schemes, projects or programmers, to provide and develop infrastructure facilities, including factory sites, factory sheds, godowns, marketing facilities, warehouses facilities of communications, power, water drainage, housing, hospitals and other medical and health and educational institutions and other services of any description in order to promote and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Andhra Pradesh.
2. To aid, assist, promote and finance industries set up in the factory sheds constructed or factory sites developed by the Company, whether owned or run by Government, statutory body, co-operatives, company, firm or individual or others and to provide them with capita, credit, means and resources for the prosecution of their work and business and to enable them to develop and improve their management, production and marketing techniques.

3. To implement schemes of incentives (financial and otherwise), subsidies and the like formulated by the Government of Andhra Pradesh, Government of India or other authorities or institutions and to administer such schemes in incentives as may be devised by the company from time to time in the interest of the establishment and development of industries and commerce in the State of Andhra Pradesh.
4. To carry on the business of hire purchase in, or to enter into hire purchase agreements with respect to the purchase and sale of, any goods, plant and machinery, tools and implements as aforesaid with any person, association, society or other body corporate on such terms and conditions as may be lawful.
5. To promote, establish, improve, develop, administer, own and run Tools Rooms, Pattern Shops Service Shops, Repair Shops or Work Shops to maintain, repair, refine, manipulate, alter or improve any plant, machinery, implements, accessories, appliances, apparatus, tools, goods or things of any description capable of being used by any customer of or person having dealings with the Company, or commonly dealt in by persons engaged in any such business which may seem capable of being profitably dealt with by the Company and to manufacture, import, export, buy sell or otherwise deal in workshop machinery of all kinds.
6. To undertake such other activities, industrial, commercial or financial, which will create conditions conducive to the growth of industries in the State of Andhra Pradesh.

3. Financial Capacity of APIIC

The following table showcases the key financial parameters of APIIC as per Annual Reports for last few years.

<i>(IN INR CRORES)</i>	FY-2014-15 (PROVISIONAL) AP ONLY	FY-2013-14	FY-2012-13
Net Worth	315.59	529.29	488.28
Gross Assets	4532.42	7,381.89	8910.03
Total Revenues	161.32	1,256.85	4,17.85
Profit After Tax	25.59	28.31	27.65
Closing Cash Balance	560.61	193.76	175.87

4. Proposed projects for which the loan is required:

The Government of India have sanctioned certain priority projects to Andhra Pradesh for which APIIC has been appointed the nodal agency. Further, Government of Andhra Pradesh has also identified certain major projects for which APIIC has been appointed the nodal agency. The list of projects identified is as follows.

1. Visakhapatnam – Chennai Industrial Corridor (VCIC) with ADB assistance,
2. Chennai and Bangalore Industrial Corridor (CBIC) with Japan International Corporation Agency (JICA) funding,
3. National Industrial Manufacturing Zone (NIMZ),
4. PRIDE, Donakonda
5. Electronic Manufacturing Cluster (EMC), Renigunta
6. Donakonda Mega Industrial Hub
7. Other Industrial Parks

Further, the Government of Andhra Pradesh has fixed a target of acquisition of land bank of 10.00 lakh acres for industrial development of the State. In the process, the corporation has already identified an extent of 1,77,559 acres and is in the process of acquisition of the same.

Since the funds available are not sufficient, APIIC intends to mobilize loan resources for land acquisition for the projects. The following are the projects for which funds are required, as on date:

S. No.	Name of the Project	Extent of Area in acres	Cost of Acquisition (Rs. In crores)
1	Achutapuram Non SEZ Expansion	1,700	340
2	Nakkapalli VCIC Node (Phase – I)	4,250	765
3	Krishnapatnam CBIC Node Phase - I	4,000	600
4	Yerpedu – Srikalahasti VCIC Node Phase - I	3,538	350
	TOTAL	13,488	2,050

The corporation is looking for Expression of Interest for advancing loan to a tune of Rs. 2,000 from banks and financial institutions for these projects under this EoI. Interested applicants shall indicate their quotation of interest rate along with other key terms as part of their application as mentioned in this EoI. The Government of Andhra Pradesh will provide guarantee for the loan.

5. Eligibility Criteria

The applicant or consortium of applicants must satisfy the following eligibility criteria for applying under this Expression of Interest:

- 1) Must be a Scheduled Commercial Bank or Financial Institution registered with the Reserve Bank of India
- 2) Must have a minimum turnover of to INR 3,000 Crores for loan portfolio
- 3) Must have previous experience in providing large scale – long term financing Govt / PSU entities in the past

6. Application Procedure

Step 1: Download the EOI and Application Form our website: www.apiic.in

Step 2: Fill in the required details of the Application Form

Step 3: Attach a Covering Letter from your organization (and all members of consortium, if applicable) according to the following guidelines along with supporting documents:

- 1) Title “Application for advancing loan for land acquisition and development of infrastructure as a part of industrialization of the State of Andhra Pradesh”
- 2) Filled in Application Form as per ANNEX 1 & ANNEX 2
- 3) Mandate & History of the organization
- 4) List of Major clients / customers
- 5) Company Brochures if any
- 6) Summary of Financial Statements & Detailed Annual Reports of the organization
- 7) Signed by the authorized representative of organization

Step 4: Send a hardcopy of the Cover Letter and completed Expression of Interest to:

The Vice Chairman and Managing Director
Andhra Pradesh Industrial Infrastructure Corporation Ltd.,
1st Floor, Sri Siva Complex, 59A-20/3/2A,
Funtimes Club Road, Teachers Colony,
Vijayawada – 520 008.
Krishna District, Andhra Pradesh.

For further information, please contact **Sri G. Sathi Raju, Chief General Manager (Finance) at**

Mob: 90108 29955

7. Application Timelines

S. No.	Milestone	Date
1	Last date for Pre-Bid Queries	30-Jan-2017
2	Pre-Bid Meeting	31-Jan-2017
3	Replies to Pre-Bid Queries	03-Feb-2017
4	Last Date for Submission of EOI	07-Feb-2017 16.00 Hrs
5	Opening of Applications & Commencement of Negotiations	07-Feb-2017

8. Selection Criteria

Applications received by organizations that have submitted all required documentation will be reviewed by a panel committee and further negotiated. Applicants will be notified accordingly.

ANNEX 1: Format for Application Form

APPLICATION FORM	
Name of organization	
Address	
Authorized Representative	
Mobile number	
Email address	
Fax	
Major Clients	
Annual Turnover	
FY16	
FY15	
FY14	
Net Loan Advances	
FY16	
FY15	
FY14	

In case of consortium, all partners of the consortium should fill in the application form.

ANNEX 2: Broad Terms of Loan

Proposed by APIIC

1. First tranche of loan of INR 2000 crores
2. 15 year repayment period
3. 3 year moratorium
4. Periodicity for Reset of Interest shall be 3 years
5. No Prepayment or Commitment fees or Preclosure charges
6. Loan will be drawn in a period of 3 years in phases

To be proposed by Applicant as part of their application.

1. Loan Amount proposed
2. Details of security required
3. Interest Rate - Pricing – MCLR with spread to be added
4. Payment terms of interest (Capitalization / Monthly Payment etc.)
5. Nature of Loan – Consortium / Sole banking
6. Upfront fee % for proposed Term Loan
7. Lead Bank fee for leader of the consortium if any
8. Draw down schedule of term loan component
9. Fees of appointment of Lender's Advisors like Legal Advisor / Independent Engineer etc.
10. Charges and stamp duty for execution of documents

The key terms proposed in the submission of this EoI shall be indicative. Post submission of the EoI, the key terms of the loan may be further negotiated between APIIC and the Applicants.