Note No: EA/304/2021
Ref: EA/GEN/560/Vol.XIII

The Foreign Ministry of the Democratic Socialist Republic of Sri Lanka presents its compliments to all Diplomatic Missions and Honorary Consulates in Sri Lanka and has the honor to inform that the Ministry of Ports and Shipping has invited proposals for Refinancing of the Loan borrowed to build two vessels owned by M/s Ceylon Shipping Corporation Ltd.

A copy of the Paper Advertisement and Proposal are enclosed.

The Foreign Ministry of the Democratic Socialist Republic of Sri Lanka avails itself of this opportunity to renew to all Diplomatic Missions and Honorary Consulates in Sri Lanka the assurances of its highest consideration.

06 September 2021, Colombo

විදේශ අමාත්‍යාංශය
ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික
සමාජවාදී ජනරජය
Foreign Ministry
Democratic Socialist Republic
of Sri Lanka.

All Diplomatic Missions and Honorary Consulates in Colombo

CC: 1. Secretary, Ministry of Ports and Shipping

2. Chairman, Ceylon Shipping Corporation Ltd

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

Ministry of Ports & Shipping

Ceylon Shipping Corporation Limited

Request for Proposal (RFP)
Refinancing of the Loan borrowed to build two vessels owned by Ceylon Shipping Corporation Ltd. (CSC)

Invitation

Chairman, Cabinet Appointed Negotiating Committee (CANC) on behalf of **Ceylon Shipping Corporation Ltd. (CSC)** hereby invites refinancing proposal/s from Domestic Banks incorporated in Sri Lanka, International Banks/ Investment Houses or any other suitable Parties to submit Proposals for refinancing of the existing foreign currency loan borrowed from a local Bank to build its two vessels at the dead weight of 02 x 63,300DWT. CSC intends to obtain Foreign Currency Refinancing Facility (FCRF) denominated in US Dollars to restructure the existing loan in United States Dollars (USD) at fixed all inclusive interest rate to meet with the requirements of the RFP.

1. RFP documents in this regard could be downloaded from the website of CSC www.cscl.lk. The prospective lenders who wish to submit proposals in this regard could obtain clarifications / supplementary information during normal working days of the week between 0900 hrs to 1500hrs (Sri Lanka time) up to 22nd September, 2021 from the officer mentioned below.

   - Contact Person : Mr. Ajith Rathnayake
     Deputy Manager (Business Development and Marketing)
   - Telephone Nos. and email : +94 11 249 7800 ext 277 or +94 71 021 5710 or ajith@cscl.lk
   - Address : Ceylon Shipping Corporation Ltd, No. 27, MICH Building,
     Sir Razik Fareed Mawatha, Colombo 00100, Sri Lanka

2. The deadline for submission of Proposals shall be 1400 hrs on 30th September, 2021. Proposals which are received on or before the deadline for submission of Proposals will be opened soon after the closing at the Ministy of Ports and Shipping.

3. The proposal shall be valid up to 30th October, 2021.

4. The sealed proposals should be signed by duly authorized signatory / signatories of the Banks / Investment Houses/other suitable parties and delivered via Registered Post / Courier or By Hand to the address below on or before the aforesaid closing date and time. Please indicate "FCRF -2021"on top left hand corner of the cover.

5. Prospective Lenders or their authorized representatives are requested to be present at the opening of proposals.

CHAIRMAN / CABINET APPOINTED NEGOTIATING COMMITTEE (CANC)
MINISTRY OF PORTS AND SHIPPING
No. 19, CHAITHYA ROAD,COLOMBO 00100,
SRI LANKA.
Tel: +94 11 2328772/3 + 94 11 2497800 Fax: +94 11 2327801 E mail: cscl@cscl.lk

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
Ministry of Ports and Shipping
Ceylon Shipping Corporation Ltd.

Request for Proposal (RFP)
Refinancing of the Loan borrowed
to build two vessels owned by Ceylon Shipping Corporation Ltd. (CSC)

1. Chairman, Cabinet Appointed Negotiating Committee (CANC) on behalf of **Ceylon Shipping Corporation Ltd. (CSC)** hereby invites refinancing proposal/s from Domestic Banks incorporated in Sri Lanka, International Banks/ Investment Houses or any other suitable Parties to submit Proposals for refinancing of the existing loan borrowed from a local Bank to build its two vessels at the dead weight of 02 x 63,300DWT. CSC intends to obtain Foreign Currency Refinancing Facility (FCRF) denominated in US Dollars to restructure the existing loan in United States Dollars (USD) at fixed all inclusive interest rate to meet with the requirements of this RFP. The refinancing facility will be governed by the Sri Lankan Law.

1.1 The Ceylon Shipping Corporation Ltd. (CSC) is a fully Government owned Limited Liability Company registered under the Companies Act No 07 of 2007 of Sri Lanka and having its registered office at No. 27, M.I.C.H. Building, Sir Razik Fareed Mawatha, Colombo 00100, Sri Lanka.

1.2 The objective of this Request for Proposal (RFP) is to identify and select the lender who can best provide the Borrower (CSC) with a fixed rate for refinancing of existing loan borrowed for ship building, with a concessionary terms and conditions at the lowest overall borrowing cost. The loan under Refinancing will be secured by a Treasury Guarantee which was issued by the General Treasury of Ministry of Finance Sri Lanka which prevails under the covenant of Existing Loan.

1.3 The Foreign Currency Refinancing Facility needs to restructure the existing loan amounting to **USD 61,935,464.32** as at 06th August, 2021. The details of the borrowed loan, current outstanding position, current financial position of the borrower or any other clarifications could be obtained from the officer mentioned below on or before 22nd September, 2021 during normal working days of the week between 0900 hrs to 1500hrs (Sri Lanka time).

1. Contact Person: Mr. Ajith Rathnayake
2. Telephone Nos. and email:+94 11 2324800 ext 277 or +94 710215710 or ajith@cscl.lk
3. Address: Ceylon Shipping Corporation Ltd, No. 27, MICH Building, Sir Razik Fareed Mawatha, Colombo 00100, Sri Lanka

2. Eligibility criteria for submitting financing proposal/s (please submit proof documents)

2.1 The International Banks/Investment Houses should have maintained minimum investment grade rating/s + BBB at least from Moody's, S&P or Fitch for a period not less than 5 consecutive years by 30th May, 2021.

2.2 Domestic Banks, should have maintained AA (lka) or above ratings from Fitch Ratings Lanka Ltd., for a period not less than 5 consecutive years by 30th May, 2021.

2.3 Other suitable parties (local/international) should have maintained either of above investment ratings mentioned in 2.1 or 2.2 for a period not less than 5 consecutive years by 30th May, 2021.

3. The proposal should clearly delineate, inter alia, the following in support of credentials/ track records of the Banks / Investment Houses or any other suitable parties, for evaluation.

3.1 **Commitment of the Banks / Investment Houses/other suitable parties:**

(a) Proposed composition of the dedicated core project team, and
(b) Related experience of the dedicated core project team.

3.2 **Source of Investment-**

The source of funds is to be declared by the Banks/ Investment Houses/ any other suitable parties in the proposal.

3.3 **Cost**

(i) The Bank's / Investment House's/ any other suitable parties' cost of the FCRF should be expressed as a percent per annum in fixed or floating rate arrangement,

(ii) Any associated costs including third party costs in USD and also in basis points should be indicated with clear details of each element,

(iii) All inclusive costs for the refinancing arrangement should be indicated with the maturity period intended for the FCRF.

The prices quoted in terms of 3.3 (i) and (ii) should be valid for at least 90 days from (the bid closing date) 30th September, 2021.

4. Banks / Investment Houses/ any other suitable parties should submit proposals to reschedule the balance loan at a ceiling of the all inclusive interest rate of 4.0% with a repayment period of more than 15 years in bi annual equal installments.

4.1 **Interest Rate**: Fixed, tax-exempt rate on a bank qualified or non-bank qualified basis. The rate quoted may not exceed the maximum interest rate permitted under the section 4.

4.2 **Repayment Provisions**: Interest payments on the outstanding principal balance of the Loan and the Capital Installments will be calculated on a 30/360-day basis and will be paid Bi-annually on 02nd February and 02nd August of each year. The principal amortization schedule of the Loan will be structured to achieve approximately equal annual principal payments (net of any capitalized interest) in each of the years.

4.3 **Prepayment:** CSC (Borrower) is requesting that the interest rates be proposed on the basis of the following option of prepayment provisions:

(a) Each Loan installment is subject to prepayment (without penalty) in whole or in part at any time following five (5) business days notice by the borrower.
(b) The lender is not permitted to recall the loan prematurely under any condition unless otherwise requested by the borrower.

4.4 **Default payment/late payment**: If Surcharges/Terms and Conditions are applicable for default payments /late payments should be clearly mentioned in the proposal along with the late payment plan for the late payments.

5. Banks / Investment houses/other suitable parties should submit proposals separately for different options based on the structure of the FCRF denominated in USD such as size, cost (fixed), third party expenses, tenor, repayment, the estimated lead time required to make available FCRF to Local Bank of Sri Lanka (detailed execution time table), and other details as aforementioned. The proposal should indicate clearly the quantum of funds made available under the FCRF to local Bank of Sri Lanka.

6. Banks /Investment Houses/other suitable parties should be submitted a draft agreement along with the proposal based on the main parameters mentioned above for the consideration of the CANC.

7. Banks /Investment Houses/other suitable parties may submit proposals on standalone basis or collectively.

8. Drawdown and availability of funds should be within 5 business days upon the satisfaction of the conditions agreed to. The drawdown will be only by way of one tranche.

9. It should be noted that this request for proposals is not a commitment on the part of the CANC to accept any proposal. The CANC reserves the right to reject any or all the proposals without assigning any reason thereto. The CANC also reserves the right to negotiate the terms of the proposals with the relevant Bank(s) /Investment House (s)/other suitable parties.

10. CANC reserves the right to engage with one or more Banks/Investment houses/other suitable parties for the proposed FCRF.

11. The deadline for submission of Proposals shall be 1400hrs on 30th September, 2021. Proposals which are received on or before the deadline for submission of Proposals will be opened soon after the closing.

12. The proposal shall be valid up to 30th October, 2021.

13. The sealed proposals should be signed by duly authorized signatory / signatories of the Banks / Investment Houses/other suitable parties and delivered via Registered Post / Courier or Hand delivery to the address below before the aforesaid closing date and time. Please indicate "FCRF -2021"on top left hand corner of the cover.

CHAIRMAN / CABINET APPOINTED NEGOTIATING COMMITTEE (CANC)
MINISTRY OF PORTS AND SHIPPING
No. 19, CHAITHYA ROAD
COLOMBO 00100.
SRI LANKA.

Tel: +94 11 2328772/3 + 94 11 2497800
Fax: +94 11 2327801
E mail: cscl@cscl.lk;

14. The names of the Banks/Investment Houses/other suitable parties that have submitted proposals will be announced at 1400 hrs on 30th September, 2021 by the CANC. The modalities of such announcement will be informed later.