

**REQUEST FOR PROPOSAL**

**FOR**

**APPOINTMENT**

**OF**

**TRANSACTION ADVISOR**

**FOR**

**BOND ISSUE**

**BY**

**KERALA RAIL**

**DEVELOPMENT CORPORATION**

**LIMITED (K-Rail)**

**RFP No. KRDC/17/2020 dated 18<sup>th</sup> October, 2021**

## **Request for Proposal for appointment of Transaction Advisor for bond issue by Kerala Rail Development Corporation Limited**

### **1. Background:**

Kerala Rail Development Corporation Limited (K-Rail) is a Joint Venture company of Government of Kerala and Ministry of Railways for the Infrastructure Development of Railways in Kerala. The company was incorporated on 3 January 2017.

K-Rail undertakes Project development works for an identified basket of Projects, which will inter-alia include surveys, preparation of Detailed Project Report (DPR) and getting requisite approvals, processing for sanctioning of identified Projects and implementation of the sanctioned Project.

The various projects include:

- 1) SilverLine (Semi High-Speed Rail) from Thiruvananthapuram to Kasaragod
  - 2) Thalassery-Mysore New Broad-Guage Line
  - 3) Nilambur Nanjangud Rail Project
  - 4) Ernakulam Marshalling Yard
  - 5) Angamaly-Sabari Rail Project
  - 6) Re development of abandoned old Ernakulam Railway Station near High Court as a major hub in the fast-developing Kochi city
2. K-Rail wishes to appoint transaction advisor for a period of one year who shall assist in the process of raising of funds through bonds to execute project namely SilverLine (Semi High-Speed Rail) from Thiruvananthapuram to Kasaragod having the total project cost of Rs.63,941 Crores.

### **3. Scope of work:**

The broad scope of work covers the following, (but not limited to)

- a) Detailed financial analysis including assessing cash flows of the SilverLine project to evaluate the timing of the issuance and redemption of the bonds
- b) Structuring of the bond issue with an objective to increase marketability of the product, creating optimum value for both issuer and investor, keeping in consideration variables such as ALM profile suitable to present cash flows, investor appetite, macro and micro economic factors etc.
- c) Advice on various aspects of bond issue in line with latest SEBI Bond issue regulations
- d) Assisting K-Rail in appointment of various intermediaries for proposed bond issue including Registrar, trustee, depositories, credit rating agencies, R & T agencies etc.
- e) Advice to K-Rail in formation of suitable borrowing structure for proposed bond issue
- f) Assistance to K-Rail in documentation regarding proposed fund raising.
- g) Advising issuer on timing of issuance for efficient price discovery.
- h) Provide assistance in Preparation and Finalization of Offer Document in compliance of Regulatory Guidelines.
- i) Assist in getting in – principal listing approval from Stock Exchange NSE &/OR BSE.
- j) Assistance for entering in agreement with BSE &/or NSE for Electronic Bidding

Platform.

- k) Assistance in setting up of Issue on EBP Platform and Bid Process Management, as per discretion of issuer and with resolution of any conflict of interest.
- l) Assistance in preparation of Master Creation Forms for creating ISIN from Depository NSDL &/or CDSL. Assistance with respect to guidance in required application forms and payments of fess.
- m) Collection of Application Forms, Verification of details, assistance in KYC compliance.
- n) Tracking of Investor Banking/ Receipt of Application money.
- o) Assistance in completing necessary documentation required for Corporate Action for allotment of Demat Securities.
- p) Assistance with determination of and payment of stamp duty.
- q) Assistance in execution of corporate action.
- r) Assistance in submission of Demat details of investors to Registrar.
- s) Co-ordinate for actual Allotment of debentures by registrar to the investors after getting approval from NSDL.
- t) Assistance in online BSE/NSE Listing.

#### **4. Eligibility criteria for submission of offer:**

4.1. The bidder shall hold valid SEBI Registration certificate as 'Category-I' merchant banker and the said registration shall be valid during the assignment period - Copy of the Certificate of Registration issued by SEBI to be enclosed. Mere submission for renewal acknowledgment from SEBI will not be considered as fulfillment of eligibility criteria. However, if the renewal application is filed three months from the expiry date of license and SEBI has not rejected the application, the same may be considered and the merchant bankers are allowed to carry on the activities as requested intermediary as per the rules of SEBI in vogue.

4.2. The bidder should be in the combined league table of 'SLU+SFC' of Prime Database in at least any three financial years out of the last five financial years (2016-17, 2017-18, 2018-19, 2019-20, 2020-21).

4.3 The bidder should not have defaulted in the past with any Central/State Government organization/s

4.4 The bidder should not be blacklisted with any Central/State Government organization/s as on the date of submission of the bid.

Note: The evidences required for satisfying the above eligibility criteria shall be furnished along with the offer. Otherwise, offers will be summarily rejected. The evidences for eligibility criteria submitted after the due date & time of submission of tender shall not be accepted.

#### **5. Technical Evaluation criteria:**

The technical proposals of only the eligible bidders (as per the above eligibility criteria) shall be evaluated on the following basis:-

S. No.	Evaluation Criteria	Marks
1.	<p>Past experience of the bidder as transaction advisor and/or merchant banker/arranger for bond issuances of SLUs (including SFIs) during last five financial years (i.e.2016-17, 2017-18, 2018- 19,2019-20and2020-21).</p> <p>1 a) 5 bond issues -30 marks 1 b) 3 bond issues-20 marks 1 c) 1 bond issue -10 marks</p>	30
2.	<p>Past experience of the bidder as transaction advisor and/or merchant banker/arranger for bond issuances of SLUs (including SFIs) during last five financial years (i.e.2016-17, 2017-18, 2018- 19,2019-20and2020-21).</p> <p>Total bond issue</p> <p>2 a) of Rs. 2000 crore and above-20 marks 2 b) of Rs.1000 crore and above-10 marks 2 c) of Rs. 500 crore and above-5 marks</p>	20
3.	Technical approach, work plan and methodology for the Assignment	20
4.	<p>Key experts proposed for the assignment which shall comprise of the following:-</p> <p>- <b>Team Leader</b> having CA or MBA or post graduation in finance as qualification and atleast 10 years of experience in debt capital market (15 marks)</p> <p>Specialised experience in advisory and/or fund raising through bonds for SLUs (including SFIs) during the last three financial years (i.e.2018-19, 2019-20 and 2020-21) and also current financial year 2021-22 till date (5 marks)</p> <p>Total <b>(20marks)</b></p> <hr/> <p>- <b>Finance Expert</b> having CA or MBA or post graduation in finance as qualification and atleast 5 years of experience in debt capital market (7 marks)</p> <p>Specialised experience in advisory and/or fund raising through bonds for SLUs (including SFIs) during the last three financial years (i.e. 2018-19, 2019-20 and 2020-21) and also current financial year 2021-22 till date (3 marks)</p> <p>Total <b>(10 marks)</b></p>	30
Total		100

## **6. Selection process**

a. The final selection of the transaction advisor shall be done based on the **quality and cost based selection (QCBS) method.**

b. The weights given to the technical (T) and financial (F) proposals are as follows:-

**T=0.80**

**F=0.20**

Proposals will be ranked according to the combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; F = the weight given to the Financial Proposal; T + F = 1) as following:  $S = St \times T\% + Sf \times F\%$ .

c. The technical scores of the bidders will be as per the technical evaluation criteria defined above. The decision of Kerala Rail Development Corporation Ltd with respect to the technical evaluation and scores will be final and binding.

d. The lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100.

The formula for determining the financial scores (Sf) of all other Proposals will be calculated as following:

$Sf = 100 \times Fm/F$ , in which "Sf" is the financial score, "Fm" is the lowest price, and "F" the price of the proposal under consideration.

## **7. Tenure of the assignment:**

The tenure of the assignment shall be one year. However, the said tenure may be extended on the mutual agreement between both the parties. The selected advisor shall commence its services on the issuance of mandate/appointment letter by KRDCL.

## **8. Submission and opening of the proposals:**

8.1 The proposal should be stamped and signed by the authorized official of the bidder. The minimum financial bid of the proposal should be Rs.1.

8.2 The physical/hard copy of the proposal shall be submitted by the bidders at the office of Kerala Rail Development Corporation Ltd by 01<sup>st</sup> November 2021 (Friday), 5 pm. The online submission of the proposal is not allowed.

The address for submission of the proposal is as follows:-

Kerala Rail Development Corporation Ltd  
5<sup>th</sup> Floor  
Trans Tower

Vazhuthacaud  
Thycaud P.O  
Thiruvananthapuram-14

8.3 The proposal should be submitted in two parts as follows:-

- a) Part A–Technical proposal as per annexure I
- b) Part B – Financial proposal as per annexure II

Both the proposals should be sealed properly in separate envelopes and both the envelopes (i.e. Technical proposal and Financial proposal) should be inserted in a single envelope which should be sealed properly before submission.

8.4 The bids shall be opened on 3rd November 2021 at 4.00 pm at the office of Kerala Rail Development Corporation Ltd. The technical bids will be opened first and after the completion of technical evaluation, financial bids will be opened. The financial bids of only technically qualified bidders will be opened. The date for opening of the financial proposals will be informed at a later stage.

9. **Right to reject any or all Proposals:** Notwithstanding anything contained herein before, K-Rail reserves the right to accept or reject any or all proposal(s) and to annul the selection process at any time without assigning any reasons there for and with out any liability or any obligation whatsoever for such acceptance or rejection or annulment.
10. Formation of joint venture/consortium for submission of the proposal is not allowed.
11. **Clarifications:** Any prospective bidder may, in writing seek clarifications from the K-Rail in respect of the RFP document by 27<sup>th</sup> October, 2021, 5 PM. K-Rail reserves the right not to respond to any/all queries raised or clarifications sought if, in their opinion and at their sole discretion, they consider that it would be inappropriate to do so or do not find any merit in it. The e-mail id for seeking clarifications is [krdclgok@gmail.com](mailto:krdclgok@gmail.com)

## **12. Conflict of interest**

It is clarified that no conflict of interest will be assumed if the transaction advisor appointed under this RFP intends to apply under the separate RFP to be issued by K-Rail at a later stage for appointment of merchant banker for the bond issuance and the selected transaction advisor shall remain eligible to participate in the same.

## **13. Proposal validity**

The proposal must remain valid till 90 days after the proposal submission deadline.

## **14. Financial terms**

- a. The Financial Proposal shall take into account all costs and expenses but shall

exclude applicable taxes/GST, which shall be paid extra by the K-Rail at prevailing rates. For the avoidance of doubt, it is clarified that applicable taxes/GST shall be deemed to be excluded in the Financial Proposal. Further, all payments shall be subject to deduction of taxes at source as per applicable laws.

- b. Any bid below Re 1 (exclusive of applicable taxes/GST) will be considered as invalid and will be rejected.
- c. Full bid amount will be paid on completion of scope of service.
- d. Performance guarantee: 10% of the contract value or Rs.1 lakh whichever is higher. The successful bidder shall submit the Performance Guarantee (PG) in any of the following forms, amounting to 10% of the contract value or Rs.1 lakh whichever is higher.
  - i. A deposit of Cash,
  - ii. Irrevocable Bank Guarantee
  - iii. Government Securities including State Loan Bonds at 5 percent below the market value.
  - iv. Lien Marked FD Receipts, Pay Orders, Demand Drafts and Guarantee Bonds. These forms of Performance Guarantee could be either of the State Bank of India or of any of the Nationalized Banks.
  - v. Guarantee Bonds executed or Deposits Receipts tendered by all Scheduled Banks.
  - vi. A Deposit in the Post Office Saving Bank.
  - vii. A Deposit in the National Savings Certificates.
  - viii. Twelve years National Defence Certificates.
  - ix. Ten years Defence Deposits.
  - x. National Defence Bonds and
  - xi. Unit Trust Certificates at 5 percent below market value or at the face value whichever is less.

The Performance Guarantee shall be submitted by the successful bidder after the issuance of the Letter of Acceptance (LOA), but before signing of the contract agreement. This P.G. shall be initially valid upto the stipulated date of completion plus 60 days beyond that. In case the time for completion of work gets extended the contractor shall get that validity of P.G. extended to cover such extended time for completion of work plus 60 days. e) The Performance Guarantee (PG) shall be released after physical completion of the work based on 'Completion Certificate' issued by the competent authority stating that the contractor has completed the work in all respects satisfactorily. The security deposit shall be released only after expiry of the maintenance period and after passing the final bill based on 'No Claim Certificate' from the contractor. Whenever the contract is rescinded, the Security Deposit shall be forfeited and the Performance Guarantee shall be en-cashed.

**Annexure – I**

**Technical proposal (Part A)**

The technical proposal shall comprise of the following documents:-

1. Category – I merchant banking license from SEBI
2. League table of 'SLU+SFC' of Prime Database for the last five financial years (2016-17,2017-18, 2018-19, 2019-20,2020-21)
3. Undertaking with respect to point no.4.3 and 4.4 of the eligibility criteria
4. Authorization letter/power of attorney/resolution passed by the board of directors or any committee to determine the signing power of the official signing the proposal
5. Details of completed assignments undertaken by the bidder as transaction advisor and/or merchant banker/arranger for bond issuances of SLUs (including SFIs) during last five financial years (i.e. 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21)as per the following format along with the mandate letters/completion letters or any other proof of work completion.

S. No.	Name of the SLU/SFI	Details of work undertaken	Amount of issue

6. Technical approach, work plan and methodology for the assignment **in maximum 10pages**
7. CV of team leader and finance expert proposed for the assignment (signed both by bidder and expert).



**Annexure – II**

**Format of financial proposal (Part B)**

#	Description	Fees (in INR) including all costs and charges but excluding applicable taxes/GST
1	Transaction advisory services	

Amount in words: Rupees \_\_\_\_\_ inclusive of all costs and charges but excluding applicable taxes/GST

Date:

Authorised Signatory Seal

Note:

1. The Financial Proposal shall take into account all costs and expenses but shall exclude applicable taxes/GST, which shall be paid extra by the K-Rail at prevailing rates. For the avoidance of doubt, it is clarified that applicable taxes/GST shall be deemed to be excluded in the Financial Proposal. Further, all payments shall be subject to deduction of taxes at source as per applicable laws.
2. Any bid below Re 1 (exclusive of applicable taxes/GST) will be considered as invalid and will be rejected.
3. Full bid amount will be paid on completion of scope of service.