



*Defining the Future*

# KERALA INFRASTRUCTURE INVESTMENT FUND BOARD

(A Statutory Body under Finance Department, Government of Kerala)

Finance and Administration Division

website: [www.kiifb.kerala.gov.in](http://www.kiifb.kerala.gov.in)

FA-3/201/2018/KIIFB

February 26, 2018

## E-Tender Invitation

1. Kerala Infrastructure Investment Fund Board(KIIFB) invites bids under single stage - two envelope/ cover system comprising of pre-qualification proposal and financial bid for selection of arrangers for the proposed Rs. 3500 crore issue of bonds (including green shoe option of Rs.200o crore) in the domestic market.
2. Bid submission date and other details are provided in the RFP which is also available in the e-tender portal of the Government of Kerala(<https://etenders.kerala.gov.in>) as well as the website of KIIFB([www.kiifb.org](http://www.kiifb.org)).
3. Interested arrangers are requested to submit their bids through the e-tender portal.
4. For any queries/clarifications regarding the RFP, the bidders may contact the Joint Fund Manager, KIIFB @ 944698137; 7710058199; [financeadmin@kiifb.org](mailto:financeadmin@kiifb.org)

**V.Suseel Kumar**  
**Deputy Fund Manager**  
**for Chief Executive Officer**



*Defining the Future*

**KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

**TENDER NOTIFICATION  
REQUEST FOR PROPOSAL (RFP)**

**Appointment of Arrangers for the  
proposed private placement of non-convertible, redeemable, taxable bonds of  
Rs. 10,00,000/- each in the nature of debentures amounting to Rs. 1500 crore  
with Green Shoe option of Rs. 2000 crore aggregating to Rs.3500 crore**

Thiruvananthapuram

26<sup>th</sup> .February 2018

**Schedule for submission of Tender / Proposal in response to this RFP :**

<b>Sl.</b>	<b>Event</b>	<b>Schedule</b>
1	RFP can be downloaded from E-procurement portal of Government of Kerala and the website of KIIFB <a href="http://www.kiifb.kerala.gov.in">http://www.kiifb.kerala.gov.in</a>	11 am on 26 <sup>th</sup> February 2018 to 5 pm on 11 <sup>th</sup> March 2018
2	Last date and time for submission of Bids.	Upto 3.00 pm on 12 <sup>th</sup> March 2018
3	Technical Evaluation of pre-qualification proposals	03.00 pm on 14 <sup>th</sup> March 2018
4	Financial Bids of the technically qualified Bidders will be evaluated at the office of KIIFB at 'Felicity Square', Statue, Thiruvananthapuram".	03.00 pm on 16 <sup>th</sup> March 2018.

## **A. Background**

Kerala Infrastructure Investment Fund Board (KIIFB) is a statutory body created by the Government of Kerala under the Kerala Infrastructure Investment Fund Act, 1999, as a special purpose vehicle for channelizing investments for large infrastructure projects in the state.

Comprehensive amendments were carried out to the Act in 2016 providing a new structure and outlook to the Board.

The amendments empowered the Board to raise money through financial instruments approved by SEBI and RBI. As per the amended KIIF Act, a minimum threshold of Rs 100 crore is prescribed for projects seeking financing from KIIFB.

Amendments, inter alia, also provided for reconstitution of the Board with the Chief Minister as the Chairman and the Finance Minister as Vice Chairman. The Chief Secretary, Government of Kerala, is a member of the Board.

A key feature incorporated vide the 2016 amendment was the creation of the Fund Trustee and Advisory Commission (FTAC) as an oversight mechanism for ensuring transparency in functioning of the Board.

FTAC is statutory requirement to assess fund utilization and repayment capability of KIIFB and submit a Fidelity Certificate, twice a year, certifying that the funds have been used appropriately and the Board has adequate resources for meeting debt obligations. At present FTAC is chaired by Shri. Vinod Rai, Former Comptroller and Auditor General of India. Smt. Usha Thorat, Deputy Governor (Retd.), Reserve Bank of India, and Sri.G Padmanabhan, Executive Director (Retd.), Reserve Bank of India, act as members.

Borrowings of KIIFB have the advantage of being backed by sovereign guarantee of the Government of Kerala and debt servicing is supported by a statutorily mandated revenue stream whereby the entire one-rupee additional cess on each litre of petrol and diesel and fifty per cent of the motor vehicle tax collected in the state of Kerala is transferred directly to KIIFB.

Further, a repayment agreement will be signed between KIIFB and the sponsoring government department in cases where revenue generating projects are financed by KIIFB. Details of projects funded by KIIFB are listed on our website.

## **B. Tentative details of the proposed Bond Issue**

Issuer	<b>Kerala Infrastructure Investment Fund Board</b>
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Instrument	Privately placed, Non-Convertible, Redeemable, Taxable Bonds (“Bonds”).
Issue size	Rs. 1500 crore with Green Shoe option of Rs. 2000 crore aggregating to Rs.3500 crore
Face value	Rs. 10 lakh
Issue price	At par
Tenor	10 years.
Rating	A+(SO)/Stable(Provisional) by CRISIL and ICRA
Put / Call option	It will vary on tranche and structure. Will be intimated at the time of issue opening.
Redemption	It will be decided in each tranche at the time of issue opening.
Settlement Mode	DEMAT
Listing On	NSE and BSE
Purpose	Investment in public infrastructure projects funded by KIIFB.

### **C. Scope & Deliverables**

1. Assisting the issuer in complying with all legal and statutory requirements including obtaining all requisite approvals from the regulators, stock exchanges etc.
2. Assisting the issuer with the preparation of all issue related documents

3. Assisting the issuer with the appointment and coordinating with all third parties to the issuance
4. Drawing up the strategy for deal execution, marketing, road shows, logistics, listing, etc
5. Any matter incidental thereto for meeting the objective of a successful fund raising

#### **D. Access to RFP documents**

RFP can be downloaded from E-procurement portal of Government of Kerala <https://etenders.kerala.gov.in> and the website of KIIFB <http://www.kiifb.kerala.gov.in> or <http://www.kiifb.org> from 11 am on February 26, 2018 to 5 pm on March 11, 2018.

#### **E. General Instructions for Bidding**

1. The Proposals, which do not satisfy the eligibility criteria mentioned hereunder shall be rejected.
2. A non-refundable tender processing fee / transaction fee as determined by E-Procurement Portal shall be payable online by the Bidders at the time of submission of Bid.
3. The Bidder shall furnish non-interest bearing EMD (Earnest Money Deposit) of Rs. 2 lakh [Rupees Two lakh only] which shall be paid in a single transaction using the on-line modes specified in the E-Procurement Portal. The EMD prescribed shall be submitted by each of the bidders. Bids not accompanied by the prescribed EMD shall be disqualified and rejected. The Bidders shall also provide their bank account details for the refund of EMD.
4. Non-fulfilment of any pre-qualification criteria would amount to disqualification and the particular Financial Bid will not be opened.
5. KIIFB may disqualify any Bidder at any stage, if it comes to the notice of KIIFB that any information/certificate/document furnished/produced by the Bidder is factually incorrect/false.
6. KIIFB reserves the right to reject all or any of the Proposals of the Bidders without assigning any reason thereof. Further, KIIFB is not bound to accept the lowest

quotation for fee, if in the sole opinion of the KIIFB, it is considered necessary to protect the interest of KIIFB.

## **F. Bidding Procedure**

1. A Single stage-Two envelope/ cover system shall be followed for the submission of Proposals:

- Pre-qualification Proposal
- Financial Bid

2. The 'Pre-qualification Proposal' and 'Financial Bid' documents shall be uploaded in the e-procurement portal in format given in Annexure I and Annexure II respectively.

3. 'Pre-qualification Proposal' shall be evaluated first. The Financial Bid of the qualified Bidders will be evaluated thereafter.

4. For the 'Pre-qualification Proposal', the following would be considered:-

- The Bidder should have a currently valid certificate of registration as a Merchant Banker from SEBI.
- The Bidder should be in the Top 15 ranking of 'All Category' league table of Prime Database for privately placed debt instruments in each of the last three financial years

5. For the evaluation of the 'Financial Bid', the Bidder who has quoted the lowest arrangers fee as per the Schedule of Rates (SoR)/Bill of Quantities (BoQ) would be awarded the mandate. Arranger shall also give a firm commitment for raising a minimum of Rs.500 crores. The maximum firm commitment that shall be considered from one arranger is Rs. 1250 crore.

6. KIIFB may also, at its sole discretion, for ensuring that the minimum committed amount matches the issue size, select a second arranger on the same terms and conditions as the 1st. While selecting the 2nd Arranger, KIIFB may first approach the Arranger which quoted the second lowest fee and if such arranger is not able to match the fee quoted by the lowest bidder, then approach the third lowest and so on.

7. If the same lowest fee is quoted by more than one Arranger, then L1 will be decided based on the firm commitment offered. If the arrangers fee and the firm

commitment quoted by the lowest bidders are identical, then all such lowest bidders shall be called for negotiations and selection will be based on the lowest quote received during the negotiation. The same procedure shall be followed while selecting L2 also.

8. In case of any dispute, the decision of the Chief Executive Officer, KIIFB shall be final and binding on all parties.

9. All cases / proceedings relating to any dispute or claim arising out of the tender shall be falling in proper court having jurisdiction in Thiruvananthapuram.

10. The Financial Bid should be valid for a period of 60 days from the date of its opening. The Bidder should submit the Financial Bid along with unconditional acceptance of terms and conditions of the bid in the requisite format and should not contain any condition proposed by the Bidder. Any conditional bid is liable for rejection.

11. The proposals through the e-procurement portal of the Government of Kerala, latest by 5.00 p.m. on March 12, 2018. Any bid received after the due time and date shall not be considered for selection.

12. The 'Pre-Qualification Proposals' of the Bidders shall be opened at 03.00 pm on March 14, 2018 at the office of KIIFB and the 'Financial Bids' of the qualifying Bidders shall be opened at 03.00 pm. on March 16, 2018 at the office of KIIFB.

13. Bidders will not be permitted to alter or modify their Financial Bid after expiry of the deadline fixed for submitting the Proposal till the date of validity of the Financial Bid and if they do so, their EMD shall be forfeited.

#### **E. Other Conditions of Tender**

1. The mandated Arranger shall give unconditional acceptance to the terms and conditions mentioned herein.

2. In case the mandated Arranger is unable to complete the transaction successfully as per the scope of work due to reasons other than those attributable to KIIFB, then KIIFB shall have the right to cancel the contract without any financial implication to KIIFB and shall not consider such Arranger for future assignments of KIIFB for a period of two years.



3. The fees quoted shall be firm and fixed till completion of the assignment and shall be inclusive of all taxes, levies and duties except Goods and Services Tax, if any, payable in India.
4. No modification of SoR/BoQ will be permitted and the Bidder should quote strictly as per the SoR/BoQ format.
5. KIIFB reserves the right to make changes/modifications to any condition prescribed herein prior to the last date for submission of bids. Any changes /modifications made will be updated in the e-Procurement portal and in KIIFB's website only. If such change/modification is made, KIIFB reserves the right to extend the due date for submission of Bids.

#### **F. Security Deposit**

1. Successful bidders shall deposit an amount of Rupees One crore only as security deposit. The EMD already paid shall be adjusted towards the security deposit and successful bidders will have to remit the balance amount in a single transaction using the on-line modes specified in the E-Procurement Portal.
2. The security deposit shall be forfeited if the arranger fails to raise the committed amount.
3. The Security deposit shall be refunded on the successful completion of the issue and credit of issue proceeds in the designated issue account.

#### **G. Payment Terms**

1. The Arrangers fees will be released after successful completion of the issue and credit of issue proceeds in the designated issue account.
2. The fees would be payable within 30 days from the date of receipt of the invoice.
3. No additional out-of-pocket expenses would be payable. No expense other than the fees as quoted would be payable by KIIFB for the entire scope of work.

#### **H. Contact person**

For any query and for submission of proposals, kindly contact the following officer:

**Joint Fund Manager**

**Kerala Infrastructure Investment Fund Board**

**2nd Floor, Felicity Square, Statue**

**Thiruvananthapuram - 695001**

**Phone No.**(0471)-2780900 (Mob.) 9446898136 / 7710058199/ 9446898137

**Email id.**finance.admin@kiifb.org

**Annexure I**  
**Pre-qualification Proposal**  
**Criteria**

<b>S. No.</b>	<b>Qualifying Criteria</b>	<b>Document to be Produced</b>
1	The Bidder should have a currently valid certificate of registration as a Merchant Banker from SEBI	Self certified copy of valid SEBI Registration Certificate.
2	The Bidder should be in the Top 15 ranking of 'All Category' league table of Prime Database for privately placed debt instruments in each of the last three financial years	Statement duly signed on the letter head of the Bidder by authorized signatories.

**Annexure II**  
**SCHEDULE OF RATES / BILL OF QUANTITIES**

<b>Sr. No.</b>	<b>Description</b>	<b>As a %</b>
<b>1.</b>	<b>Arrangers Fee</b>	

**Note**

1. Fee should be quoted as a percentage of the total issue size.
2. Total shall be calculated upto two decimal places only.

(Authorised Signatory)

(Name & Designation)

Stamp of Bidder

**Annexure III**

**(To be given on the letter-head of the Bidder)**

**LETTER OF UNCONDITIONAL ACCEPTANCE OF  
THE KIIFB'S PROPOSED BOND ISSUE**

**Ref.No.**

**Date:**

The Chief Executive Officer  
Kerala Infrastructure Investment Fund Board  
2nd Floor, Felicity Square, Statue  
Thiruvananthapuram - 695001

Dear Sir,

**Sub: Unconditional undertaking**

We .....(name of Bidder) .....are hereby giving unconditional undertaking that we accept all the terms and conditions prescribed by Kerala Infrastructure Investment Fund Board for proposed Bond issue as stated in the RFP.

We further submit that ..... (name of Bidder) .....will work as per requirement of KIIFB for successful completion of the proposed bond issue and will raise a minimum commitment of Rs.....

The undersigned is authorised to sign and submit the bid.

(Authorised Signatory)  
(Name & Designation)  
Official Seal of Bidder