



**KRISHNA BHAGYA JALA NIGAM LIMITED**

(A Government of Karnataka undertaking)  
PWD Office "Annexe" III floor, K.R.Circle,  
Bengaluru – 560 001

*RFP Document for appointment of Merchant Banker(s) / Arranger(s) for Series 2014-B*

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**RFP Document for appointment of  
Merchant Banker (s) / Arranger (s) for  
Series 2014-B , Private placement of  
Bond by KBJNL.**



# KRISHNA BHAGYA JALA NIGAM LIMITED

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### **Chapter I TENDER NOTIFICATION REQUEST FOR PROPOSALS**



**KRISHNA BHAGYA JALA NIGAM LTD.,**  
(A Government of Karnataka undertaking)  
PWD OFFICES ' ANNEXE' III FLOOR, K.R.CIRCLE, BANGALORE - 560 001  
TEL : (080) 22244484, 22277393, 22277488, FAX: (080) 22219470

#### **APPOINTMENT OF MERCHANT BANKERS FOR PROPOSED SERIES 2014-B PRIVATE PLACEMENT OF BONDS OF KBJNL UNDER E-PROCUREMENT, TWO COVER SYSTEMS.**

NO . KBJNL/FD/RES/MB- 2014B/2014-15/

July 16 2014

Krishna Bhagya Jala Nigam Ltd., an Irrigation Infrastructure Company in Karnataka, proposes to mobilize ₹ 500.00 crore with green shoe option to retain oversubscription up to ₹ 250 crore aggregating to ₹ 750.00 crore through issue of Series 2014-B Private Placement Bonds during July -August 2014.

In this context Bids are invited through E-procurement portal from Category 1, SEBI registered Merchant Bankers who have mobilized through private placements of bonds, under all issuer category, worth more than Rs. 1000.00 crores during the last financial year ie., 2013-14.

The eligible Merchant Bankers may access bid documents from the e-procurement portal [www.eproc.karnataka.gov.in](http://www.eproc.karnataka.gov.in) from July 17, 2014 onwards.

Please note henceforth, any changes in the schedule will not be published through News papers and further changes will be updated only on e-portal / KBJNL website ie., <http://www.kbjnl.com>

Sd/-  
(EXECUTIVE DIRECTOR - FINANCE)



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### **Chapter II FORMAL REQUEST FOR PROPOSAL**

Proposals in the prescribed forms are hereby invited by the Executive Director Finance, Krishna Bhagya Jala Nigam Ltd.(KBJNL,) Registered Office, Bengaluru on behalf of the Managing Director, KBJNL for the following assignment through e-procurement portal.

- 1 **NAME OF ASSIGNMENT:-** Appointment of Merchant Banker(s) / Arranger(s) for Series 2014-B Bond Issue of KBJNL, on firm commitment basis.
- 2 **Tender processing fee and EMD:**
  - 2.1. A non refundable **tender processing fee / transaction fee as determined by e-procurement portal** shall be payable by the Proposers (Bidder) at the time of submission of Bid. The tender processing fee can be paid through e-procurement portal using payment modes - Credit Card / Direct Debit / National Electronic Fund Transfer / Over the Counter (OTC) through ICICI Bank.
  - 2.2. The Proposers (Bidder) shall furnish non-interest bearing **EMD (Earnest Money Deposit)** of ₹50,00,000/- (Fifty lakh only) which shall be paid through e-procurement portal using payment modes - Credit Card / Direct Debit / National Electronic Fund Transfer / Over the Counter (OTC) through ICICI Bank in a single transaction.
  - 2.3. Earnest Money deposit (EMD) of unsuccessful bidders will be returned to their bank account automatically through online EMD Refund System by the e-governance department, Government of Karnataka.
  - 2.4. EMD shall not be in proportion to the number of Merchant Bankers short-listed. Merchant Banker (s) has(ve) to submit entire EMD individually as specified in pre-para 2.2.



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- 3 **Eligibility and qualification Criteria** : For Technical Qualification, the proposers (Bidders) have to pay transaction fee / tender processing fee and EMD as specified in pre para and should satisfy following eligibility criteria:
- 3.1. Should be a Category - 1 SEBI Registered Merchant Banker and should have SEBI License valid till the closure of the Issue ie., at least till September 30, 2014. (Mere submission for renewal certificate will not be considered as fulfillment of eligibility criteria).
  - 3.2. Should have mobilized ₹ 1,000.00 crore in Debt Private placements, of all Issuers, during the financial 2013-14.
  - 3.3. Should have participated in Debt Private Placements of State Level Financial Institutions or State Level Undertakings during the financial year 2013-14.
  - 3.4. Declaration as per the format given in Annexure - 3 shall be enclosed.

#### **4 Schedule for submission of Tender / RFP:**

| Sl. | Event   | Schedule                            |
|-----|---|-------------------------------------|
| 4.1 | Downloading the RFP document from the web site <a href="http://eproc.karnataka.gov.in">http://eproc.karnataka.gov.in</a> ,  | July 17, 2014 to July 23, 2014 5pm. |
| 4.2 | Merchant Bankers / proposers needing any clarification may submit their queries in writing to "The Executive Director - Finance, Krishna Bhagya Jala Nigam Limited, PWD offices 'Annexe', III floor, K.R.Circle , Bengaluru - 560 001". | on or before July 23, 2014 5.00 pm  |
| 4.3 | The required clarifications shall be issued by KBJNL in the pre-bid meeting to be held at Krishna Bhagya Jala Nigam Ltd. Registered Office, PWD offices, "Annexe" Building,   | July 24, 2014 at 11.00 am           |



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|     |   |                            |
|-----|---|----------------------------|
|     | K.R.Circle, Bengaluru – 560 001.  |                            |
| 4.4 | Last date for submission of Bids in the e-procurement portal.   | July 25, 2014<br>5.00 pm   |
| 4.5 | Date of opening of Technical Bid is at Krishna Bhagya Jala Nigam Ltd. Registered Office, PWD offices, "Annexe" Building, K.R.Circle, Bengaluru – 560 001.                                       | July 28, 2014,<br>11.00 am |
| 4.6 | Date of opening of Financial Bids of the technically qualified Bidders is at Krishna Bhagya Jala Nigam Ltd. Registered Office, PWD offices, "Annexe" Building, K.R.Circle, Bengaluru – 560 001. | July 28, 2014,<br>4.00 pm  |

### 5.0 Other relevant Information:

| Sl. No | Particulars  | Particulars  |
|--------|--|--|
| 1      | Name and Address of the Procuring Entity                 | <b>KRISHNA BHAGYA JALA NIGAM LTD.</b><br>PWD Offices "Annexe" Building, 3 <sup>rd</sup> floor,<br>K.R.Circle, Bengaluru – 560 001<br>Contact No. : 080-22244484/ 22277393/<br>22277488<br>Fax No. : 080-22219470   |
| 2      | Designation and Address of the Tender Inviting Authority | <b>Executive Director Finance</b><br><b>KRISHNA BHAGYA JALA NIGAM LTD.</b><br>PWD Offices "Annexe" Building, 3 <sup>rd</sup> floor,<br>K.R.Circle, Bengaluru – 560 001<br>Contact No. : 080- 22244484/ 22277393/<br>22277488/08022240521<br>Fax No. : 080-22219470 |
| 3      | Place of Opening of Proposal                             | At Computer section / Board room, KBJNL<br>Registered Office at the above mentioned<br>address as per the scheduled date and time<br>mentioned in this RFP document  |



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### Chapter III

#### General Terms and conditions regarding submitting Proposals

#### 6.0 EMD and Tender processing fee / Transaction fee

6.1. A non refundable **tender processing fee / transaction fee as determined by E-procurement portal** shall be payable online by the Proposers (Bidders) at the time of submission of Bid.

6.2. The Proposers (Bidder) shall furnish **EMD (Earnest Money Deposit)** of ₹ 50,00,000/- (Fifty Lakh only) which shall be paid through e-procurement portal in a single transaction.

6.3. Earnest Money Deposit shall not be in proportion to the number of Merchant Banker short-listed. Merchant Banker (s) has to submit entire EMD individually as specified in pre-para.

#### 7.0 **Eligibility criteria** : In order to be eligible for Technical qualification, the Proposals should include following documents:

| Sl. | Eligibility Criteria   | Document to be uploaded  |
|-----|--|--|
| 7.1 | The Proposers (Bidder) shall furnish non-interest bearing EMD (Earnest Money Deposit) of ₹ 50,00,000/- (fifty lakh only) | Shall be paid through e-procurement portal using payment modes - Credit Card / Direct Debit / National Electronic Fund Transfer / Over the Counter (OTC) through ICICI Bank in a single transaction. |
| 7.2 | Should be a Category - 1 SEBI Registered Merchant Banker and should have SEBI License valid till 30.09.2014.             | Document required: Chartered Accountant certified copy of SEBI Registration Certificate.   |
| 7.3 | Should have mobilized ₹ 1,000.00 crore in Debt Private placement, of all Issuers category during the financial           | Document to be uploaded: Chartered Accountant Certificate by a practicing Chartered Accountant as per  |



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|     |  |   |
|-----|--|---|
|     | year 2013-14.  | the format given in Annexure 4  |
| 7.4 | Should have participated in Private placement / public issue of State Level Undertakings and/ or State Financial Institutions during the financial year 2013-14. | Document required: CA certified copy of Prime League Table for Arrangers, Debt Private Placements under State Level Financial Institutions & State Level Undertakings for the year 2013-14  |
| 7.5 | It shall be on firm commitment basis for ₹ 500.00 Crores and remaining on best effort basis  | Declaration in the letter head of the bidding firm shall be uploaded at the time of bidding. After short listing same has to be submitted to KBJNL in ₹ 200.00 non judicial stamp paper before issue of mandate letter.   |
| 7.6 | Other documents  | a. Profile of the bidder as per the format given.<br>b. Proposer (bidder) should submit duly signed copy of the RFP document only if short-listed, in hard copy to KBJNL, before issue of mandate letter along with all other original documents specified in this RFP document |

### 8.0 Instructions for submitting Proposals:

- 8.1 For Technical Proposals upload scanned copies of all the documents as specified in pre-para.
- 8.2 The financial bid should be directly entered in the E-procurement portal. Please do not upload any hard copy of the financial bid / financial statements.





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- 8.3 The fees quoted in commercial bid sheet / Financial Proposal/ Schedule B should be in Indian National Rupee inclusive of all Taxes, including service tax and Out of pocket expenses. Further, no additional out of pocket expenses shall be payable. Tax will be deducted at source as per the provisions of Income - Tax Act, prevailing at the time of payment.
- 8.4 The fee should be quoted as a percentage of the amount mobilized and retained by the Company.
- 8.5 Commercial Proposals / Financial Proposals i.e, Schedule - B will be opened only if the Bidders are qualified in the Technical bid. The financial Proposals will be evaluated based on the minimum outflow to KBJNL ie., on Internal Rate of Return basis.
- 8.6 No fee will be paid to arrangers on the funds directly mobilized through direct application by the Company.
- 9.0 Other terms and conditions**
- 9.1 Conditional Tenders are not acceptable.
- 9.2 The interest rate quoted shall be for the firm commitment of ₹ 500.00 crores and the balance on best effort basis. Partial Tenders ie., rate of interest quoted for part of the issue amount shall be rejected.
- 9.3 The Range of interest rate should not be given for Interest rates.
- 9.4 Rate of Interest to be quoted should be annualized.
- 9.5 The initial duration of the Bond Issue shall be 30 calendar days or any other duration at the sole discretion of KBJNL during which the Merchant Banker (s) / Arranger(s) needs to mobilize the amount committed.



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- 9.6 The short listed Merchant Banker (s) / Arranger(s) shall not have any Right to insist KBJNL for extension of the Bond Issue in case the amount committed is not mobilized by them during the initial duration of the Bond Issue. In the event, the full issue amount is not mobilized; the arrangers shall bring in the balance subscription before the initial closing date of the issue.
- 9.7 The Company reserves the right to extend the issue or foreclose the issue to make the Bond Issue successful at its own discretion.
- 9.8 In case there are more than one L1 bidders based on the IRR as determined in pre-para, then the L1 shall be determined after negotiations. KBJNL also reserves the right to divide the assignment amongst all the L1 bidders short-listed.
- 9.9 KBJNL reserves the right to negotiate common fee with the L1 bidders.
- 9.10 Before filling up the Tender, the Merchant Bankers are requested to consider the tentative structure of the Bonds mentioned in Annexure - 1. It may be noted that the structure of Bonds mentioned in Annexure - 1 is only tentative and KBJNL has the sole right to change / revise the structure at the time of opening of the Bond Issue.
- 9.11 In case of any downward change in the Money Market Conditions before opening of Issue for subscription, same will be considered and KBJNL reserves the right to impose corrective factor which shall be adhered to. For instance if the selected Merchant Banker quotes a lower rate for any other similar rated Bond Issue by any State Level undertaking, then the correction factor will be such lower interest rate.
- 9.12 The Merchant Bankers are requested to consider the statutory provisions for Issue of Debentures through Private Placements specifically statutory provisions relating to Private Placements



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in Companies Act, 2013 along with relevant rules and clarifications, SEBI Regulations etc.

- 9.13 Mere Issue of RFP Document does not qualify the Merchant Banker for appointment. The Tenders of the Merchant Banker who does not comply with the eligibility Criteria mentioned in the RFP document are subject to be rejected.
- 9.14 The submission of tender by a Merchant Banker implies that he has read the contents of RFP Notice and RFP Document. Mere submission of tender by Merchant Banker implies that the Bidder has accepted all the terms and conditions mentioned in this RFP document and the appointment terms and conditions.
- 9.15 The Proposals of any Merchant Banker who does not accept the conditions contained in the RFP Documents is liable to be rejected.
- 9.16 The Company reserves the right to accept / reject all or any of the tenders without assigning any reasons.
- 9.17 The Company at its sole discretion can reject a tender for freak interest rates, Partial Tenders, Conditional Tenders etc.
- 9.18 The fee and the coupon shall be firm and valid till the targeted amount is mobilized.
- 9.19 In case required, and at its sole discretion, KBJNL reserves the right to appoint more than one Merchant Banker (s) as Arranger(s) to the issue at the lowest quoted interest rate and fees in order to make the Bond Issue fully subscribed.

### **10.0 E-Tendering:**

- 10.1 All proposals are accepted only through e-Procurement, for which the Bidders should purchase Digital Signature Certificate from any of the Empanelled Certifying Authorities as mentioned in the e-Procurement portal.



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- 10.2 Proposers who wish to undergo training on e-Procurement bidding can contact e-Procurement Helpdesk, Government of Karnataka, M.S.Buidling, II Gate, Room No. 108, K.R.Circle, Bengaluru-560001.
- 10.3 The training on e-Procurement bidding will be given by the e-procurement Department of the Government of Karnataka on all Saturdays except, second Saturdays, between 11.00 am to 5.00 pm on prior appointment.
- 10.4 After registering with e-proc portal in case of any difficulties in downloading RFP document, kindly contact us at Contact details given in this RFP document.
- 10.5 Proposers may consider the time involved in payment of transaction fee, EMD and submission of proposals through e-procurement portal. The e-Procurement portal screen vanishes immediately after the last date and time mentioned in the RFP document for submission of proposals. KBJNL shall not be responsible for any delay or technical problems in submission of proposals.
- 10.6 Proposers may consider the Banking transaction time for transfer of transaction fee and EMD through online. KBJNL shall not be held responsible for nonpayment / non transfer of transaction fee / EMD in time or for any technical difficulties, Banking holiday etc., that may occur during the entire transaction.
- 10.7 Any changes / notifications will be updated in the e-Procurement portal and in the Company's web site <http://www.kbjnl.com> only.
- 10.8 Efforts are made to provide all the required details in the RFP Document. In case of any query, Bidders may contact Executive Director - Finance, KBJNL, Registered Office, Bengaluru at telephone number: 080-22240521.



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### **Chapter IV**

**General Terms and conditions regarding appointment of Merchant Banker(s) / Arranger(s) for Series 2014-B of KBJNL, Scope of assignment and terms of payment**

#### **11.0 General Terms and conditions regarding appointment of Merchant Banker(s) / Arranger(s) for Series 2014-B privately placed Bond Issue of KBJNL.**

- 11.1 The appointment of Merchant Banker (s) / Arranger (s) will be on full Commitment Basis for ₹ 500.00 crores and the balance on best effort basis.
- 11.2 In case more than one arranger is appointed, the arrangers have to commit to arrange funds for the issue, to the extent of their individual target, either by them or through market intermediaries.
- 11.3 The firm commitment portion of the subscription shall be brought in within the initial duration of the Bond Issue itself.
- 11.4 KBJNL reserves the right to demand Additional Performance Security as defined in clause 14.2 of this RFP document.
- 11.5 Short listed Merchant Banker(s) will have to submit all the original documents, as required in Technical Proposal along with declaration in ₹ 200.00 stamp paper and signed copy of the RFP document before issue of Mandate letter.
- 11.6 The Nigam reserves the right to negotiate the fee / Rate of Interest further with the L1 bidder/s Merchant Banker(s) / Arranger(s).
- 11.7 Appointment of Merchant Banker(s) / Arranger(s) is subject to complying with all the terms and conditions mentioned in the RFP document and shall be valid till the allotment of Series 2014-B Bond Issue of KBJNL. In case, during this period, if it is found that the appointed Merchant Banker(s) /



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Arranger(s) to the Issue do not meet the eligibility criteria for the appointment, mandate issued is liable to be cancelled at any time at the sole discretion of KBJNL and shall be sued legally for all the related consequences. For all such matters of litigation, courts of Bangalore shall be the jurisdiction.

- 11.8 Any notice served by the Company or the Merchant Bankers under this agreement shall be deemed to have been duly served on by sending through Registered post to the address mentioned in the RFP document / document submitted by the Merchant Bankers.
- 11.9 Merchant Banker / Arranger short listed shall comply with all the statutory provisions regarding Private Placement of debentures and also advice the Company on these matters.

### **12.0 Scope of Assignment**

- 12.1 The scope of the assignment is set out in **Annexure-II**. While effort has been made to define all the areas of importance, the scope is neither exhaustive nor is to be limited to the extent of **Annexure-II**. It shall be the responsibility of the Merchant Banker(s) / Arranger to see that the entire Issue amount as mentioned in the RFP document is fully subscribed as per the applicable Statutory Provisions.

### **13.0 Terms of payment of Arrangers fee**

- 13.1 To be eligible for payment of fee, Merchant Banker (s) / Arranger(s) should have mobilized their individual target amount mentioned at the time of issue of mandate letter.
- 13.2 The EMD, Arrangers' fee and Additional Performance Guarantee, if any, of the Merchant Banker(s) / Arranger(s) who do not mobilize their individual target amount shall be forfeited.



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13.3 The Merchant Banker(s) fee shall be payable only after allotment of Bonds subject to deduction of Tax at sources as per the prevailing provision of Income Tax Act, 1961.

13.4 No fee shall be paid on direct applications.

### **14.0 Freak rates**

14.1 Rate of Interest ie, Coupon quoted by the Merchant Banker (s) in Schedule B are lower than the weighted average of State Development Lending rates of similar tenure announced in RBI web site, immediately prior to the opening of the financial bids of the Merchant Bankers, then the same is considered as Freak rates. KBJNL reserve the right to reject such bids without assigning any further reasons.

14.2 In case, KBJNL feels that the rate of interest quoted by the Merchant banker is unreasonably low, ie., lower than the coupon of the similarly rated, structured and comparable Bond Issues in the market, then KBJNL has the right to demand Additional Performance Guarantee from the Merchant Banker which shall be in addition to the Earnest Money Deposit as mentioned in this document. The amount of such Additional Performance Security shall be up 0.1% of the Total Issue size.

14.3 In case, if it comes to the notice of KBJNL that the Merchant Banker (s) have formed Cartels and quoted unusually high rate of interest,/fee, such proposals are liable to be rejected.

### **15.0 Unsuccessful Merchant Banker (s) / Arranger(s)**

15.1 The Individual target in case of Sole Arranger will be ₹ 500.00 crores on firm commitment Basis. In case of Co-arranger(s), Individual target shall be in proportion to the number of Co-arrangers after reserving few applications for direct subscriptions.



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- 15.2 Any unused applications reserved for direct subscriptions may be distributed by the Company among Arranger (s) at its sole discretion.
- 15.3 In case, any of the Arranger (s) does not mobilize their individual target amount, the EMD, Fee on the amount targeted amount, Additional Performance Guarantee, if obtained, shall be forfeited.
- 15.4 The EMD will be forfeited if the Bidder withdraws his tender after acceptance, imposes any additional conditions after acceptance, if found involved in any illegal activities and if found during the bond issue that the documents provided are fake.
- 15.5 If the short-listed Merchant Banker does not mobilize their individual target amount, withdraws their bid after selection, does not submit the original documents as required in RFP, apart from forfeiting their EMD amount and the Merchant Banker's fee (Arranger's), they will be black listed from all future bond issues of KBJNL and such black listing will be communicated to other SLUs and PSUs..





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### Schedule A TECHNICAL BID

#### PRE-QUALIFICATION CRITERIA:

| Sl. | Eligibility Criteria   | Document to be uploaded  |
|-----|--|--|
| 1   | The Proposers (Bidder) shall furnish non-interest bearing EMD (Earnest Money Deposit) of ₹ 50,00,000/- (Fifty lakh only)   | Shall be paid through e-procurement portal using payment modes - Credit Card / Direct Debit / National Electronic Fund Transfer / Over the Counter (OTC) through ICICI Bank in a single transaction. |
| 2   | Should be a Category - 1 SEBI Registered Merchant Banker and should have SEBI License valid till 30.09.2014.   | Document required: Chartered Accountant 's certified copy of SEBI Registration Certificate.  |
| 3   | Should have mobilized ₹ Rs1,000.00 crores in Debt Private placement, of all Issuers, during the financial year 2013-14.  | Document to be uploaded: Chartered Accountant Certificate by a practicing Chartered Accountant as per the format given in Annexure 4   |
| 4   | Should have participated in Private placement / public issue of State Level Undertakings and/ or State Financial Institutions during the financial year 2013-14. | Document required: CA certified copy of Prime League Table for Arrangers, Debt Private Placements under State Level Financial Institutions & State Level Undertakings for the year 2013-14           |
| 5   | It shall be on firm commitment basis for ₹ 500.00 crores and remaining on best effort  | Declaration in the letter head of the bidding firm at the time of bidding. After short listing same has to be  |



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|   |                                |   |
|---|--------------------------------|---|
|   | basis                          | submitted to KBJNL in ₹ 200.00 non judicial stamp paper before issue of mandate letter.   |
| 6 | Other documents                | Proposer (bidder) should submit duly signed copy of the RFP document only if short-listed, in hard copy to KBJNL, before issue of mandate letter along with all other original documents specified in this RFP document |
| 7 | Upload the profile of the firm | as per the format given below   |

Format for providing profile of the firm:

| Sl. No | Particulars  | Details | Any other remarks |
|--------|--|---------|-------------------|
| 1      | Name of the Organization   |         |                   |
| 2      | Place of Registered Office of the Firm   |         |                   |
| 3      | Address of the Firm  |         |                   |
| 4      | No. of Branches  |         |                   |
| 5      | No. of Partners  |         |                   |
| 6      | SEBI Registration NO.  |         |                   |
| 7      | Validity of the SEBI Registration. Mention the date up to which the SEBI Registration is valid |         |                   |
| 8      | Pan No of the firm   |         |                   |
| 9      | Contact Person   |         |                   |
| 10     | Contact Details - Land Line No.  |         |                   |
| 11     | Contact Details - Mobile Number  |         |                   |
| 12     | Contact Details - Email - ID   |         |                   |



## KRISHNA BHAGYA JALA NIGAM LIMITED

(A Government of Karnataka undertaking)  
PWD Office "Annexe" III floor, K.R.Circle,  
Bengaluru – 560 001

*RFP Document for appointment of Merchant Banker(s) / Arranger(s) for Series 2014-B*

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### Schedule B Commercial / Financial Proposals

Details of Coupon and Merchant Banker fee payable for mobilization of ₹ 500.00 crore on firm commitment basis and balance ₹ 250.00 crore on best effort basis

| Sl. | Description   | Quotes in (%) |
|-----|---|---------------|
| 1   | Coupon / Rate of Interest for mobilizing entire ₹ 500.00 crores with green shoe option to retain oversubscription up to ₹ 250.00 crores aggregating to ₹ 750.00 crores under Series 2014-B, privately placed, Bond Issue of KBJNL. Quote as a percentage on annual basis. |               |
| 2   | Merchant Banker (s) / Arranger(s) fee. Quote as a percentage of the amount to be mobilized and retained inclusive of, service tax, all other Taxes and out of pocket expenses.  |               |



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### Annexure 1, Tentative Structure of the Bonds (subject change before opening of the Issue).

|   |   |
|---|---|
| Face Value  | Rs. 10,00,000 ( Ten lakh only)  |
| Minimum Application Size                              | 5(five) Bonds thereafter in multiples of 1(one) bond.   |
| Tenor   | 10 years  |
| Instrument Type                                       | Regular, Redeemable, Secured, Non convertible, Taxable Bonds  |
| Put / call option                                     | At the end of 7 <sup>th</sup> year from the date of allotment.  |
| Repayment / Redemption                                | Repayable in two equal installments at the end of 9 <sup>th</sup> and 10 <sup>th</sup> year from the date of allotment.   |
| Deemed Date of Allotment                              | Will be intimated later   |
| Size of the issue                                     | ₹ 500.00 crores with green shoe option to retain the oversubscription up to ₹ 250 crores aggregating ₹ 750.00 crore.  |
| Credit Rating for the outstanding borrowings of KBJNL | AA -(SO) (expected) from CRISIL, and India Ratings Private Limited (Fitch group). Company has already approached Rating Agencies for rating present borrowing program of KBJNL.   |
| Structured Payment Mechanism                          | A Tripartite Agreement will be entered into between Government of Karnataka, the Company and the Trustees to the Bondholders under the terms of which Government of Karnataka would assure Budgetary support for servicing the Bonds. |
| Government Guarantee                                  | Unconditionally and Irrevocably Guarantee by the Government of Karnataka (awaited).   |
| Listing   | Proposed on the National Stock Exchange   |



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### **Annexure 2 Scope of the Assignment**

The scope of assignment for the successful bidder is as follows is as detailed below:

#### **PRE-ISSUE:**

- Assistance to KBJNL in determining the terms of the issue, instruments etc.
- Formulation of an action plan for complying with various statutory and legal formalities relating to the issue.
- Preparation of Disclosure Document and any other Offer letter & exercising due diligence on the same,
- Obtaining various consents and approvals from the Stock Exchanges, SEBI and other relevant Agencies wherever required and also listing of the bonds on the stock exchange.
- Assistance in selection of other Intermediaries, if required.
- Designing strategies to the issue and formulation of a marketing plan for the same.
- Fixing of an appropriate date for launching the issue with due regard to the strengths and weakness of the issue and attendant market forces, as well as other relevant environmental factors.
- If multiple arrangers are selected they should enter in to an inter say allocation of work to the satisfaction of KBJNL and they should complement each other's scope of work. Not with-standing this, the arrangers would be jointly and severally responsible for completing the issue successfully.

#### **DURING THE ISSUE:**

- Arranging funds, to the extent of their individual target, for the issue either by them or through market intermediaries.



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- Maintenance of records for making offer to the investors as required under Companies Act 2013 and related rules.
- To ensure that maximum number of investors prescribed in Companies Act 2013 and related rules for Private placement are not breached.
- Collecting the original applications from the Investors and handing over the same to the Registrar and Transfer Agents.
- Advising the company on material developments in the financial market during the bond issue subscription period.
- Reporting to the company on the amount mobilized with banking details and reconciling the same.

### **POST ISSUE:**

- Reconciliation of subscription amount along with Banking confirmations and the original applications.
- To ensure that all original applications are handed over to Registrar and Transfer Agents.
- Finalizing allotment in co-ordination with the Registrars and Bankers to the issue.
- Assisting the company in allotment of bonds at NSDL and CDSL within the due date.
- Assisting the Company in preparation of final documents and Listing of Bonds with Stock Exchange(s) within the date.
- Assisting the Company in payment of interest on application / refunds, if any, within the due date.
- Assisting the Company in filing various statutory documents with SEBI / Stock Exchange / RoC.



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### Annexure 3 Format for declaration

The following Declaration has to be uploaded by the Merchant Banker along with Schedule A , that is, Technical Bid. The original declaration in ₹ 200/- stamp paper should be submitted before issue of mandate letter.

**NAME OF THE ASSIGNMENT:** Acting as Arranger to Series 2014-B Bond Issue of KBJNL

#### Declaration

- i We, (Name of Merchant Banker) hereby declare that I/We have made myself / ourselves thoroughly conversant with market conditions regarding the issue of Series 2014-B Bond Issue of KBJNL to be opened for subscription during August 2014 or any other date as may be decided, Structure of Bonds, Scope of assignment, firm commitment amount, Etc.
- ii My / Our quotation is in total conformity with the Tender stipulation and I/We do not have any additional technical or commercial conditions. The quotation given by us for mobilization of entire issue size and not for partial amount.
- iii We, (Name of Merchant Banker) undertake to arrange firm commitment amount of Rs.500.00 crore (Rupees five hundred crore) as per the terms of the RFP document and balance amount on best effort basis.
- iv We, (Name of Merchant Banker) undertake to not to form any Cartels which may curtail the competition and hinder transparency of the entire process.
- v We, (Name of Merchant Banker) accept all your terms and conditions mentioned in this RFP document.
- vi We, (Name of Merchant Banker) confirm that the details furnished by us in the RFP documents are true and complete and are as per the Original documents.
- vii We, (Name of Merchant Banker) undertake to produce the Original documents for verification / Records before appointment in case short-listed.
- viii We, (Name of Merchant Banker) hereby declares that we have complied with / agrees to comply with all the statutory formalities / guidelines / regulations / circulars issued by the Securities and Exchange Board of India (hereinafter referred to as "the Board"), Companies Act 2013 read with relevant Rules and other relevant statutory provisions applicable to this Bond Issue.
- ix We, (Name of Merchant Banker) understand that nothing in this Agreement shall exempt the Bidder, its functionaries or other intermediaries associated with the issue



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from responsibilities/ obligations to be complied with in connection with the existing Acts/ Laws etc. or as may be placed on them at future date by any Law/ Acts/ Rules/ Regulations/ Guidelines/ Directives/ Instructions by any competent authorities with the due sanction of Government and/or statutory body from time to time.

x **We, (Name of Merchant Banker)** understand that the KBJNL has the sole right to decide to extend or close the Bond Issue after completion of initial duration of Bond Issue and the Merchant Banker (s) / Arranger(s) cannot insist KBJNL for extension of Bond Issue in case the targeted amount Committed are not mobilized ( as per clause 9.5 and 9.6 of the RFP document).

xi **We, (Name of Merchant Banker)** solemnly undertake and declare that:

- a. All information, documents, statements produced for any purpose related to the issue/offer document, (would be) are authentic & duly signed by the responsible authorized officer on the Company's letterhead or under the seal of the Company.
- b. Aforementioned information/ document/ statement are complete in all respects; authentic, duly substantiated by facts on record, true and correct and the (Name of Merchant Banker) will be solely and fully responsible for such information so provided.
- c. Under no circumstances (Name of Merchant Banker) would give or withhold any information or statement or document that is likely to mislead KBJNL.
- d. (Name of Merchant Banker) accept full responsibility for consequences, if any, for making a false statement, providing misleading information or withholding, concealing material facts which have a bearing on the issue.

xi. **Consequence of Breach:**

- a. (Name of Merchant Banker) Indemnifies and hold harmless, KBJNL and its officers from any claims, actions proceedings, demands, liabilities, penalties, damages, judgment, losses and cost including fees and expenses arising out of or in connection with or in relation to the services rendered by the Arranger under this Agreement and shall reimburse KBJNL in connection with any litigation arising out of, in relation to the Issue of Bonds / Debentures, which may arise due to the negligence, mis-statement, Ignorance, breach of terms of this Agreement by the Merchant Banker / Arranger.

Witness:

Signature:

Name:

Date:

Place

For Merchant Banker

Authorised Signatory  
(Name, Designation and Seal)





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### Annexure 4

(To be produced in the letter head of a Practicing Chartered Accountant)

To:

**KRISHNA BHAGYA JALA NIGAM LIMITED**  
**PWD OFFICE " ANNEXE", III FLOOR,**  
**K.R.CIRCLE,**  
**BENGALURU - 560 001**

Sir.,

As per the requirement of RFP document for appointment of Merchant Banker / Arranger for Series 2014-B Bond Issue of KBJNL, we have verified the relevant documents of (Name of the Merchant Banker) and certify as follows:

| Sl. | Particulars   | Remarks / Confirmation of the Chartered Accountant. |
|-----|---|---|
| 1   | Name of the Merchant Banker   |   |
| 2   | Address as per the SEBI Registration Certificate  |   |
| 3   | Category 1 SEBI Registration Number of Merchant Banker  |   |
|     | Validity of the SEBI Registration   |   |
| 4   | Category  | Category 1  |
| 5   | Amount mobilized in crore in Debt Private placement, in all issuers, during the financial year 2013-14.   |   |
| 6   | Whether participated in Debt, Private placements, State Level Financial Institutions and State Level Undertakings for the financial year 2013-14 and the amount as per Prime League Table |   |

**For Chartered Accountant (firm)**

**Firm Registration Number**

**Name of the Partner**

**Membership Number**

**(Affix the seal)**

**Date:**

**Place:**