

Expression of Interest

For

**The Empanelment of Merchant Bankers-cum-Arrangers
-cum- Advisors to facilitate the issuance of bonds/raising
loan by Designate PSUs/Organizations of HP Government.**

Issued by

HP INFRASTRUCTURE DEVELOPMENT BOARD, SHIMLA, HP

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The EoI is not an offer by HPIDB, but an invitation for bidder's responses. No contractual obligation on behalf of HPIDB, whatsoever, shall arise from the offer process unless and until a formal contract is signed and executed by duly authorized entities of Govt. of HP and the Bidder.

Expression of Interest for the empanelment of Merchant Bankers-cum-Arrangers-cum-Advisors (hereafter referred to as "the Advisor") to facilitate the issuance of bonds/raising loan by Designate PSUs/Organizations of HP Government (hereafter referred to as "the Authority").

1. Introduction and Background

The Government of **Himachal Pradesh through H.P. Infrastructure Development Board (HPIDB)** is seeking to empanel qualified and experienced **merchant bankers-cum-arrangers cum advisors** to assist & advise the designate HP Government PSUs/Organizations in raising debt through loans and bond issuances. The empanelment will create a pool of financial institutions that can be engaged on a case-by-case basis to provide a range of services, including structuring, advising, arranging, and executing debt raising transactions.

The empanelment of Merchant Bankers cum Arrangers cum Advisors shall be for a period of three years (further extendable up to two years on mutually agreed terms).

In pursuance of the above, HPIDB invites proposals for Empanelment of Merchant Bankers-cum Arrangers & Advisors who shall assist and undertake delivery of services as listed and detailed further under the section "Terms of Reference".

(This notice is open to all SEBI Registered Category - I Merchant Bankers, whose registration is valid on the date of submission of the Proposal and should remain valid during the tenure of empanelment.)

2. Objective

The primary objective of empanelment is to secure comprehensive advisory and merchant banking services for the successful issuance of bonds/raising loans by the Authority. This includes, but is not limited to, raising loan/structuring the bond issue, ensuring regulatory compliance, facilitating approvals, and managing the subscription allotment process and arrangement of funds against the subscription.

3. Terms of reference

The empanelled advisors will be responsible for a comprehensive range of services related to debt raising. The scope of work shall include, but is not limited to:

I. Strategic Advisory and Planning

The empanelled advisor will provide strategic advice on debt raising, including market analysis, timing, and optimal structuring of transactions.

- **Financial and Project Review:** Conduct due diligence on the project scope, design, land acquisition and regulatory clearances. Analyse capital expenditure, implementation schedule and projected operating costs to assess the project's financial viability and identify potential risks.
- **Financial Modelling and Risk Analysis:** Create a detailed financial model incorporating projected balance sheets, income statements, cash flow statements,

and debt service schedules. Perform in-depth sensitivity analysis. Develop a risk matrix to identify and quantify major risks (implementation delays, market and interest rate risks), propose mitigation strategies.

- **Financing Plan Development:** Use the financial model and risk analysis to craft a detailed Financing Plan. Recommend an optimal debt structure, funding sources (e.g., bonds, term loans, or a combination) and propose the specific security package and guarantees that will be required to satisfy potential lenders.
- **Preparation of Information Memorandum (IM):** Draft a detailed Information Memorandum in close consultation with the Authority. This will include an executive summary of the project and financing terms, overview of the project and the Authority, detailed analysis of commercial aspects, and the findings of the financial analysis and sensitivity tests.

II. Transaction Structuring and Market Engagement

- **Transaction Structuring:** Design the debt instrument (term loans/bonds) to meet the Authority's specific needs and market conditions. Advise on credit enhancement structures, government guarantee, issuance methods (e.g., private placement to a select group of investors or a public issue). Mobilize funds for a minimum amount as required by the authority.
- **Market Survey and Investor Outreach:** Conduct market survey to identify and gauge the interest of potential investors. Organize and lead "Road Shows", which are a series of targeted meetings and presentations with key decision-makers at these institutions.
- **Lender/Investor Identification:** Identify and approach potential term lender and Bond investors.
- **Due Diligence and Lender Coordination:** Act as the primary liaison for lenders. Provide lenders with the Information Memorandum and other necessary documents, facilitate their due diligence process, and coordinate meetings and presentations, answer any questions and secure commitments.

III. Execution and Allotment

- **Regulatory Compliance and Documentation:** Manage the regulatory requirements by assisting the Authority in obtaining all required sanctions and clearances from regulators like SEBI and RBI. This also includes providing legal counsel and support for the preparation and finalization of all transaction documents, from the Disclosure Document to the formal loan agreements.

Credit Rating Process: Coordinate with credit rating agencies, providing them with all necessary financial data and project information to help the Authority secure and maintain an appropriate rating for the debt instruments.

- **Book-Building/Subscription Management:** Manage the entire book-building or subscription process. This involves setting up the system to receive and process

applications, handling communications with investors, and ensuring that all applications comply with the terms of the issue. The advisor will also be responsible for arranging funds to meet the target amount and act as an underwriter to guarantee the full subscription of the issue.

- **Allotment, Drawdown, and Listing:** Facilitate the final allotment of bonds in a fair and transparent manner, coordinate with depositories like NSDL and CDSL for the dematerialization of the bonds, and assist with the first drawdown of funds from lenders and arranging debt with institutional investors.

IV. Post-Transaction Support

- **Investor Relations and Market Monitoring:** Provide ongoing support, offering advice on managing investor relations and staying in compliance with reporting requirements. Continuously monitor the market for changes in interest rate movements, market trends, and any other factors that could impact the debt and future funding needs.

(The services cover the entire lifecycle of a debt-raising, from initial planning to post-issuance support.)

4. Eligibility Criteria

To be eligible for empanelment, advisors must meet all of the following criteria:

- **Registration:** *The Advisor must be a **SEBI-registered Category I Merchant Banker** with a valid license at the time of proposal submission and should remain valid during the empanelment tenure.*
- **Experience:** *must have a minimum of **10 years of experience** advising on and arranging debt transactions for government entities or Public Sector Undertakings (PSUs). This includes a strong understanding of RBI regulations.*
- **Net Worth:** *must have a minimum **net worth of ₹50 crores** as per latest audited financial statements.*
- **Financial & Human Resources:** *must demonstrate to have adequate financial and human resources to effectively execute the mandate.*
- **Clean Record:** *must not have defaulted on any post-commitment obligations in a bond issue. Advisor must also not have been blacklisted, debarred, or prohibited by any regulatory authority or PSU for raising debt instruments.*
- **Fund-Raising Track Record:** *must have raised a total of **₹5,000 crores in funds** (via loans and/or bond issues) for Central/State Level Undertakings, Financial Institutions, or Body Corporates/Companies in the last five years from the date of bid submission.*
- **Professional Expertise:** *The advisor must have a minimum of three key personnel with relevant professional experience (e.g., Chartered Accountants, MBAs from recognized institutions) in **merchant banking, corporate finance, or debt capital markets**.*

- **Documentary proof required:** SEBI registration certificate, certificate, mandate letter, or completion certificate from the issuer/borrower, Prime Database league table, Audited financial statements.

5. Submission Requirements

Interested advisors must submit a proposal that includes the following:

- **Cover Letter:** A formal letter expressing interest in the empanelment.
- **Company Profile:** A detailed profile of the advisor, including its organizational structure, key personnel, and SEBI registration details.
- **Experience and Track Record:** A comprehensive list of relevant transactions, detailing the advisor's role, transaction size, and the name of the client.
- **Financials:** Copies of the advisor's audited financial statements for the last three financial years.
- **Methodology:** A brief note on the advisor's proposed approach and methodology for handling debt raising assignments for government entities.
- **Declarations:** Self-declarations that the advisor meets all eligibility criteria and has not been debarred by any regulatory body.

6. Evaluation Process

The evaluation of proposals will be based on:

1. Proposals will be screened based on the eligibility and submission requirements. Advisors that meet the criteria will be shortlisted.

7. EMPANELMENT CATEGORIES: The empanelment for merchant bankers and financial advisors will be separated into two distinct categories based on the type of debt instrument. This allows for the selection of advisors with specialized expertise in either bond issuance or term loan raising.

Category A: Bond Issuance
This category is for advisors specializing in the structuring, marketing, and placement of bonds. This includes public, private, and tax-exempt bond offerings.
<ul style="list-style-type: none"> • Sub-Category A1: For single or multiple bond issuances with an aggregate value of equal to or greater than ₹5,000 Crore. • Sub-Category A2: For bond issuances with an aggregate value of less than ₹5,000 Crore.
Category B: Term Loan Raising
This category is for advisors that specialize in syndicating and securing term loans from banks and other financial institutions.
<ul style="list-style-type: none"> • Sub-Category B1: For single or multiple term loan transactions with an aggregate value of equal to or greater than ₹5000 Crore. • Sub-Category B2: For term loan transactions with an aggregate value of less than 5,000 Crore.

Category-Specific Qualification Requirements

In addition to the general requirements, bidders must meet the following criteria based on the category they apply for:

Category A: Bond Issuance
<ul style="list-style-type: none">• Sub-Category A1 (\geq ₹5,000 Crore)<ul style="list-style-type: none">○ Track Record: The advisor must have successfully acted as a merchant banker/arranger for at least three domestic bond issuances with an aggregate value of ₹5,000 Crore or more within the last five financial years.○ League Table Ranking: The advisor should be ranked in the Top 20 in the "All Category" league table of a recognized financial database (e.g., Prime Database) for debt issuances in at least two of the last three financial years.• Sub-Category A2 ($<$ ₹5,000 Crore)<ul style="list-style-type: none">○ Track Record: The advisor must have successfully managed at least five domestic bond issuances with an aggregate value of between ₹1,000 Crore and ₹3,000 Crore in the last five financial years.
Category B: Term Loan Raising
<ul style="list-style-type: none">• Sub-Category B1 (\geq ₹5,000 Crore)<ul style="list-style-type: none">○ Track Record: The advisor must have successfully advised on or arranged at least three syndicated term loans with an aggregate value of ₹5,000 Crore or more in the last five financial years.○ Network: Bidders must demonstrate a strong network with major banks and financial institutions, providing a list of at least five banks with which they have a successful working relationship in loan syndication.• Sub-Category B2 ($<$ ₹5,000 Crore)<ul style="list-style-type: none">○ Track Record: The advisor must have successfully advised on or arranged at least five term loan transactions with an aggregate value of between ₹1,000 Crore and ₹3,000 Crore in the last five financial years.

To ensure a transparent and objective evaluation process, a marking system will be implemented to assess all applications for empanelment. The final score will be a combination of technical qualifications and the advisor's experience, with a total of 100 marks.

8. Marking System for Empanelment

The evaluation will be divided into two main sections: **Technical Qualification** and **Experience & Track Record**. Bidders must achieve a minimum qualifying score of **70 out of 100** to be considered for empanelment.

Overall Scoring Structure		
Section	Description	Maximum Marks
A	Technical Qualification (General Requirements)	40 Marks
B	Experience & Track Record (Category-Specific)	60 Marks
	Total Marks	100 Marks
	Minimum Qualifying Score	70 Marks

Section A: Technical Qualification (40 Marks)		
Qualification Parameter	Details	Marks Allotted
SEBI Registration	Valid Category I Merchant Banker registration & No debarment/adverse action in the last 3 years. If any of the above is not met: 0 Marks	10
Key Personnel Expertise	Up to 3 professionals with >10 years experience: 5 marks each. Up to 3 professionals with 5-10 years experience: 3 marks each Up to 3 professionals with <5 years experience: 1 mark each	15
Financial Soundness	Profitability in last 3 financial years: 5 marks per year	15

Section B: Experience & Track Record (60 Marks)		
Category A: Bond Issuance		
Sub-Category	Experience Criteria	Marks Allotted
A1: (\geq ₹5000 Crore)	Each deal \geq ₹2,500 Cr as lead manager: 10 marks per deal (max 30) Each deal $<$ ₹2,000 Cr as lead manager: 5 marks (max 10) Top 5 league table ranking in the "All Category" league table for debt issuances: 20 marks Top 10 league table ranking: 15 marks Top 20 league table ranking: 10 marks	60
A2: ($<$ ₹5,000-Crore)	Each deal \geq ₹1500 Cr: 10 marks (max 40) Each deal $<$ ₹1000 Cr: 5 marks (max 20)	60

Category B: Term Loan Raising		
Sub-Category	Experience Criteria	Marks Allotted
B1: (\geq ₹5000 Crore)	Each syndicated loan \geq ₹2,000 Cr: 10 marks per deal (max 40) Each syndicated loan $<$ ₹1,000 Cr: 5 marks per deal (max 20)	60
B2: ($<$ ₹5,000 Crore)	Each transaction \geq ₹1000 Cr: 10 marks (max 40) Each transaction ₹500 Cr to 1000cr : 5 marks (max 20)	60

9. Empanelment of Successful Bidder

- The Advisor will be empanelled for a period of three years, which can be extended for a period of two year with mutual consent.
- Thereafter, the empanelled Advisor will be eligible to participate in further limited bids called by Authority for specific transactions. In the limited bids called by Authority, the selection criteria among empanelled bankers for specific transactions may be chosen as Least Cost selection (LCS) or Quality cum cost-based selection (QCBS), as per the discretion of Authority or other factors as deemed appropriate by the Entity.
- Authority may select one or more Advisor depending on the requirement of the transaction. In case of selection of more than one merchant banker, other bankers need to match the bid price of the lowest bidder and the fee paid by authority would be shared among all the appointed Advisors for the transaction.

10. PAYMENT TERMS:

- Financial bids will be sought from the empanelled advisors on a case-by-case basis for specific transactions. Empanelled bidders have to quote their fees at the time of calling of limited bids for a transaction.
- The Fee quoted by selected Advisor (as per the invoice/bill submitted by Merchant Banker) for a specified transaction would be paid by Authority after deducting Tax Deducted at Source (TDS) as applicable.
- All bills are to be raised in INR and will be payable in INR only after successful and satisfactory closure of the transaction. The payment schedule will be linked to the achievement of specific milestones in the bond issuance/Loan raising process and will be mutually agreed upon.
- Final terms and conditions of the payment would be given at the time of calling for the limited bids for a particular transaction by the concerned authority.

11. General Terms and Conditions

- **Validity:** The empanelment will be valid for a period of **three** years from the date of approval.
- **Confidentiality:** All information shared by the Entity will be treated as strictly confidential.
- **Right to Reject:** The HPIDB reserves the right to accept or reject any or all proposals without assigning any reason.
- **Dispute Resolution:** Any disputes arising will be subject to the exclusive jurisdiction of the courts in Shimla HP.

- Failure by any Applicant(s) to provide all the information required in the proposal or any additional information requested by HPIDB may lead to rejection of the Applicant's proposal in its entirety.
- HPIDB reserves the right to use and interpret the information it receives in its absolute discretion for evaluating these proposals.
- The bid shall be accompanied by EMD of Rs. 2,00,000 (*Rupees Two Lakhs only*) in the form of Online Payment/ Bank Guarantee/Demand Draft drawn on a Nationalized Bank valid for the period of 120 days. The EMD will not carry any interest.
- If the Qualification Requirements are found to be fraudulent / non- genuine, the EMD paid will be forfeited in addition to black listing in future contracts with HP Govt.
- In case it is found that during the course of the empanelment or at any time before award of the assignment or after its execution and during the period of subsistence or after the period thereof, that one or more of the terms and conditions laid down in this Expression of Interest has not been met by the Bidder, or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet Empanelled as the Merchant Banker-cum Arranger-cum-Advisor.
- After the empanelment/contract with the Authority the terms of engagement/ changes/modifications shall not be permissible.
- The applicant shall submit an amount of Rs. 29,500/-inclusive of 18% GST along with the EOI towards to processing fee (*non refundable*) in the shape of Demand Draft favouring H.P. Infrastructure Development Board, payable at Shimla/Online payment before EOI due date- Bank Details: HPIDB, PNB Bank, The Mall, Shimla Account No-0427000106773890 and IFSC code PUNB0042700.

12. PRE-BID CONFERENCE

A pre-bid meeting with the prospective bidders shall be held on **05.09.2025 at 11:00 A.M** at the HPIDB office. The Bidders are required to send their queries for the Pre-bid meeting prior by **02.09.2025 up to 03:00 P.M.**

13. Bid Submission

Proposals are required to be submitted as per the following directions:

The bids submitted should be unconditional and in accordance with the terms and conditions of this notice. HPIDB reserves the sole right to accept or reject any or all Proposals thus received without assigning any reasons thereof.

List of Annexures to be enclosed with the proposal Cover (*Empanelment Proposal*) shall be as per the Bid format ***Annexure 1.***

Proof of Bank Draft/Pay-order/digital payment etc. made to the HPIDB Account as a refundable fee of Rs. **2 lacs**. In case of digital payment, a proof of the same may be attached with the fee bid.

Chief General Manager
HP Infrastructure Development Board
New Himrus Building
Himland, Shimla, HP

Empanelment Application Format

ANNEXURE I: EMPANELMENT BID FORM

S. No.	Field	Details to be Provided by Bidder
1.	Name of the Applicant Advisor/Consortium/JV	(Full legal name of the advisor)
2.	SEBI Registration	(Provide proof of registration)
3.	Category Applied For	(Select one: A1, A2 for bond issuance OR B1, B2 for term loan raising) or for both.
4.	Details of Key Personnel	(Provide CVs of key team members, highlighting relevant experience)
5.	Audited Financial Statements	(Submit for the last three financial years)
6.	Track Record of Similar Transactions	(Provide a list of transactions handled in the last five years, including transaction size, type, and the advisor's role. This list should be specific to the category being applied for.)
7.	Undertaking	(A declaration stating the information provided is accurate and the advisor meets the eligibility criteria)

* In case of Consortium the copies of Letter of Intent/Agreement/MoU/Power of Attorney is required to be enclosed. The Consortium shall declare the Lead Member. The number of Consortium partners will be limited to maximum of two including the Lead Member.

ANNEXURE II

Authority letter

(To be given on Company Letter Head)

Date:

To

The Chief General Manager

HPIDB, New Himrus Building

Circular Building, Himland

Shimla-2

Subject: Authority Letter authorizing the person of the bidder to sign the proposal.

Sir,

With reference to the Expression of Interest for the empanelment of Merchant Bankers-cum-Arrangers-cum Advisors dated....., Mr./Mrs. [Name of the authorized signatory to be appointed] is appointed as an authorized signatory on behalf of the company/firm.

Mr./Mrs. [Name of the authorized signatory to be appointed] as an authorized signatory will represent the company/firm for the purpose of bidding with respect to the Expression Of Interest issued by HPIDB dated..... and will sign, submit and execute all documents on behalf of the company.

Mr. /Mrs. [Name of the authorized signatory to be appointed] will be the authorized signatory of the company and all the acts done or documents executed by him/her shall be binding on the company.

Yours Faithfully,

(Seal with signatures of authorized signatory of the Merchant Banker/Advisor)

ANNEXURE III

Details of Empanelment Category applied for

Please state the Empanelment category/categories being applied for
.....
.....

Transaction type		Category
A- Bond	A1	>=5000 Cr.
	A2	<5000 Cr.
B-Loan	B1	>=5000 Cr.
	B2	<5000 Cr.
Both A&B		Indicate Sub Categories applied for

(Seal with signatures of authorized signatory of the Merchant Banker/Advisor)

ANNEXURE IV

Certificate with respect to No adverse order by Regulator

(To be given on Company Letter Head)

“We certify that there has been no adverse order by SEBI or any other regulatory authority during the last two years against us. It is also certified that there is no investigation or continued debarment pending against us.”

“It is further certified that in future if any adverse order issued, we will intimate the same to HPIDB.

OR

“The following adverse order is passed against us but stayed by the competent authority/Court.:

- 1.
- 2.

Note: The certificate should be signed by the authorized signatory of the Bidder. The content of the certificate must not be changed. Clarification, if any, may be provided separately.

(Seal with signatures of authorized signatory of the Merchant Banker/Advisor)

Annexure-V

Details of Debt Transactions

(To be given on Company Letter Head)

Since 01.04.2020 till date of the Bid submission

Mandate	Value (In Rs. Cr.)	Nature of services provided	Services/consultancy provided to
Transactions (Documentary Proof for transactions is to be enclosed. Documentary proof means Certificate/ Mandate letter alongwith Completion certificate from the issuer/ borrower organization.)	1 2 3 4 5		

Add rows as per requirement.

(Seal with signatures of authorized signatory of the Merchant Banker/Advisor)

ANNEXURE VI

Details of Team (Key Personnel)

S.No.	Name	Qualification	Experience
1			
2			
3			