

**Request for Proposal for acting as Lead Manager(s) to the Issue of Tax free, Secured, Redeemable, Non-convertible Bonds to be issued by NHB during 2013-14 by way of Public Offer for upto a sum of ₹ 2,100 crore**

Resource Mobilization and Management Department  
Head Office, National Housing Bank  
Core 5-A, 3<sup>rd</sup> Floor, India Habitat Centre, Lodhi Road,  
New Delhi - 110 003  
Phone: 011-24617832; 011-24649038

E-Mail: [kchakravarthy@nhb.org.in](mailto:kchakravarthy@nhb.org.in); [taxfreebonds@nhb.org.in](mailto:taxfreebonds@nhb.org.in)

<b><u>BID SUMMARY</u></b>		
1.	Last date and time for receipt of Bidding Documents	18/09/2013 18.00 hrs
2.	Date and Time of Bid Opening	19/09/2013 11.00 hrs
3.	Place of opening of Bids	National Housing Bank, Head Office, Core 5-A, 3 <sup>rd</sup> Floor, India Habitat Centre, Lodhi Road, New Delhi - 110003

**Note:- Bids will be opened in the presence of Bidders who choose to attend as above.**

National Housing Bank (hereinafter referred to as “NHB”) is a bank established under the National Housing Bank Act, 1987 (Central Act No. 53 of 1987) to operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support to such institutions and for matters connected therewith or incidental thereto. NHB is wholly owned by the Reserve Bank of India. NHB has also been notified as a Public Financial Institution (PFI) under section 4A of the Companies Act, 1956.

The head office of NHB is located in New Delhi and it has a regional office located at Mumbai and representative offices at Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata , Lucknow, Bhopal Patna, Bhubaneswar and Nagpur.

NHB perform three main activities viz., regulation and supervision of housing finance companies, promotion and development of housing finance market and providing financial assistance to housing finance institutions, banks etc.

As per the CBDT Notification No. 61/2013.F.No. 178/37/2013-(ITA.I) dated August 08, 2013; NHB has been authorized to issue tax free, secured, redeemable, non-convertible bonds aggregating to ₹ 3,000 crore during the financial year 2013-14, subject to the terms and conditions as detailed in the said Notification. NHB shall be issuing Bonds upto ₹ 2,100 crores through Public Offer in accordance with the conditions specified in the said notification. NHB proposes to raise these bonds in single or multiple tranche. The Bonds raised by way of public offer will be listed on Retail Debt Market (RDM) segment.

## 1. PURPOSE

- The purpose of RFP is to solicit proposals from SEBI Registered Category I Merchant Bankers having a valid certificate and with a minimum continuous experience of 5 years of managing public offers of equity and/or debt; to act as Lead Manager to the proposed Issuance(s) by way of Public Offer. The certificate should be valid till the completion of all activities related to the aforesaid public issue. Issue related activities are defined in the scope of work. The scope of the work can be enhanced as per requirements of Bank.
- Subject to any law to the contrary, and to the maximum extent permitted by law, NHB and its officers, employees, contractors, agents, and advisers disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information including forecasts, statements, estimates, or projections contained in this RFP document or conduct ancillary to it whether or not the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of NHB or any of its officers, employees, contractors, agents, or advisers.

## 2. SCOPE OF WORK

2.1 The scope of the work includes advising NHB on formalities associated with Public offer; guide NHB to undertake the various tasks related to the said Issue according to the Guidelines/Regulations of Regulatory Bodies and applicable laws and regulations and to manage all activities till the time such Bonds will be listed on the stock exchange.

2.2 The expected outcome from this exercise is that the issue of NHB hits the market at an appropriate time, is fully subscribed to, allotment process is handled efficiently and listing on the exchange is completed.

2.3 The Lead Managers will be required, inter alia, to undertake the various tasks/activities related to all aspects of the Public Issue, as laid down in the SEBI/ ROC guidelines, which are broadly classified into three categories but not restricted to namely i) Pre Issue activities ii) Issue related activities iii) Post Issue activities and support alongwith general activities common at all stages.

**i) Pre-Issue activities:**

- Advise NHB on the modalities of the Public Issue.
- Structure the Public Issue(s) in conformity with the prevailing framework and Guidelines/ Regulations of the RBI, SEBI, NHB and the Stock Exchanges, Securities Contract and Regulations Act, 1956 and other applicable laws and regulations.
- Undertake due diligence activities and prepare the Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus(es), Abridged Offer Document in accordance with the prevailing framework and Guidelines/ Regulations of the RBI, SEBI, NHB and the Stock Exchanges, Securities Contract and Regulations Act, 1956 and other applicable laws and regulations.
- Complete all stipulated requirements and formalities of regulatory/ statutory authorities.
- Undertake filing of the Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus(es)/ Abridged Offer Document with Securities and Exchange Board of India ("SEBI"), Stock Exchange(s).
- Advise on the regulatory norms and assist NHB in securing approvals and exemptions wherever necessary, from various agencies including SEBI, RBI and Stock exchange(s). The Lead Managers will also ensure compliance with all regulatory requirements in connection with the Public Issue(s).
- Ensure overall cost effective fund raising to NHB.
- Providing assistance to NHB (if required) in the selections of various intermediaries relating to the marketing of the issue such as the advertising agency, printer, consortium members/brokers etc. and coordinating with these intermediaries alongwith Collecting Bankers and Registrars to the Issue.
- Conduct pre-market survey, road shows and generate interest amongst prospective investors. Arrange meetings with the key investors and facilitate communication about the growth potential of NHB and articulate the key marketing themes and positioning of NHB, collecting feedback from the investors and analyzing the same.
- Assist NHB in coordinating with the advertising agency for the design of Public Issue advertisements (statutory or otherwise), preparation of other publicity material and in the execution of Public Issue related media activities in general for general awareness.
- Co-ordinate the task of printing and distribution of stationery required for the Public Issue(s). This would include (but not be limited to) Draft Offer Document, other such material/ stationery related to the Public Issue(s). The LM/(s) will ensure that the stationery is printed in adequate quantity and delivered to the centres and concerned parties well in advance.

- The Lead Manager(s) shall assist NHB for appointment of Brokers or any other intermediaries for distribution of the issue.
- Ensure completion of all issue related activities as laid down in the SEBI/ROC guidelines.
- The appointed LMs will advise NHB regarding payments to be made to statutory authorities, stock exchanges etc in connection with the said issue.

**ii) Issue activities:**

- Ensure adequate distribution of stationery required for the Public Issue(s), including Offer Document, tranche prospectus/ application forms etc and other such material/ stationery related to the Public Issue(s) at various centres. The LM/(s) will ensure that the stationery is available all the times during the issue at all the centres and is made available to concerned parties well in advance.
- LMs will address all the queries raised by the prospective investors relating to the issue.
- To co-ordinate with the various intermediaries and to ensure that the application forms are complete in all aspects and the supporting documents relating to KYC are in place before submitting the application to collecting bankers.
- LM will ensure that all the intermediaries will submit the applications in time at the designated branches of the collecting bankers.
- Co-ordinate with the Collecting Banker(s)/Registrar in respect of receipt of applications and generation of MIS daily or otherwise.
- Co-ordinate with various other intermediaries and ensure that the issue is fully subscribed.

**iii) Post Issue activities and support:**

- To assist NHB in finalising the basis of allotment by co-ordinating with the Registrar and Designated Stock Exchange and will complete all formalities relating to allotment process.
- To address all the post issue queries raised by the investors.

**iv) others:**

- Rendering such other assistance as may be required in connection with Public Issue(s).
- All other matters not specifically mentioned above but incidental to the proposed Public Issue(s).

**3. INSTRUCTION TO BIDDERS**

- The Bidder is expected to examine all instructions, forms, terms and specifications in the bidding documents. Failure to furnish all information required by the bidding documents may result in the rejection of its bid and will be at the Bidder's own risk.
- No binding legal relationship will exist between any of the Bidders and NHB until execution of a Memorandum of Understanding.
- Each Bidder acknowledges and accepts that NHB may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / selecting the eligible Bidder(s). The RFP document will not form part of any contract or

arrangement, which may result from the issue of this document or any investigation or review, carried out by a Bidder.

- A Bidder will, by responding to NHB for RFP, be deemed to have accepted the terms of this Introduction and Disclaimer.
- Bidders are required to direct all communications related to this RFP, through the Nominated Point of Contact person:

**Contact : K Chakravarthy**  
**Position : Deputy General Manager**  
**Email : [kchakravarthy@nhb.org.in](mailto:kchakravarthy@nhb.org.in)**  
**Telephone : +91 - 11 - 24617832**  
**Fax : +91 - 11 - 24649037**

- NHB may, in its absolute discretion, seek additional information or material from any Bidder after the RFP closes and all such information and material provided must be taken to form part of that Bidder's response.
- Bidders should provide details of their contact person, telephone, fax, email and full address(s) to ensure that replies to RFP could be conveyed promptly.
- If NHB, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then NHB reserves the right to communicate such response to all the Bidders.
- Queries / Clarification, if any, may be taken up with the contact person detailed above before the deadline for submission of bids between 10.00 am to 6.00 pm on any working days (Monday to Friday except holidays).
- NHB may, in its absolute discretion, engage in discussion or negotiation with any Bidder (or simultaneously with more than one Bidder) after the RFP closes to improve or clarify any response.
- NHB will notify all short-listed Bidders in writing or by mail or by publishing in its website as soon as practicable about the outcome of their RFP. NHB is not obliged to provide any reasons for any such acceptance or rejection.
- Category I Merchant Bankers registered as such with SEBI having a valid certificate and with a minimum continuous experience of 5 years of managing public offers of equity and/or debt; till the completion of all activities relating to Public Issue will be eligible for Evaluation.
- NHB may extend the deadline for submission of bids if it so desires.
- The bid prepared by the Bidders, as well as all correspondence and documents relating to the Bid exchanged by the Bidder and NHB and supporting documents and printed literature shall be written in English.
- The Bidder shall bear all the costs associated with the preparation and submission of bid and NHB will in no case be responsible or liable for these costs regardless of the conduct or outcome of the bidding process.
- The Bidder is expected to examine all instructions, forms, terms and conditions and specifications in the Bidding Document. Submission of a bid not responsive to the Bidding Document in every respect will be at the Bidder's risk and may result in the rejection of its bid without any further reference to the Bidder.
- At any time prior to the last Date and Time for submission of bids, NHB may, for any reason, modify the Bidding Document by amendments at the sole discretion of NHB. All amendments shall be uploaded on NHB's website.
- In order to provide, prospective Bidders, reasonable time to take the amendment if any, into account in preparing their bid, NHB may, at its discretion, extend the deadline for submission of bids.

- Bids including Commercial bid shall remain valid till March 31, 2014. A bid valid for shorter period shall be rejected by NHB as non-responsive.
- NHB may select and appoint upto three (03) Merchant Bankers, who together will form a team and be called Lead Managers/Lead Merchant Bankers (LMs). The Merchant Bankers appointed shall be jointly and severally responsible for acting as Lead Managers. The LMs in consultation with NHB will form a syndicate as required under the SEBI Guidelines/Regulations or as may be necessary for the purpose of the Public Issue(s).
- NHB may also select other merchant bankers for marketing purpose only who will be called as Co-lead Managers.
- The appointment of Lead Managers/ Co-lead Managers will be valid till the conclusion of the assignment and till the completion of all post-issue formalities etc. in respect of all the tranches of the Tax Free Bonds to be issued by NHB during financial year 2013-14.
- In case NHB decides to issue Bonds in multiple tranche, the Lead Manager(s) with its syndicate network would be required to undertake all activities as enumerated under the scope of work for each tranche.
- In case of any dispute arising out of execution of contract and remaining unresolved the decision of Chairman and Managing Director of NHB shall be final.
- Prices shall be expressed and be payable in Indian Rupees only.
- NHB reserves the right to discontinue the arrangement with any of the appointment Merchant Banker(s) at any time without assigning any reasons thereof.
- The Bidders shall duly seal the envelope addressed to NHB and it should be submitted at the following address up to the time and date mentioned on page 1 of this document.

Deputy General Manager  
Resource Mobilization and Management Department  
National Housing Bank,  
Core 5-A, 3rd Floor, India Habitat Centre, Lodhi Road,  
New Delhi - 110003

- Bids must be received by NHB at the address specified in the Bid Document not later than the specified date and time as specified in the Bid Document or as extended by NHB. In the event of the specified date of submission of bids being declared a holiday for NHB, the bids will be received up to the appointed time on next working day.
- Any bid received by NHB after the deadline for submission of bids will be rejected and/or returned unopened to the Bidder, if so desired by him.
- Bids once submitted will be treated, as final and no further correspondence will be entertained on this.
- No bid will be modified after the deadline for submission of bids.
- No Bidder shall be allowed to withdraw the bid, if the Bidder happens to be a successful Bidder.
- NHB will examine the Bids to determine whether they are complete, whether required information has been provided as underlined in the bid document, whether the documents have been properly signed, and whether bids are generally in order. The Bid determined as not in order as per the specifications will be rejected by NHB.
- To assist in the examination, evaluation and comparison of Bids NHB may, at its discretion, ask the Bidder for clarification and response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.
- Any effort by Bidder to influence NHB in the NHB's bid evaluation, Bid comparison or contract award decision may result in the rejection of the Bidders' Bid. NHB's decision

- will be final and without prejudice and will be binding on all parties.
- NHB reserves the right to accept or reject any Bid and the bidding process and reject all Bids at any time prior to award of contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the ground for NHB's action. Decision of NHB in this regard shall be final and binding on the Bidders.
  - The successful Bidder(s) shall be required to accept the terms and conditions of appointment to act as Lead Merchant Banker for its Public Issue.

#### 4. BIDDING PROCESS

For the purpose of the present job the following documents are to be submitted in a sealed envelope, duly super scribing "APPOINTMENT OF LEAD MERCHANT BANKER".

- i. Authority letter authorizing the authorized signatory by Company Secretary/ Board of Directors/ Director of the Bidder to sign the proposal and other documents. Copy of certificate as Category I Merchant Banker, issued by SEBI for a minimum continuous period of 5 completed financial years ended March 31, 2013 and whose validity has not expired.
- ii. Bidder's information as per part "I" of Annexure-'A'.
- iii. Information for Technical Evaluation as per part "II" of Annexure -'A'.
- iv. Undertaking Letter as per part "III" of Annexure -'A'.
- v. Compliance Statement/ Declaration - Annexure-'B'
- vi. Commercial Bid: The offer should be as per **Commercial Bid** format in Annexure 'C' and should be all-inclusive, including all out of pocket expense or amount of whatsoever nature but excluding service tax.

The Bid shall be typed or written in indelible ink and shall be signed by the Authorised Signatory. All the pages of the Bid shall be initialed by the person(s) signing the Bid. The Bid shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the Bidder, in which case corrections shall be initialed by the person(s) signing the Bid. Technical Bid shall have to be submitted as per Annexure A and shall not contain any pricing or Commercial information.

#### 5. BID OPENING AND EVALUATION

NHB will open the bids, in the presence of Bidder's representative who choose to attend, at the time and date mentioned in Bid document at the address mentioned at page 1. The Bidders or their representatives who are present shall sign register evidencing their attendance. In the event of the specified date of Bid opening being declared a holiday for NHB, the Bids shall be opened at the appointed time and place on next working day.

Bidders who have a minimum experience of 5 years in raising funds through Public Issue (Equity and debt) and accepting the terms and conditions of this document shall be ranked according to the total funds mobilized by them in the last 5 years ending March 31, 2013 and then would be evaluated financially , which would be as follows:

- i) The Fee for acting as Lead Managers is to be quoted as a % of the amount mobilized and retained by NHB or fixed amount in multiple of ₹ 1/-. Any bid for zero/ nil % or for any fixed amount other than multiple of ₹ 1/- is liable to be rejected.

- ii) For the purpose of evaluation the price bid for fixed amount of ₹ 1/- will be treated as L1 (lowest) and thereafter the bids quoted in % will be ranked on the basis of % quoted by Bidders.
  - iii) NHB will select and appoint upto three (03) Merchant Banker(s) as Lead Manager(s). The shortlisted Merchant Bankers quoting the lowest Commercial bids would be recommended for appointment subject to other Bidders matching their Commercial bid with the L1 Bidder. In case of a tie in the Commercial bids, the selection of Lead Manager shall be based upon their ranking as a result of evaluation of total funds mobilized by them in the last 5 years ending March 31, 2013 and any other criteria that NHB may decide. NHB reserves the right to appoint less/more than three (03) Bidders as Lead Manager.
  - iv) The Commercial Bid shall be without any condition attached or subject to any assumption, and shall be final and binding. In case any assumption or condition is indicated in the Commercial Bid, it shall be liable to be rejected.
  - v) The fee for acting as the lead Manager should be on gross basis to be equally divided among all selected lead managers.
  - vi) All payments shall be subject to deduction of taxes at source as per applicable laws.
  - vii) All payments shall be made after completion of the each tranche, if it is quoted in % of the amount mobilized and retained by NHB else will be paid after all the tranche are over.
- *NHB reserves the right to revise the evaluation criteria, methodology; if it finds it necessary to do so.*

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**Annexure 'A'**

**PART - I: Bidder Information**

Please provide following information about the Company/Firm (Attach separate sheet if required): -

<b>S. No.</b>	<b>Information</b>	<b>Particulars / Response</b>
1.	Name of the Company / Firm	
2.	Date of Incorporation	
3.	Company Head Office / Registered Office and Addresses Contact Person(s) Phone Fax E-mail Website	
4.	Provide the range of services /options offered by you covering Merchant Banking activities.	
5.	Provide details wherein any contract has been terminated by any Issuer after the company has been appointed as Merchant Banker to the Issue in the past 5 years.	
6.	Any pending or past litigation which may affect the work to be awarded by NHB (within five years)? If yes, please give details.	Yes/No/Comments (if option is 'Yes')

**SIGNATURE OF AUTHORISED SIGNATORY**

**NAME OF THE AUTHORISED SIGNATORY**

**SEAL OF COMPANY/FIRM**

**PART - II: Information for Technical Evaluation**

1. Total funds mobilized through public issue of debt and equity together over the past five years ending March 31, 2013.

S. No.		
1.	Total amount raised including oversubscription by the Issuer(s).	
2.	Amount raised by the applicant Company/Firm.	
3.	Out of the said amount (point 2 above) amount raised under Retail Category.	

We confirm that, all the details mentioned above are true and correct and if NHB observes any misrepresentation of facts on any matter at any stage of evaluation, NHB has the right to reject the proposal and disqualify us from the process.

We hereby acknowledge and unconditionally accept that NHB can at its absolute discretion apply whatever criteria it deems appropriate, not just limiting to those criteria set out in the RFP document, in short listing/selection of Lead Manager.

**SIGNATURE OF AUTHORISED SIGNATORY**

**NAME OF THE AUTHORISED SIGNATORY**

**SEAL OF COMPANY/FIRM**

**PART - III**

**(Letter to be submitted by Bidder along with bid documents)**

National Housing Bank,  
Core 5-A, 3rd Floor,  
India Habitat Centre,  
Lodhi Road,  
New Delhi - 110003

Dear Sirs,

Kind Attn : Mr. K Chakravarthy, DGM

**Our proposal to act as Lead Manager to the Issue(s)**

We submit our Bid Document herewith.

If our Bid for the above job is accepted, we undertake to enter into and execute at our cost, when called upon by NHB to do so, a Memorandum of Understanding. Unless and until a Memorandum of Understanding is prepared and executed, this Bid together with your written acceptance thereof shall constitute a binding contract between us.

We understand that if our Bid is accepted, we are to be jointly and severally responsible for the due performance of the contract.

We understand that you are not bound to accept the lowest or any bid received by you, and you may reject all or any bid; you may accept or entrust the entire work to one applicant or divide the work to more than one applicant without assigning any reason or giving any explanation whatsoever.

We understand that the names of the successful Bidder(s) to whom the work is finally awarded after the completion of the evaluation of Bids, shall be communicated to the Bidders either over phone/e-mail/letter or displayed at the website of NHB.

Dated at \_\_\_\_\_ / \_\_\_\_\_ day of \_\_\_\_\_ 20\_.

Yours faithfully,

For \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
(Authorised Signatory)

**Annexure-B**

National Housing Bank  
Core 5-A, Third Floor,  
India Habitat Centre,  
Lodhi Road,  
New Delhi - 110001

Dear Sirs,

Kind Attn : Mr. K Chakravarthy, DGM

**COMPLIANCE STATEMENT /DECLARATION**

- (a) "We certify that we have not been debarred from functioning by any regulatory authority. We further certify that there is no investigation pending against us or the CEO/ Directors of our concern. We will ensure that no such business or professional activity will be carried out by us, which may affect the interest of NHB".
- (b) "We hereby undertake that no action has been initiated against us by SEBI/CVC/RBI or any other Government/ Statutory agency with regard to any financial irregularities reported in various newspaper/ media or otherwise pertaining to loan syndication and any other financial dealing with various Banks/FIs/LIC and its subsidiaries/any other agency".
- (c) "We hereby confirm that provisions of section 297 and 299 of the Companies Act, 1956 have been complied with."
- (d) Following are the details as to whether the proprietor or any partner of the firm or director of the company has a relationship within the meaning of Section 6 of the Companies Act, 1956 with any of the Directors of NHB.

Sr. No.	Name of the proprietor/ partner of the firm/ director of the applicant firm/company	Name of the Director of National Housing Bank with whom the relationship exists	Nature of the relationship

- (e) If at any point of time, the undertaking is found to be incorrect, NHB reserves the right to reject/ terminate our Bid/ contract at any point of time without any notice. NHB may also take appropriate view regarding present/ future dealing with our company. Also, no fee/ brokerage shall be paid in such a case.
- (f) We hereby undertake and agree to abide by all the terms and conditions stipulated by NHB in this RFP including all addendum, corrigendum etc. (Any deviation may result in disqualification of bids).

**SIGNATURE OF AUTHORISED SIGNATORY**

**NAME OF THE AUTHORISED SIGNATORY**

**SEAL OF COMPANY/FIRM**

**Annexure 'C'**

National Housing Bank  
Core 5-A, Third Floor,  
India Habitat Centre,  
Lodhi Road, New Delhi - 110001

Dear Sirs,

Kind Attn : Mr. K Chakravarthy, DGM

**Format for Commercial Bid (On the letterhead of the Company)**

With reference to the RFP for acting as Lead Manager to the Proposed Public Issue of Tax Free Bonds of National Housing Bank, we hereby submit our proposal as per the following-

<b>S. No.</b>	<b>Particulars</b>	<b>To be Quoted in</b>
1	Fee for acting as Lead Manager to the Proposed Public Issue of Tax Free Bonds of National Housing Bank. (All inclusive bid including all out of pocket expense or amount of whosoever nature)	As a % of the amount mobilized and retained by NHB or fixed amount in multiple of ₹ 1/-.

**SIGNATURE OF AUTHORISED SIGNATORY**

**NAME OF THE AUTHORISED SIGNATORY**

**SEAL OF COMPANY/FIRM**

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