



HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

(A Government of India Enterprise)

CIN: L74899DL1970GOI005276; Website: www.hudco.org.in

REGISTERED OFFICE: HUDCO BHAWAN, CORE 7-A,
INDIA HABITAT CENTRE, LODHI ROAD, NEW DELHI -110 003

No. HUDCO/FR/FCL/ 2024-25

22.01.2025

Sub: Raising of unsecured ECB — Term Loan for USD 200 Million equivalent plus green shoe option in JPY — Request For Proposal (RFP) reg.

Dear Sir/ Madam

1. About HUDCO:

Housing and Urban Development Corporation Limited (HUDCO) is a listed Navratna CPSE under administrative control of Ministry of Housing and Urban Affairs. It is notified by the Government under section 2(72) of the Companies Act, 2013, as a Public Financial Institution, having a mandate of providing long term financial assistance to Housing and Urban Infrastructure sectors. Over the years, HUDCO has evolved as a unique institution supporting large State Govt. entities in the development of Affordable Housing Schemes for EWS/ LIG segments and Core Infrastructure projects all over the Country.

HUDCO enjoys an international rating at par with sovereign ratings of 'Baa3', 'BBB-' and 'BBB+' from Moody's Fitch & ICRA respectively and highest domestic credit rating of AAA (Triple A) for the borrowing programme of the financial year 2024-25 from CARE, ICRA & India Ratings and Research.

2. Proposal:

HUDCO is looking to raise External Commercial Borrowing (ECB) in the form of Term Loan amounting to USD 200 Million equivalent plus green shoe option subject to applicable statutory approvals. Accordingly, it is requested to quote **unconditional and firm rate** for raising ECB as per 'Annexure A' enclosed.

The basic structure of the ECB proposed to be raised is as under:

Amount	USD 200 Million equivalent plus green shoe option (Banks desiring to quote in JPY, may do so for minimum amount of JPY 31 Bn equivalent to USD 200 Mn or higher amount as the bank may decide over and above minimum amount indicated above)
Currency	JPY/USD swapped into JPY
Purpose	For on-lending against Housing & Infrastructure projects across the country or any other end use as permissible under the ECB Directions / applicable law.
Door to Door Tenor	5 years with Bullet repayment (Hudco shall reserve the right to avail/raise the said amount in more than ONE tranche)
Interest payment	Floating interest linked to O/N JPY Tona or O/N SOFR swapped into O/N TONA, payable semi-annually, respectively
Withholding tax	As applicable (to be indicated, if applicable, else NIL to specified)

3. Details & Timelines related to submission of Bids:

Mode of Bid Submission	Bids to be submitted in soft copies (may be password protected by banks) through e-mail on or before the close of bid submission time. The password for the encrypted file must be sent to the same e-mail addresses where the bid has been sent post the closure of bid submission.
Name & Address of the Bid Inviting entity	Housing and Urban Development Corporation Limited HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003
Bid evaluation criteria	Least Cost Based Selection (LCBS) - L1 (Please refer to the section title — "Evaluation criteria" for more details)
Website for downloading RFP, Corrigendum's, Addendums etc.	www.hudco.org.in
Last Date & Time of Submission of Bids	February 17, 2025 till 1500 Hrs (Indian Standard Time)
Date & Time of Opening of Bids	February 17, 2025 at 1630 Hrs (Indian Standard Time)
Validity of the offer	60 days from the last date of submission of Bids

Notes:

- a) Bids received after the last date and time or received by fax will not be accepted. HUDCO will not be liable for any non-receipt of e-mail due to delays in the mail server. For this, bidders are advised to submit the bids well in advance.
- b) HUDCO reserves the complete right to cancel the bid process at any time prior to award of contract, without thereby incurring any liability to the bidders. Further, it shall have the final discretion regarding acceptance/ rejection of any or all of the bids received, without assigning any reason thereof.
- c) No contractual obligation whatsoever shall arise from the bidding documents / bidding process unless and until a formal contract/ mandate letter is signed and executed between the HUDCO and the successful bidder(s).
- d) HUDCO disclaims any factual/ or other errors in the bidding document (the onus is purely on the individual bidders to verify such information) and the information provided therein are intended only to help the bidders to prepare a logical bid-proposal.

4. Instructions to Bidders:

- a) It is clarified that the bids of banks with an unconditional firm proposal for USD 200 million equivalent or above shall only be considered as valid bids. The banks may quote their rates for JPY Loan.
- b) The ECB shall be raised by HUDCO on unsecured basis and only on its own financial strength without any restrictive clause/ pre-condition/ covenants related to its shareholding.
- c) All the fields including one-time Legal costs and Agency Fee in the table provided in Annexure-A are required to be mandatorily filled. In case the bank is not willing to be appointed as Facility Agent, the bank should mention 'Not applicable' in Agency Fee.
- d) The bidders are required to quote the most competitive rates for the legal fee and agency fee charges. The legal fee quoted should be all-inclusive quote including out of pocket expenses, stamp paper charges (to be procured by legal counsel on behalf of HUDCO), taxes in foreign countries etc., but excluding the Indian GST which shall be paid by HUDCO on reverse charge basis.
- f) The amounts quoted by the bidders in respect of the Legal fee and Agency Fee shall be considered as

final, irrespective of the total amount of the facility decided to be raised by HUDCO. However, HUDCO reserves the right to negotiate /discuss with the bidding bank regarding fixation of adequate fees payable to these agencies.

- g) If roadshows are suggested by the banks forming part of the syndication, the quotes for the roadshow expenses will be taken from such banks and the expenses will be reimbursed on actuals.
- h) The bids may be submitted to the following e-mail addresses – resource@hudco.org.
- i) The bid may be shared over e-mails in encrypted form, with password shared on the same e-mail address post the bid submission deadline.
- j) The raising of above facility shall be subject to RBI's guidelines/approvals, other statutory authority, or Government approvals in this regard. Incomplete/ Conditional bids and bids not as per specified format are liable to be rejected.
- k) Submission of the proposal by the bank shall constitute acceptance by the bank of all the terms and conditions mentioned in this Request for Proposal.

5. Evaluation Criteria :-

- a) The L1 bidder shall be decided on the basis of the “**Total cost**” as mentioned in Table in Annexure-A which shall include margin, arrangement fee and withholding tax on grossed up basis on applicable Interest Rate benchmark and margin. Accordingly, the offers shall be evaluated and marked L1, L2, L3 etc. L1 being the lowest offer.
- b) Considering that the legal costs and agency fee are payable to party other than lender(s), the same shall not be considered for ascertaining the L1 bidder. However, the quote for these costs should be on realistic basis after due deliberations with the Legal Counsel/ Facility agents.
- c) In case the commitment offered by L1 bidder is less than the amount required by HUDCO, HUDCO shall ask all the remaining bidders other than L1 bidder to match the “Total Cost” as per Annexure — A as that of the L1 bidder. However, in case of more than one bidder matching the 'Total Cost’ as that of the L1 bidder, the priority shall be given in the order of the ranking of the bidders in the initial proposal so that the minimum amount of USD Equivalent 200 Million or the amount as desired to be raised by HUDCO gets tied up. In case of more than one L1 bidder, the amount to be raised will be shared proportionately with the L1 lenders.

6. Conditions agreeable to HUDCO as borrower while drawing funds under RFP :-

While bidding please consider the following non-negotiable points to be included as part of financial covenants or other conditions in the agreement for the proposed facility:

- a) The ECB shall be raised by HUDCO on unsecured basis and only on the financial strength of HUDCO, without any restrictive eta use/pre-condition/covenants related to its shareholding.
- b) Consolidated financial covenants to be agreed by HUDCO –
 - i. It will adhere to the minimum Capital Adequacy Ratio prescribed by the RBI.
 - ii. It will adhere to the Liquidity coverage ratio requirements, as may be prescribed by the RBI.
 - iii. Limit in relation to any ratio based upon Total Borrowings to Net Worth, as may be mutually decided / finalized in consultation with HUDCO.
- c) Clear Market Clause shall be applicable for not more than (i) two months from drawl of funds (in case of drawl of entire loan amount in a single tranche) and (ii) 45 days from date of last drawl (in case of drawl in multiple tranches) and hence Syndication, if any, must be completed within that period. Further, HUDCO reserves its right to raise funds in any currency through alternate market/modes i.e. foreign bonds (including Masala Bonds) etc., loans with different underlying benchmark rates and including loans from multilateral financial institutions like JICA, KfW, ADB, etc. from offshore markets and loans/ bonds or any other mode in the domestic currency/ domestic markets in India.
- d) No pre-condition shall be accepted by HUDCO requiring it to provide the copy of swift (MT103 / MT202) one

(1) Business Day prior to the relevant due date in relation to any payment. HUDCO shall endeavour to provide an irrevocable payment instruction one (1) Business Day prior to such due date.

7. Other matters related to RFP: -

A. Changes in the Bidding Document

- a) At any time, prior to the deadline for submission of bids, HUDCO may for any reason, whether on its own initiative or as a result of a request for clarification by a bidder, modify the bidding document by issuing an addendum.
- b) In case any modification is made to the RFP or any clarification is issued which materially affects the terms contained in the RFP, HUDCO shall publish such modification or clarification in the same manner as the publication of the initial bidding document.
- c) In case, a clarification or modification is issued to the RFP, HUDCO may, prior to the last date for submission of bids, extend such time limit in order to allow the bidders sufficient time to take into account the clarification or modification, as the case may be, while submitting their bids.
- d) Any bidder, who has submitted his bid in response to the original invitation, shall have the opportunity to modify or re-submit it, as the case may be, within the period of time originally allotted or such extended time as may be allowed for submission of bids, when changes are made to the RFP by HUDCO. Provided that the bid last submitted, or the bid as modified by the bidder shall be considered for evaluation.

B. *Period of Validity of Bids:* -

- a) Bids submitted by the bidders shall remain valid for 60 days from the last date of submission of bids. A Bid valid for a shorter period shall be rejected by HUDCO as non-responsive Bid.
- b) Prior to the expiry of the period of validity of Bids, HUDCO may request the bidders to extend the bid validity period for an additional specified period of time. A bidder may refuse the request and such refusal shall be treated as a withdrawal of Bid after the expiry of the initial validity period.

C. *Format and signing of bids:* -

Bidders are advised to submit the bids strictly in the format prescribed at Annexure-A. The bids must be submitted under the signatures of authorized officer of bidder.

D. *Cost of Bidding*

The bidder shall bear all costs associated with the preparation and submission of its bid, and HUDCO shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

E. *Alternative/ Multiple Bids*

Alternative / Multiple Bids shall not be considered at all.

F. *Correction of Arithmetical Errors in the Bids*

The opening committee shall correct arithmetical errors in responsive Bids, on the following basis, namely

- a) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail, and the total shall be corrected;
- b) if there is a discrepancy between the amount quoted in figures and in words, the amount in words shall prevail.

G. *Lack of competition*

A situation may arise where, if after evaluation of Bids, the bid evaluation committee may end- up with one responsive Bid only. The bid process shall be considered valid even if there is one responsive Bid, provided that the Bid is unconditional and complete in all respects;

H. Confidentiality

The bidders are also advised to keep the matters and the information confidential, which may have an implication on the pricing and the offers received by HUDCO, till the mandate letter is issued to the successful bidder(s)

Bidders submitting the bids under the subject RFP are advised to read all the terms and conditions laid out here. Submission of bids shall construe that they unconditionally agree with all the terms and conditions as laid out in the RFP.

Yours sincerely,

(LVS Sudhakar Babu)
Executive Director (Finance)

एल.वि.एस सुधाकर बाबु / L.V.S. SUDHAKAR BABU
कार्यकारी निदेशक (वित्त) / Executive Director (Finance)
हाउसिंग एण्ड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड
Housing and Urban Development Corporation Ltd.
भारत सरकार का उपक्रम / A Govt. of India Enterprise
हडको भवन, भारत पर्यावास केन्द्र, लोधी रोड,
HUDCO Bhawan, India Habitat Centre, Lodhi Road,
नई दिल्ली / New Delhi - 110 003

Enclosure: Annexure – A on the following page

Annexure-A

S. No.	Particulars		
1.	Currency [Refer Note 4(a)]		
2.	Door to Door Tenor	5 years, Bullet repayment	
3.	Interest payment frequency	Semi-Annually	
4.	Firm Commitment amount	USD Million Equivalent	
5.	Interest Rate Benchmark	Overnight TONA	
6.	Break up of all-in cost	In figures	In Words
a)	Margin over Interest Rate Benchmark in % age per annum (e.g. 0.90% per annum to be mentioned as 0.90 in figures and zero Point Nine zero in Words)		
b)	Arrangement Fee/Upfront fee (to be paid upfront) in loan currency in absolute terms on the Firm Commitment amount as at 4 above (e.g. 2.50 million to be paid upfront to be mentioned as 2,500,000 in figures and Two Million Five Hundred Thousand only in words)		
c)	Applicability of Withholding Tax on the Firm Commitment Offered as at 4 above (e.g. In case applicable on entire Firm Commitment Offered, write the firm Committed amount in figures and Words, in case applicable on part amount say 50% of Firm Commitment Offered, write that in figures and Words and in case not leviable on the entire firm Committed amount offered, write 0 and NIL in figures and Words) Presently withholding Tax is @ 5.46% on grossed up basis calculated on Interest Rate Benchmark + (a) above and for the purpose of calculating the withholding tax, Interest Rate Benchmark as at one day prior to the last date of submission of bids will be considered.)		
	Total Cost (a to c) (shall be calculated by HUDCO based on that quoted in 6(a to c) above)		
		Amount (in USD)	
d)	Legal cost (One-time) (Refer Note 1 & 2) (Please mandatorily mention the cost, in the absence of which it shall be presumed that cost is NIL. Please refer to condition no. 4 © of RFP in this regard.)		
e)	Agency fee (Total for 5 years, payable annually) (Refer Note 2) (Please mandatorily mention the cost, in the absence of which it shall presumed that cost is NIL. Please refer to condition 4(c) of RFP in this regard.)		

Note 1: Legal Fee to be an all-inclusive quote which must include out of pocket expenses, stamp paper charges (to be procured by legal counsel on behalf of HUDCO), taxes in foreign countries etc., but excluding the Indian GST which shall be paid by HUDCO on reverse charge basis.

Note 2 : The amount quoted by the bidders in respect of the Legal fee and Agency Fee shall be considered as final and the amounts so quoted shall be paid by HUDCO on the total amount of *the* facility decided to be raised by HUDCO after bidders are clubbed as per Para 5(a) of the RFP

Legal Fee (One time) and the annual agency fee shall not be considered for ascertaining the L1 bidder.

Undertaking by the Bidder: We unconditionally agree to all the terms and conditions as laid out in the RFP

(Signature of Authorized officer of bidder)

