

## Annexure-1

The queries received from the bidders on **RFP for selection of Transaction Advisor concerning disinvestment and transfer of management control in IDBI Bank Ltd.** and clarification thereon, are as under:

S.No.	Queries from the bidders	Clarification
1.	Is there a deal size criteria for the deals to be included in Section A, Section B and Section D of Technical bid (para 8 of the document)	For eligibility purpose the bidder should have advised, handled and successfully completed at least one transaction of strategic disinvestment/strategic sale/M&A activities/ private equity investment transaction of the size of Rs. 5000 crore or more. For other deals there is no deal size criteria, hence, bidder can highlight the best deals on banking and financial services transactions.
2.	As per para 4 – Scope of Work of Transaction Advisor (TA), will valuation exercise be part of scope or will an external agency be appointed for the same?	For assisting Gol in fixing the range of fair reserve price, valuation of IDBI Bank Limited would be part of the scope of work of Transaction Advisor. However if there is a need for an Asset Valuer, the same shall be appointed later.
3.	Will the Bank/ Gol reimburse the Transaction Advisor for the fees charged by due diligence agency?	Pl. refer to clause 10.3, which says that the travel related expenses and all the expenses including those related to due diligence would have to be borne by the Advisor
4.	Will the Bank/ Gol reimburse the Transaction Advisor for any out of pocket expenses incurred?	Kindly refer to clause 5.5.1 (b) of Agreement for Advisory Services at Annexure-4 of RFP, which clearly mentions that all out of pocket, travelling/hotel and other cost, charges and expenses incurred by Advisor or its officers, employees or agents in connection with performing any services shall be borne by him
5.	As per Para 4 (xii) - We understand that we will manage the process for transaction approvals and compliances along with specialist legal / regulatory advisors that may be needed for the same, but we will not be responsible for these. Request you to please clarify/ confirm the same	Apart from Transaction Advisor, there shall be a Legal Adviser to look into legal aspects of the transaction. If at the later stage requirement of Asset valuer is felt, Gol may appoint one. But it is for Transaction Advisor to drive the entire process.
6.	While we understand that Gol's stake sale quantum is still under consideration, is there any broad	The mandate received from CCEA is to off-load upto 100% stake of Gol and LIC alongwith transfer of management

	indication on % of monetisation in the current process. If the GOI does not offload its complete stake now, what is the timeframe to offload the remaining stake?	control. However, the exact quantum is yet to be worked out. It will be determined, as we go through the transaction and ascertain investors' interest, market appetite etc. It is clarified that LIC's stake will be sold alongwith Gol's shareholding in this transaction. So there is only one transaction advisor .
7.	We understand from public sources that LIC is also looking to offload stake. Whether it will be clubbed in this process or a separate RFP will be floated? What is the potential stake sale/timeframe of that? Is there a possibility of having common transaction advisors for both the processes?	
8.	What is the broad quantum of primary infusion expected in the bank, and the timeframe for such infusion?	This will be decided as the transaction progresses.
9.	Is there a preference to have a single strategic partner or a consortium bid can also be considered from the proposed buyers?	Consortium bids are not allowed.
10.	Please clarify whether GOI and LIC will continue to remain co-promoters pursuant to majority stake sale.	As per the New PSE Policy in Strategic Sectors, only a bare minimum presence of PSEs will be retained and the balance will be considered for privatization or merger/subsidiarization with other PSEs or closure. Banking, Insurance and Financial Services is one of the Strategic sectors. As such the mandate is to divest upto the entire GOI and LIC stake in IDBI Bank Limited. But the quantum is yet to be decided and is likely to be declared before RFP stage of the transaction. The decision of remaining co-promoters or otherwise would be contingent on the percentage of stake sale.
11.	<b>Clause 5.7</b>	A Transaction of similar nature means a

	<p>IDBI has interests in business such as Banking, insurance, investment banking, asset management, trusteeship, etc. Please clarify what all businesses would be included in the interpretation of same line of business.</p>	<p>strategic disinvestment transaction of a Bank with transfer of management control within India. However this would not include a Strategic disinvestment transaction along with transfer of management control of another Bank done by DIPAM. Acting from the selling side of DIPAM and advising the buyers constitutes a clear conflict of interest and is not allowed.</p>
<p>12.</p>	<p>Please clarify what does transaction of similar nature includes. Does that include any sell side advisory for company engaged in similar business? Further does it also includes restrictions for buy side mandates for company in similar business.</p>	
<p>13.</p>	<p>Information related to ongoing/future mandates are confidential in nature and as a party to the NDA, it may not be contractually possible to disclose the details of such mandates. Can any other alternative way be thought of?</p>	<p>Terms of NDA cannot be changed. The Government would need to be informed , if there is a Transaction of similar nature as defined above.</p>
<p>14.</p>	<p><b>BoQ Format</b> Please clarify what is BOQ format.</p>	<p>Bill Of Quantity(BOQ) is the format for filling financial bid on the Central Public Procurement (CPP) Portal.</p>
<p>15.</p>	<p><b>Clause 8 Section (A)</b> Transactions from which period can form a part of this criteria? What nature of the transactions is eligible to be highlighted? Does this section also include other advisory services such as valuation advisory, fairness opinion, open offer, corporate restructuring through a scheme, etc. ?</p>	<p>There is as such no restriction on period or threshold on the transactions, in terms of volume and value for this part of criteria. However, the transactions should be related to strategic disinvestment/ strategic sale/M&amp;A activities/ private equity investment. There is no deal size criteria, hence, bidder can focus on his best deals</p>

16.	Is there any threshold on the transactions, in terms of volume and value for this criterion?	on banking and financial services transactions.
17.	<b>Clause 8 Section (C)</b>  Helpful if this point can be elaborated. Will the reports and research conducted by the Institutional Equity Research team of the Investment Bank also qualify in terms of the work done?	Yes
18.	<b>Clause 8 Section (E)</b>  Can we understand the exact requirements of this point in light of a domestic investment bank?	Under this clause, bidder has to elaborate on its local presence with staff strength, capabilities of deal team members and their commitment to India in context of instant transaction.
19.	<b>Clause 8 Section (I)</b>  Please clarify what documents/information is needed with respect to firewall mechanism	Bidder, if subsidiary of a Bank, has to explain to the IMG during technical presentation, the firewall mechanism to be deployed for confidentiality of the deal from the retail division,
20.	<b>Clause 10.2</b>  We intend to seek clarity on this point as typically appointments of all the consultants, experts, agencies (including DD advisors) are done directly by the seller, which will include the commercial terms like indemnity, associated terms and the costs, to which a transaction advisor is not a party to.	Indemnification of Gol by the Advisor and Indemnification of Advisor by Gol are clauses incorporated at clause 3.3 and 4.3 respectively in Agreement for Advisory Services at Annexure-4 of the RFP, to be executed between the two.
21.	<b>Clause 10.3</b>  Please clarify whether GOI / IDBI would bear the cost of due diligence advisor including appointment and out of pocket	It is clarified that the cost of due diligence and out of pocket expenses would have to be borne by the Advisor.

	expenses.	
22.	<p><b>Clause - 2(iv): Annexure 2</b></p> <p>Please clarify whether advisory services provided to potential buyer groups for other assignments for same or other line of business will be allowed or not</p>	The clarifications at SN 11-12 may be seen.
23.	<p><b>Annexure 3; Clause 2(m)</b></p> <p>Please let us know if any fund-raising capital market mandates (ongoing / contemplated) for entities in same line of businesses (such as Small finance banks, NBFCs, payment banks, banks) would be seen as a conflict of interest.</p>	
24.	<p><b>Clause - 3.3: Annexure-4</b></p> <p>Can we suggest changes in the indemnity basis inputs from our legal department.</p>	No changes are allowed to the indemnity clauses in the Agreement on Advisory Services.
25.	<p><b>Clause - 5.5.1: Annexure-4</b></p> <p>We wanted to understand who will bear the costs of data room management meeting rooms, press release/ public announcement newspapers of the deal, etc.?</p>	Expenses to be borne by the parties is very clear in clause 5.5 in the Agreement for Advisory Service.
26.	Typically, agencies like Financial DD, Legal DD, Commercial DD agencies, Tax Consultants, restructuring experts are involved in any process. We seek clarification on how exactly is external professional defined here?	Expenses related to fee etc. in respect of external professionals/ Intermediaries appointed by Gol/IDBI Bank Legal Adviser, Auditor etc. for strategic disinvestment process shall be borne by Gol/IDBI Bank. Any external professional engaged by the Transaction Advisor, apart from those appointed by Gol, as per

27.	<p><b>Clause- 5.5.2: Annexure-4</b></p> <p>Help us understand if the appointment of legal advisors will include the cost and scope of legal due diligence as well.</p>	<p>his requirement for assisting in the process such as taxation consultant, accounting firm etc., their cost shall be borne by the Transaction Advisor.</p>
28.	<p><b>Clause- 5.2.2: Annexure-4</b></p> <p>Other places of the RFP requires fee to be quoted on a lumpsum basis, while here the success fee is based as % of gross consideration. Please help us understand how the fee needs to be quoted (% basis or on lump sum basis)</p>	<p>We thank the participants for highlighting the error. Fee is required to be quoted on a lumpsum basis and it shall be payable by the GoI on achievement of two milestones. Corrigendum to this effect is being issued separately.</p>
29.	<p><b>Annexure 2: Conflict of Interest</b></p> <p>TA appointed under this RFP can participate in other bank privatization RFPs incase issued by DIPAM/GOI and it wont be considered conflict just because the said TA is advising DIPAM on IDBI transaction.</p>	<p>As clarified in SN 11-12 above.</p>
30.	<p>TA appointed under this RFP is allowed to advice a potential bidder for other bank privatization incase initiated by DIPAM/GOI. This won't be considered conflict just because the said TA is advising DIPAM on IDBI transaction.</p>	
31.	<p><b>Clause 7 (7.1.d) - Submission of Proposal</b></p> <p>We trust that the audited financial statements for 2018, 2019, and 2020, shall suffice in case the financial statements for financial year 2021 are not available. Accounting year end for the purpose of financial statements is 31 May for our firm and thus financials for 2021 are not available yet.</p>	<p>Yes, audited financial statements for 2018, 2019, and 2020 may be sent.</p>
32.	<p><b>Clause 10 (10.3) - Requirement for Financial Bids</b></p> <p>We understand that the expenses related to due diligence refers to expenses for facilitating conduct of</p>	<p>Confirmed. All the expenses including those related to due diligence by potential investors would have to be borne by the Advisor.</p>

	due diligence by potential investors, and not vendor due diligence by the appointed advisor. If required, a separate agency shall be appointed by DIPAM for Vendor Due Diligence as part of the intermediaries recommended under clause 4.1.iii of the scope of work. Please confirm.	
33.	Under technical criteria, certain expertise in Global experience is required. Will the bidding entities be allowed to use capability /experience of other member firms working under the same network.	Yes, it is allowed. However the responsibility with respect to deliverables in the scope of work shall remain that of the bidding entity.
34.	<b>Clause 4 (4.1.xi) - Scope of Work of Transaction Advisor</b> Please confirm that the documents will be drafted by the Legal Advisor being appointed by DIPAM, and TA will assist in providing commercial inputs, negotiation and execution only.	Legal Adviser will interalia look into the legal aspects of the transaction and draft the transaction related documents. But it is overall responsibility of Transaction Advisor to drive the entire process in coordination with the intermediaries.
35.	<b>Clause 4 (4.1.xii) - Scope of Work of Transaction Advisor</b> Please confirm that TA will be responsible for assisting in drafting of applications and obtaining such clearances only. The responsibility for making the actual filings shall rest with DIPAM / IDBI.	TA shall have to ensure compliance of applicable regulatory requirements including obtaining statutory approvals and clearances, wherever necessary.
36.	<b>Clause 4.1:</b> Kindly confirm if a separate valuation advisor will be appointed by DIPAM	Business valuation has to be undertaken by Transaction Advisor. In case there is requirement of Asset Valuer at a later stage of the transaction, it can be appointed.
37.	<b>Clause 4.1 (vi):</b> Please confirm if the cost of setting up of the e-data room will be borne by DIPAM	Cost of setting up of the e-data room will be borne by IDBI Bank Ltd.
38.	<b>Clause 4.1 (viii):</b> Please confirm if the cost of issuance of advertisement/RFP etc will be borne by DIPAM	As given in clause 5.5.2 of Agreement for Advisory Services, all advertisement and printing expenses relating to the services under this agreement shall be borne by

		Gol
39.	<b>Clause 4.1 (x):</b> Is the consultant required to carry out detailed valuation also. Whether projections will be provided by Company? Under what scenario, an external consultant may be appointed?	As clarified in SN 36 above.
40.	<b>Clause 4.1 (xi - xii):</b> We understand that a separate legal advisor will be appointed to carry out this scope and we will be overseeing the work. Kindly confirm their understanding.	Confirmed.
41.	<b>Clause 10.4:</b> Does the scope require TA to assist in appointment of advisors? Does the fees need to be inclusive of due diligence, legal and valuation? Kindly clarify	For legal aspect, Legal Adviser shall be appointed by Gol. For appointment of any other advisor if so required in the transaction, TA will assist.
42.	<b>Clause 7.1 (h) &amp;(i):</b> Request if we can waive off / reduce the performance guarantee fee. Can it be reduced to 5% of the fee as the amount remains stuck for a long period of time	Accepted. Instead of 10%, the performance guarantee fee would stand reduced to 5%.
43.	<b>Annexure-2- point(2):</b> Can we drop reference of Sister Concern in the Annexure because ICICI Securities will have many sister concerns such as ICICI Lombard, ICICI Prudential among others who are listed and independently functioning and will have no impact on functioning of ICICI Securities	Not accepted.
44.	<b>Annexure-2- point(6 &amp; 7):</b> Can you pls elaborate on the term 'similar transaction' as to whether it applies to private bank	Clarified in SN11-12 above.



	transaction or PSU bank transaction and whether it applies only to privatization/divestment transaction of PSU bank or M&A transaction or even a PE / Capital market transaction	
45.	<p><b>Annexure 4 (Agreement for Advisory Services) – Clause- 2.5.1 Termination by Gol – point (f):</b></p> <p>Could you elaborate on the definition of ‘Not found’. Does that mean that the advisor is not able to find a single buyer or does it mean that GOI is not able to consummate a transaction due to certain asks by the bidder such as valuation, rights etc</p>	It is clear that if Acquirer is not found for any reason then the Termination clause can be invoked.
46.	<p><b>Annexure – 9 (Format of NONDISCLOSURE AND CONFIDENTIALITY AGREEMENT)- Clause 2.1.9 :</b></p> <p>Request you to kindly waive of the indemnity</p>	Not Accepted.
47.	<p><b>Clause 3.2</b></p> <p>Please clarify the stake being offered for sale. Will GOI sell its entire stake of 45.48%? Will LIC also partially divest its stake of 49.24%?</p>	As mentioned above, in the instant transaction stake of Gol and LIC is to be sold. The exact quantum shall be worked out during the course of transaction.
48.	<p><b>Annexure 4 &amp; 9</b></p> <p>We request that certain clauses such as Indemnity be negotiated based on mutual agreement if the relevant bidder is selected. As an organization policy, we do not accept indemnity.</p>	Not Accepted.
49.	<p><b>Clause 3.1 &amp; 3.2:</b></p> <p>If the transaction also envisages divestment of LIC shareholding in IDBI Bank in addition to Gol’s</p>	Yes, in the instant transaction there will be divestment of Gol and LIC shareholding in IDBI Bank along with transfer of management control. The

	shareholding. Does the open offer can be triggered as per SEBI's Transaction require the Investor / Strategic partner to make an Open Offer.	regulations in this regard.
50.	<b>Clause 4.1 (xi):</b> <b>They understand:</b> The preparation of the transaction documents shall be the responsibility of the Legal Advisor (LA) and the TA will only assist Gol. LA in providing comments on the terms and conditions of the Transaction. The execution of the documents shall be done by Gol. Please confirm if our understanding is correct.	The entire process will be driven by Transaction /Advisor along with Legal Adviser who will look into the legal aspects of the transaction.
51.	<b>Clause 4.1:</b> Their understanding is that the drafting of Confidentiality Agreement will be the responsibility of Legal Advisor. Please confirm if our understanding is correct.	Draft Non-Disclosure and Confidentiality Agreement is given at Annexure-9 of RFP.
52.	<b>Request for addition of following clause in the Agreement with the Advisor:</b> " Any assistance on the scope will only be from techno-commercial aspect. Any assistance in drafting and/or of interpretation of contractual documents shall be responsibility of your legal advisors. No work performed by our employees shall be construed as legal service/legal advice."	Scope of Work for Legal Adviser has been mentioned in detail in the RFP for Legal Adviser.
53.	<b>Clause 7 - Submission of Proposal:</b> Their understanding is that the entire proposal (Cover 1 , Cover 2 and Cover 3) is to be submitted online and no physical submission is required. Please confirm if our understanding is correct.	Confirmed
54.	<b>Clause 12:</b> The Authority is requested to confirm who will be the engaging	Confirmed

	party for the Transaction Advisor. They understand that as per the format in Annexure 9, an NDA is required to be executed only with IDBI Bank Limited. Please confirm.	
55.	<p><b>Out of Pocket Expenses related to marketing, road shows etc.:</b></p> <p>Please confirm if there would be reimbursement for the expenses related to conducting marketing and road shows for the transaction.</p>	These shall be borne by TA
56.	<p><b>Annexure – 3 (Office Memorandum) - Guidelines for qualification of Advisers for disinvestment process- clause 2(I &amp; k):</b></p> <p>This may not be relevant for this disinvestment process. Authority is requested to consider deletion of this clause.</p>	Clarifications in SN 11-12 may be referred to.
57.	<p><b>Annexure – 4 (Agreement for Advisory Services) - Clause 3.4 Limitation of liability:</b></p> <p>Authority is requested to amend the clause as below: In the particular circumstance of this case, Gol agree that the aggregate liability of ABC <del>and directors, officers and employees and representatives of ABC</del> (Whether direct or indirect, in contract or tort or otherwise) to Gol arising out of this Agreement, including any indemnity liability as per clause 3.3 above, shall be limited to the aggregate fees actually payable to ABC under this Agreement by Gol</p>	Suggested amendments not agreed to. The decision on the extension of the bid submission date would be taken later.
58.	<p><b>Annexure – 9 (Format of NONDISCLOSURE AND CONFIDENTIALITY AGREEMENT):</b></p> <p>Authority is requested to amend</p>	

	the clause as below: All Confidential Information disclosed by the Disclosing Party shall be deemed to be (and all copies thereof or of any part or parts thereof shall become upon the creation thereof) and shall remain the property of the Disclosing Party.	
59.	<p><b>Bid Submission Date:</b></p> <p>They are keen to participate in this important RFP. However, due to the current pandemic situation, the mobility is restricted. The Authority is requested to provide an extension for the submission of Bid from July 13, 2021 to July 27, 2021.</p>	
60.	<p><b><u>Clause 4.1</u></b></p> <p>As is the case with other RFPs floated by DIPAM for TA we request that “advising on post-sale matters” be restricted to a period of one year post completion of the Transaction.</p>	Not acceptable
61.	<p><b>Clause 7.1a:</b></p> <p>Kindly clarify whether as per Gol guidelines, entities registered under MSME are exempt from submission of RFP cost and EMD</p>	DIPAM has already issued guidelines in this regard.
62.	<p><b>Clause 10:</b></p> <p>The fee payable to the Transaction Advisor (TA) is on successful completion of transaction.</p> <p>You would appreciate that strategic disinvestment is a detailed exercise requiring commitment of senior manpower and time. The process is likely to take 9-12 months for consummation of a transaction in the best case scenario. Large number of issues including surplus assets need to be resolved</p>	<p>It has been decided to introduce two milestone payments within the overall ambit of the success fee to the Transaction Advisor as below:</p> <ul style="list-style-type: none"> <li>• Pay 25% of the total fee on shortlisting of bidders after receipt of Expression of Interest (Eoi).</li> <li>• Balance 75% fee is payable on completion of the transaction after SHA/SPA is signed and sale proceed is received in Gol account.</li> </ul>

	<p>satisfactorily between the various stakeholders during the course of the process.</p> <p>In this context, we request DIPAM to introduce two milestone payments within the overall ambit of the success fee as under:</p> <ul style="list-style-type: none"> <li>• 20% fee is payable to the TA on shortlisted of bidders after receipt of Expression of Interest (Eoi)</li> </ul> <p>This stage demonstrates initial success wherein the TA receives Eols and shortlists bidders for the second stage of due diligence and subsequently, financial bid submission</p> <ul style="list-style-type: none"> <li>• 20% fee is payable on issue of RFP to the shortlisted bidders inviting financial bids.</li> </ul> <p>Such milestone payments will ensure that the TA will not go out of pocket during the assignment and keep his manpower motivated. This sort of fee structure has been agreed in one of the previous instances of strategic disinvestment by Dept of Disinvestment earlier.</p>	
<p>63.</p>	<p><b>Annexure – 4 (Agreement for Advisory Services) - Clause 2( General Provision):</b></p> <p>Request if the following clause can be added:  Engagement as Transaction Advisor would be valid for five (5) years from the date of appointment letter issued by DIPAM or till the completion of transaction whichever is earlier. The validity can be extended mutually.</p>	<p>Agreed to sunset clause of 5 years.</p>

	<p>Such a clause has already been introduced in the RFP for OFS. A similar clause could be introduced in the RFP for Strategic Sale with maybe a longer period of time, say 5 years since the strategic disinvestment process takes more time to consummate.</p> <p>During an open-ended engagement, team members handling the transaction change at frequent intervals due to attrition and the desired output may not be achieved.</p>	
64.	<p><b>Annexure – 4 (Agreement for Advisory Services) - Clause 5.2.2:</b></p> <p>The financial bid format states that the Bidder is required to quote a Transaction fee as a lump sum in Indian Rupees. However, the Clause 5.2.2 of Annexure – 4 states % of the gross consideration. Kindly clarify.</p>	<p>This is an error. Bidder is required to quote a Transaction fee as a lump sum in Indian Rupees. Fee shall be payable in two milestones as mentioned above.</p>