

Responses to queries from Merchant Bankers for appointment as BRLMs for the proposed QIP/FPO of the Bank

Sr. No.	Query	Response
1	Clause 4.3 - As for being penalized by any authority in the past, can we limit the reference either to only the merchant banking activity or if it is for the entire India entity then for a time period of upto last 5 years and for an amount of penalty say > Rs. 1,00,000?	Entire Indian activity and outstanding actions.
2	The bidder has been requested to comply with certain requirements and provide certain undertakings as per Clause 4 (Eligibility Criteria), sub-clauses 4.3 and 4.4. Request clarification if sub-clauses 4.3 and 4.4 are intended to be read with a materiality threshold such that events which do not have any material adverse impact on the bidding Merchant Bank's performance as BRLM for the IPO may be disregarded.	No threshold.
3	As per Clause 4 (Eligibility Criteria), sub clause 4.5, the selected merchant bankers would be required to sign the non-disclosure agreement. Could you please provide copy of the non-disclosure agreement? If no, would this agreement be negotiable?	NDA will be shared with the selected merchant bankers.
4	Please confirm if the financial bid weightage of 30 will be pro-rated on fee quote by each BRLM	Yes, the financial Bid weightage of 30 will be pro-rated.
5	Please confirm if the fees for the international and domestic counsels representing the BRLMs will be borne by the Company	The fees for the Counsels will be borne by the Bank.
6	Please confirm if the domestic & international roadshow expenses (if envisaged) will be borne by the Company, including the cost of the travelling / coordinating merchant banker	All roadshow expenses except travelling and lodging and boarding cost of the Merchant Bankers will be borne by the Bank.

7	Please confirm if the variable fee component (in case of FPO) will be based on funds mobilized in QIB category only given you will have separate commission/incentive structure for non-QIB procurement	The fee will be divided equally i.e 50% fixed and 50% variable fees. The variable fee component in case of FPO will be based on allotment to QIBs.
8	Please confirm if any variable fees component is envisaged for BRLMs in case of QIP offering	No, the fees in case of QIP will be fixed fees.
9	Please confirm if the expenses (in case of FPO) related to printing of forms, advertisement & publicity will be borne by the Company	All expenses except cost of travelling merchant banker will be borne by the Bank.
10	Given the “Chinese wall” restrictions, we will not be able to provide some of the details asked on our research capabilities	We have asked for research capability which are available in public domain as well.
11	In case of FPO, the fee is split 50:50% between fixed and variable components. Is there any similar fee split in case of a proposed QIP issuance?	No
12	Point 8.8 – A clarification for the amount of left lead fee which shall be decided by the company	No fees
13	Point 9.1 – This point states that this fee should be inclusive of all taxes and duties. Given that the Indian indirect taxation system is expected to undergo major changes in the next couple of months we request you to provide guidance on the effect of changes in taxes.	Bank will pay the fees inclusive of all taxes.
14	Clause 8.2: Only bidders scoring at least 70% in the technical bids will be shortlisted – please confirm if all the bidders scoring above 70% will be shortlisted. Also, kindly advise if the scores of all the bidders will be announced post the technical bids	Merchant Bankers who score atleast 70% in technical score will be shortlisted and financial bids opened for them.
15	d. Any page limit preferred for the RFP response submission	No limit but presentations would be limited to 20 minutes.
16	In case the bidder is already mandated on an equity raise transaction with an Indian bank, will that affect the selection of the bidder for SBI’ potential QIP/FPO?	Bank will consider the conflict and decide accordingly.

17	We note that any clarification to the undertaking would need to be provided separately. Can we add a sentence to the proposed language of the undertaking stating reference to the clarification?	Yes, clarification can be provided separately.
18	Can you please clarify if we can bid a separate fees for FPO and QIP since the quantum of work involved is different including the SEBI review of document in case of FPO	No, only one quote has to be given.
19	For Annexure VI - can we restrict the disclosure for no. of issues handled and contact details to senior IB team members?	Required for the Team which is going to work on the proposed transaction.
20	For Annexure VII since the period for which the information is required is not specified, can we use the same period as required in Annexure III/V i.e. from 1 April 2014 to March 2017?	Yes, the same time period as used for the eligibility criteria.
21	Annexure VIII – While we can provide overall presence globally and in India in terms of no. of analyst, can we restrict other disclosure only to the India coverage specific to BFSI sector and provide only the current rating of the companies covered in the sector?	Yes, we need it for the India specific BFSI coverage.
22	5) Annexure IX -	
	a) In the first sentence how are we defining “sister concern(s)”? Can we restrict only to related entities in India?	Yes restrict it to India related entities.
	b) Is there some time period till which the exclusivity is applicable? Does it apply to only PSU banks?	No, there is no exclusivity for PSU Banks.
23	Undertaking – Annexure IX – Request clarification whether mandates with Small Finance Banks and Payments Banks would be considered as conflicts of interest	Yes

24	<p>What would you consider as a conflict of interest pertaining to this transaction? Would conflict of interest only mean engaging on another capital market transaction for Indian Bank on Indian stock exchanges or would it extend to private placements and stake sale, or would it also extend to transactions which do not involve new issue of shares such as M&A, loan financing?</p>	<p>Equity issuances and will not extend to M&A, private placement or blocks.</p>
25	<p>In context of future conflict of interest, can you please advise on indicative time period for raising equity capital and whether conflict would be considered only for the similar product offering?</p>	<p>Nothing at this time. Bank will disclose the period of conflict with selected Bankers and in case the same is not acceptable, Merchant Banker can reconsider working on the transaction.</p>
26	<p>Eligibility</p>	<p>Bidders should have handled at least one domestic equity issue (Initial Public Offering/Further Public Offering/Qualified Institutional Placement) of the size of Rs 2,500 crore or more in BFSI (Banking Financial Service & Insurance) space during the period from 1st April, 2014 to 31st March 2017.</p>