

## Pre Bid Queries & Responses : Book Running Lead Managers (BRLMs)

S.No	Query	Response
1	Clause 4.6 - Please clarify, if a bidder is already appointed and acting as one of the joint book running lead managers on the IPO/FPO/QIP of Credit Card or Payments solutions company to be listed in India, how should the consent be taken from SBI Card. This query was specifically related to specific company AGS Transact.	The para in undertaking (clause 4.6) on conflict talks about acceptance of mandate while being engaged in the IPO of SBI Card. The bidders already having the mandate from Credit Card or Payment solutions will need to disclose as part of conflict of interest.  However, in case bidder is selected as a BRLM to be engaged for SBI Card IPO, bidder would be required to take a consent from SBI Card before accepting any IPO/FPO/QIP mandate of a credit card and payments solutions company (this shall also include any fresh mandate for an existing transaction)
2	Clause 5.2 - Please clarify, how do bidders have to send technical bid through soft copy and what is the deadline for the submission of soft copy?	The deadline for submitting the soft copy of Technical Bid is 17:00 hours, 11th September 2019, on email to rajat.jain@sbicard.com  Please note Financial Bid is required only in hard copy (sealed envelope) and no soft copy of Financial bid is required. Submitting Financial bid in Soft copy, will make the bid void.
3	Clause 8 (Section A (iv)) mentions details of ONLY domestic equity offerings to be provided as per Annexure II. Annexure II format mentions domestic/international public offerings. Please clarify whether international offerings are to be included in Annexure II	In the Annexure II, International Offerings are to be included as additional information, this is not linked to eligibility criteria. The information required in Annexure II is for the bidding entity only (not of their Global sister concerns)
4	Clause 8 (Section B (ii)) mentions details of ONLY domestic equity offerings in BFSI sector to be provided as per Annexure IV. Annexure IV format mentions domestic/international public offerings. Please clarify whether international offerings are to be included in Annexure IV	In the Annexure IV, International Offerings are to be included as additional information, this is not linked to eligibility criteria. The information required in Annexure II is for the bidding entity only (not of their Global sister concerns)
5	Clause 4.1 - Eligibility criteria, please clarify whether "Domestic Open Offer of Equity Shares", be considered as issuance in IPO/FPO/QIP category	The 'Domestic Open offer for Equity Shares' cannot be considered as it is not an equity fund raise for the company or selling shareholder. Open offer is an exit offer given to the existing shareholders of listed company by the investor after the investor has acquired stake in that listed company. SBI Card's eligibility criteria is linked to fund raise in the form of IPO / FPO / QIP in BFSI segment for Domestic Equity Issuance.
6	Clause 4.1 - Eligibility criteria, please clarify would the IPO/QIP/FPO transactions completed after 30th June 2019, be considered to be included for meeting the eligibility criteria	The eligibility criteria, including the period in consideration for relevant experience, has been determined after much deliberation by the IPO committee which comprises of the directors of the Company. Hence, no amendments can be accepted in the eligibility criteria including the period in consideration for relevant experience.
7	Clause 4.1 - Eligibility criteria, please clarify would the QIP issue of (HDFC Ltd) secured redeemable non-convertible debentures along with warrants, each exchangeable for one Equity Share (Warrants and together with the NCDs), where company (HDFC Ltd) had converted warrants to equity shares (basis the details provided by bidder for the number & amount of Warrants which got converted to Equity in Oct 2018) be considered under the QIP for eligibility condition.	The QIP transaction of 'HDFC Ltd Warrants convertible to Equity' (basis the details provided by bidder for the number & amount of Warrants which got converted to Equity in Oct 2018), will be considered as Domestic Issue of Equity as per the eligibility criteria laid out RFP for selection of BRLMs.
8	Please clarify if the proforma financials for FY 2019, if possible (Post merger of SBI Cards and SBI Business Process Management Services Private Limited) be shared	Financials for FY'19 will be shared after NDA has been signed post engagement with SBI Card for IPO transaction.
9	Please clarify if the financial bid weightage of 20 will be pro-rated on fee quote by each BRLM	The combination of Technical and Financial bid would be basis of selection. Scoring of Financial bid will be on the basis of L1 quote and other bidders will be scored in relation to the L1 bid being the base for score of 20.
10	Please clarify, given the "Chinese wall" restrictions, some of the details asked on research capabilities can not be provided	Bidders to add a caveat or a note whilst submitting response on research capabilities.
11	Please clarify, the validity period of appointment of BRLMs for the proposed transaction	The validity period of appointment of BRLMs will be 12months from appointment or completion of IPO transaction whichever is earlier and if the need arises, the same can be extended on mutual agreement.
12	What details do we need to provide in Annexure III (B) for Conflict of Interest?	The term 'conflict of interest' refers to any other mandate for IPO of any other Credit Card or Payments Solutions Company that the bidder may be handling. Please refer to the clause no. 4.6 and the clause 8 (A) (v) which stipulates that the details of any conflict of interest that exists as of the date of submission of the bid is required to be furnished in the format attached as Annexure III.
13	Please clarify, are the BRLMs required to get their audited financials certified by an independent Chartered Accountant	BRLMs are required to submit audited financials for last 3 years as part of Proposal, no separate certification from independent Chartered Accountant on BRLM's Financials will be required.

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14	Clause 4.6, undertaking. Please clarify, the declaration by the Merchant Bank in relation to its sister concern(s). Does this covers sister concern(s) in India only? This is especially relevant for global investment banks which have operations in multiple countries across the globe.	Though from a legal perspective the applicability is for sister concerns within the jurisdiction of India, however if there is any major/ material indictment or proceedings which may have a reputational impact, it is expected that such disclosures are made.
15	Clause 4.6, undertaking. Please clarify the definition of "Payments Solutions Company" along with certain examples in relation to the above. Also, till what period is this restriction applicable on the BRLM from the date of appointment of the BRLM?	Payments Solution Company will include any company providing payments solutions in India. This would include payment system providers i.e. the Networks like Visa, MasterCard, Amex, Rupay, Diners Club, Payment Participants like wallets, NBFCs in similar business, Payments Aggregators and Payments Gateway.  However, an existing mandate for IPO of a payments solution company before being engaged with SBI Card IPO will only require a disclosure as part of undertaking and any new mandate of IPO while being engaged with SBI Card IPO including a fresh mandate for an old proposed IPO transaction of a payment solution company, will require an express consent from SBI Card before accepting any such IPO mandate.  The restriction of prior consent will be applicable from date of appointment till end of engagement with SBI Card for the IPO transaction.
16	Clause 7: Timeframe. Please clarify that, if selected, by what date would the Merchant Bank be notified of the Presentation By Bidders on September 18, 2019. What is the likely venue (city) of the Presentation by Bidders?	Presentation by bidders will be on September 18, 2019 and the schedule will be notified on the website by end of day September 16, 2019. The presentation will be in Gurugram, Haryana
17	Clause 10: Requirements of Financial Bid Please clarify, for the Financial bid, does the fees need to be quoted as total fees (as % of transaction size) or do we need to provide separate quotes for fixed fee and variable fee.  If total fees only, then is the assumption that 50% will be fixed fee (split equally between all BRLMs) and remaining 50% will be variable fee (split based on funds mobilized by each BRLM)?	Financial bid needs to be quoted for total fees. Fixed fee component will be 50% of total fee and will be split, after taking out the left lead fee if any, equally amongst the BRLMs. Variable fee component will be 50% of total fee and will be dependent on fund mobilized in QIB Category (including Anchor Book) by respective BRLMs.
18	Annexure VII, please clarify the period for which the details are to be furnished under this annexure	Data in Annexure VII needs to be provided for 1st April 2015 to 30th June 2019
19	Clause 8, please clarify : a. Section A(v) – Contingent liabilities should be as of what date? Most of the banks will have the date as of end of FY19, please clarify. b. Section G (iii) – What is trading rank among broking houses in India – please clarify this further what period and which database to be used c. Section H (iii) – Background of Research team including Ranking – What should be the source for this and what period?	a. Contingent liabilities to be reported as of FY'2018-2019 b. The bidders may use relevant established database and provide details of source of information. For trading rank among broking houses, the period will be 1st April 2015 to 30th June 2019. c. The bidders may use relevant established database and provide details of source of information. For Research team ranking, the period will be 1st April 2015 to 30th June 2019.
20	Clause 10.3 – Selling Shareholders and SBI Cards may pay the Selling commission and brokerage – please clarify if this is in addition to the fees	Selling Commission and brokerage may be paid in addition to the Fees quoted
21	Annexure V, please clarify if this need to be given on overall basis or for the full teams as IB may have other sector coverage teams as well who may not be relevant for the BFSI offering	Information about Team in Annexure V may be at overall level with specific mention of team covering the BFSI sector and further emphasis on team which will cover the proposed IPO of SBI Card
22	Annexure VI – Please clarify if Annexure-VI refers to a. Sub-section (ii) - Equity sales and distribution capacity with demonstrable capability of selling Indian Issues in particular, Asian equity and global equity; along with distribution network and broking capability may be furnished OR Sub section (iv) - Funds mobilized from investors for Equity Public Offerings (IPO/FPO/QIP) in India from the period 1st April, 2015 to 30th June 2019. Please provide break-up of demand procured in past issues from Anchor Investors, FIs and DIIs.  b. This need to be given deal wise or overall – this is massive data if need to be given for all the deals from April 2015	a. Annexure VI should cover no. of issues and total amount mobilized in each of the categories, it covers for both sub-section (ii) and (iv) of Clause 8.G. b. The information is required at overall level, '% of Mobilization in the Corresponding Issues' may be given on average basis
23	Please clarify, who will bear the cost with respect to Ad Agency	Cost related to Ad Agency will be borne by SBI Card
24	Clause 4.6, please clarify:  1. How does one declare if there are any investigations pending against the BRLM/ Group Companies/ Sister Concerns etc., when it is specifically mentioned under clause 4.6 that the contents of the undertaking to be given by the BRLM cannot be changed?  2. Will such disclosure of any pending investigation affect the eligibility criteria?	1: Please note that though it is specifically mentioned and explained in the noting that the contents of the undertaking cannot be changed, however the scope of providing a separate clarification is also included therein. You may put a caveat in the undertaking and a separate sheet clarifying the details can be given to that extent.  2: The impact of the caveat/ clarification/ disclosures made would depend upon the materiality of the issues disclosed which will duly be considered by the IPO Committee at the time of selection.

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25	Clause 5.1, please clarify regarding the non-refundable fee to be paid to the firm along with the RFP submission: 1. The amount of Rs 1 lakh will be required to be paid as a Demand Draft. The DD will be on a net basis (adjusted for the GST and the TDS deducted) and a TDS certificate to this effect will be issued 2. For the requirements of the payment to be made, there will be a requirement for the PAN and the GST Registration number for SBI Cards. Also, it will be helpful to know the preferred bank and Branch at which the DD has to be drawn on.	For the non-refundable fee demand draft, a document has been uploaded on our website addressing your queries, you may refer the same at URL : <a href="https://www.sbicard.com/en/who-we-are/about-us.page">https://www.sbicard.com/en/who-we-are/about-us.page</a>
26	Clause 9.9, Please clarify the amount of Left Lead Fee	SBI Card may decide to pay left lead fee at its discretion. The left lead fee will be as per the current market practice for similar size issues.
27	Clause 10, Please clarify whether the company will bear costs w.r.t. auditors, advertisements, stock exchange filing fees, other regulatory fees, if any	SBI Card will bear the costs related w.r.t. auditors, advertisements, stock exchange filing fees, other regulatory fees, if any
28	Clause 10, Please clarify whether the company will bear the costs of travels and stay of the BRLMs during roadshows. Further, please confirm whether the company will be bearing costs for on-ground transport as well.	Roadshow cost of travelling and accommodation of SBI Card team will be borne by SBI Card however, the cost of travelling and accommodation of merchant bankers etc., dinner / lunch organized with investors will be borne by BRLMs.
29	Annexure II, please clarify, does the column for 'Mandate' imply the count of mandates or name of each mandate?	It should be name of each mandate with value
30	Clause 8 (Section B (i)), please clarify if only capital market related BFSI, Credit Card and Payment Technology work done or it can be private / strategic or other non-capital market related transaction?	For Clause 8 (Section B(i)) capital market related transactions to be listed.
31	Annexure –VII – Please clarify a) if we need to give details for all the sectors?, b) for all the BFSI companies?, c) and for all CC or payment solutions companies?	Annexure VII requires to separately list research reports details for all three ...a) all sectors b) BFSI companies c) Credit Card or payment solutions companies
32	Clause 10.1, states fees to be quoted as a % of the amount mobilized and allotted by SBI Card. Please clarify, on the fees for OFS portion and to that extent any amendment to 10.1 to include Issue Size (including pre-IPO, anchor portion)	Total Fee will be on total proceeds of the IPO amount (OFS + Primary)
33	Clause 10.5, states that the third party costs (BSE, NSE charges etc.) are to be incurred by Selling Shareholders / SBI Card. However many times the payment to exchanges / depositories are made by the BRLMS, though the invoice is in the name of the Company and hence we tend to lose the benefit of input tax credit. - Would SBI Card also enable BRLMs attain tax credit directly by the benefit of invoices or make good the same, separately?	Generally SBI Card will make the payments for third party costs directly, however in case of any scenario of direct payments made by BRLMs to third parties, mutually agreed process between SBI Card and BRLMs may be worked out
34	Please clarify on protocol for QIB guidelines in order to provide credit to the rightful Bank	This may be decided after the appointment of BRLMs with agreed past practices followed by BRLMs
35	Clause 10, please clarify who is required to bear the costs related to printing and distribution of DRHP, RHP, application forms, Prospectus and any other posters/banners	Printing and distribution costs related to SBI Card IPO will be borne by SBI Card
36	Clause 4.6 (Conflict of Interest), please clarify whether the confirmation sought from BRLMs in this clause (on declaration of no conviction in a Court of Law and conflicts of other engagements) is sought as of the date of submission or would it be a cut-off date close to the RFP submission	This confirmation is to be provided as on date.
37	Please clarify, the selection process: Clause 9.4 states that the Technical Evaluation will be weighted 80% and the Financial Bids will be weighted 20% Clause 5.3 states that the Financial Bid will be opened only of the shortlisted bidders Step 1 : Submission of BRLMs will be evaluated as per weightages mentioned in clause 8 (Proposal Format) Step 2 : BRLMs will be shortlisted based on score obtained in Step 1 above Step 3 : Financial bids of the BRLMs shortlisted in Step 2 above will be opened and evaluation Step 4 : The scores from Step 1 and step 3 will be aggregated and the BRLM scoring the highest will be designated as H1	Yes this is correct.
38	Clause 10.12, please clarify: a. Will there be 2 sets of legal counsels – one international and domestic counsel each for the BRLMs and the Company? b. In case of only 1 international legal counsel, will the international counsel named as the counsel for the banks while working for both the Company and the BRLMs?	a. SBI Card will appoint Legal Counsels (Domestic & International) to the Company Domestic and international counsels of the BRLMs may be appointed by BRLMs in consultation with the Company and all expenses in this respect is to be borne by BRLMs. b. As clarified in Clause 10.12 of the RFP, the international counsels of the BRLMs may be appointed by BRLMs in consultation with the Company and all expenses in this respect is to be borne by BRLMs. Should the banks choose the same international legal counsel, it may do so at its own cost / expense.

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39	<p>Clause 10.2, please clarify:</p> <p>a. Could you please confirm the base on which BRLMs would be required to quote the fee percentage? We are assuming that the fee we are quoting in % terms is a % of the total proceeds raised by the Company and all selling shareholders. Kindly confirm of this understanding is correct.</p> <p>b. Would the fixed fee be paid on the total amount mobilized across all investor categories i.e. gross proceeds of the IPO?</p> <p>c. Could you please let us know the mechanism for calculation of the variable fee component?</p>	<p>a. Total Fee will be on total proceeds of the IPO amount (OFS + Primary).</p> <p>b. Fixed fee component will be 50% of total fee and will be split, after taking out the left lead fee if any, equally amongst the BRLMs.</p> <p>c. Variable fee component will be 50% of total fee and will be dependent on fund mobilized in QIB Category (including Anchor Book) by respective BRLMs.</p>
40	Please clarify, the governing law relevant to the RFP since this has not been mentioned in the RFP	Since the RFP is issued in India, the laws of India shall be the governing law for the RFP.
41	Clause 4.1, eligibility criteria, would the ADR transaction of an Indian company in BFSI segment meet the eligibility criteria	ADR's are for listing in US Stock Exchange and are not considered for domestic issuance of equity shares.
42	Annexures II and IV (Details Of Domestic/ International Public Offerings), please clarify: that the information sought in these annexures pertains to public offerings of Indian companies, either domestically and/or internationally	In the Annexure II and IV, public offerings of Indian companies, either domestically and/or internationally, are to be included. International offerings of Indian companies is not linked to eligibility criteria.
43	<p>Annexure VI, please clarify:</p> <p>a. Could you please let us know whether the term mobilization refers to the amount mobilized by the concerned BRLM or would it refer to the amount mobilized for the entire transaction</p> <p>b. Regarding the footnote to the Annexure, could you please let us know whether the information is required for QIB mobilization of demand by country / region. Also, would this information be required for the amount mobilized by the concerned BRLM or would it refer to the amount mobilized for the entire transaction.</p>	<p>a. Annexure VI should cover no. of issues and total amount mobilized in each of the categories.</p> <p>The information is required at overall level, '% of Mobilization in the Corresponding Issues' may be given on average basis</p> <p>b. This information is required by Region and it should cover total amount mobilized in each of the categories.</p>