



REQUEST FOR PROPOSAL (RFP) FOR SELECTION / APPOINTMENT OF MERCHANT BANKER AS TRANSACTION ADVISOR FOR PARTICIPATING BANKS' JOINT STAKE SALE IN ASREC (INDIA) LTD.

Bank's reply / response to Pre-Bid Queries by Bidders in response to RFP Ref: ISC/RFP/01/2024-25 dated 11.12.2024

SI. No.	RFP Page No	RFP Part/Clause No.	Description	Query details	Reply/ Response
1	36	Section-III Part A – "Scope of Work"	Scope of work	<p>Discussion on Alternative Option for stake sell in ASREC (India) Limited - Please refer below para:</p> <p>The RBI increased the minimum net owned funds requirement for ARCs to ₹300 crore in October 2022. This regulatory change may incentivize other ARCs with sufficient capital to acquire the portfolio/assets of ASREC, as some smaller ARCs might struggle to meet the new capital threshold.</p> <p>Alternate Option: Sale of Portfolio/Assets</p> <p><u>Mechanism:</u></p> <ul style="list-style-type: none"> • Conduct a comprehensive valuation of the ARC Company's assets, including loans, securities, and other investments. • Identify potential buyers i.e. other asset restructuring companies for asset or portfolios sale within the ARC company's holdings. • Consider auctioning off lumpsum assets/portfolios to maximize value. • After asset sales, ASREC can voluntary wind down the remaining operations, pay off unpaid liabilities if any and distribute remaining proceeds to shareholders. • This mechanism will also result in stake sale in ASREC. 	As per RFP



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				<p>Advantages:</p> <ul style="list-style-type: none"> • Greater flexibility in maximizing the value of assets or portfolios. • In this case, the Bank may not be required to seek fit and proper approval from the RBI, as the approval process can be challenging and may not always be successful in "Sale of shares" process. <p>Given the potential advantages outlined above, Indian Bank may consider an alternative resolution strategy, such as the sale of the portfolio/assets, instead of a direct sale of shares.</p>	
2	21 & 24	Section-II Clause 2 – "Pre-Bid Meeting" and Section-II Clause 8 – "Cost of Bid Document"	Cost of Bid document	Para 2 on Page 21 indicates registration before submission of Pre-bid queries and Para 8 on Page 24 indicates submission of same via DD along with Bid documents. Does this indicate that Cost of Bid document is mandatory irrespective of the bidder attending the pre-bid meeting? Also, would MSE bidders be allowed to attend the pre-bid meet since the documents are to be submitted post pre-bid meeting?	Eligible MSE bidders are exempted from paying cost of Bid document.
3	27	Section-II Clause 9.1 Sl. No. 6 – "Client references and contact details"	Eligibility Criteria	Would the appointment letter from the Client & Self declaration of the bidder suffice this?	Yes
4	36	Section-III Part A – "Scope of Work" Sl. No. b, c, d, f & j	Requirement of External Advisors for Legal, Compliance & other purposes	With regards to other advisors / vendors required for completion like legal, compliances, tax, etc., We understand that the said would be paid by the bidder, but the legal agreement with each would be between the Bank & respective advisors/	As per RFP

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				vendors, who in turn, will be liable for each of their activities. Kindly Confirm	
5	38	Section-III Part B – “Conditions of Contract” Sl. No. 4 – “Payment Terms” (paragraph 2)	In case of Stake sale process abandoned	The said indicates of the Drop dead fees equivalent to 25% of the fee quoted at the stage after final selection of successful buyer. Kindly suggest what would be the payment terms in case of process being abandoned before the final selection of buyer? Will the expenses incurred would be paid at actual or would be percentage (%) of the fee quoted?	As per RFP In case of process being abandoned before the final selection of buyer then no fee will be paid. Kindly refer to RFP (page No. 38), Clause No. 4, “Payment Terms”, Point No. C & D
6	38	Section-III Part B – “Conditions of Contract” Sl. No. 4 – “Payment Terms” Point – c & d	Out of Pocket Expenses	These points indicate that there won't be any additional payment of out of pocket expenses like allowances, freight, etc. (except otherwise as agreed by the Bank). Since its multi locational (ASREC in Mumbai plus 8 other places) and Indian Bank HO at Chennai, kindly let us know if the Out of Pocket Expenses related to the Transaction in terms of travel & related allowances for site visits and meets would be payable on actual as & when incurred?	As per RFP
7	38	Section-III Part B – “Conditions of Contract” Sl. No. 4 – “Payment Terms” Point – e	Expenses related to execution of the Agreement	We understand that these indicates expenses related to the agreement between the bidder and the bank only and not amongst the successful buyer and Participating Banks. Kindly confirm	Yes

Note:

1. Bank's reply / response to Pre-Bid Queries by Bidders becomes part of the RFP Ref: ISC/RFP/01/2024-25 dated 11.12.2024
2. All other contents of the RFP Ref: ISC/RFP/01/2024-25 dated 11.12.2024 remain unchanged

