

**Responses to Pre-EOI Queries**

**Preliminary Information Memorandum for Inviting Expression of Interest for Strategic  
Disinvestment of IDBI Bank Limited**

**Government of India**

**Ministry of Finance**

**Department of Investment & Public Asset Management**

S. No	Query Theme	Query	Responses/Clarifications
1.	<b>Business Matters</b>	Can we better understand the capital planning for the Target for the next 3-5 years and any commitments by Gol and LIC until the new investor is onboarded? This is to gain a better understanding about the need for 'primary infusion' in the near/mid-term. Would the bidder's financial strength, over and above the stipulated minimum thresholds, be a qualitative selection criteria?	<p>Post the consummation of the Transaction, there would be no obligation on GoI/LIC to infuse capital in IDBI Bank.</p> <p>Upon pre-qualification, the selection of the Successful Bidder will be on the basis of Financial Bids.</p>
2.	<b>Business Matters</b>	How far is the existing technology architecture equipped to support Target's aspiration to emerge as a 'Bank of the Future"; what are the plans for investments in digitalization?	The relevant information to the extent available will be provided to the QIPs in the Virtual Data Room ("VDR").
3.	<b>Business Matters</b>	With provision coverage ratio at 97.79 Per cent (June 30,2022) most of the stressed assets are provided for. However, most of the stressed assets are not written of the books. Is there a time bound plan to deal with these stressed assets - (a) recovery through in-house process; and/or (b) sell down to Asset Reconstruction company (" ARCS")?	The relevant information to the extent available will be provided to the QIPs in the VDR.

4.	<b>Business Matters</b>	Has the Bank already reconciled the wide divergence between NPAs (both gross and net) as disclosed by it and as assessed by the RBI? There have been successive divergences in accurately identifying and disclosing NPAs in the past. What structural Changes have been adopted in the internal framework to accurately identify and disclose NPAs and the overall governance framework?	The relevant information to the extent available will be provided to the QIPs in the VDR.
5.	<b>Business Matters</b>	There have been multiple incidents of frauds in the Target in the past as per publicly available information. In addition to provisioning, what are the measures taken in recent years in operational risk management, internal audit framework, human resources, technology, and other internal processes to mitigate the risk of similar frauds occurring in the future.	The relevant information to the extent available will be provided to the QIPs in the VDR.
6.	<b>Business Matters</b>	Can you please some color on how many employees are under defined benefit vs defined contribution plan?	The relevant information to the extent available will be provided to the QIPs in the VDR in the RFP stage.

7.	<b>Business Matters</b>	Please confirm that the Successful Bidder will have full ownership and rights to use the brands / logos / trademarks / tradenames used by IDBI Bank and its subsidiaries after consummation of the Transaction till perpetuity.	Ownership of the brands / logos / trademarks / tradenames used by IDBI Bank, rights to which are owned by it presently shall continue to vest with IDBI Bank (and its subsidiaries, as case may be) post consummation of transaction.
8.	<b>Business Matters</b>	Please confirm that the ownership of all such brands / logos / trademarks / tradenames will be retained by IDBI Bank or its subsidiaries till perpetuity and will not be transferred to a third party.	Please refer to the aforementioned response against Query no. 7.
9.	<b>Business Matters</b>	Pursuant to the Transaction, GoI will own 15% stake and LIC will own 19% stake in IDBI Bank. This implies that GoI will continue to hold (directly / indirectly) ~33.3% stake in IDBI Bank. In light of the foregoing, please confirm that the requirements that are specifically applicable to a government company / subsidiary of GoI / public sector undertakings / Central public sector enterprise under various Central and State laws	The requirements applicable to a government company / subsidiary of GoI / public sector undertakings / Central public sector enterprise will not apply to IDBI Bank post-consummation of the Transaction.

		will not be applicable to IDBI Bank after completion of the Transaction.	
<b>10.</b>	<b>Business Matters</b>	Please confirm that after completion of the Transaction, the statutory auditor will not be required to be appointed by the Comptroller and Auditor General of India (“CA&G”), the audit report will not be required to be submitted to the CA&G and IDBI Bank will not be subject to supplementary audit or comments on the audit report by the CA&G.	The IDBI Bank is currently not subject to audit by CA&G.  The requirements applicable to a government company / subsidiary of GoI / public sector undertakings / Central public sector enterprise will not apply to IDBI Bank post-consummation of the Transaction.
<b>11.</b>	<b>Business Matters</b>	Please confirm that after completion of the Transaction, public procurement guidelines for goods and services will not be required to be complied with by IDBI Bank.	The requirements applicable to a government company / subsidiary of GoI / public sector undertakings / Central public sector enterprise will not apply to IDBI Bank post-consummation of the Transaction.
<b>12.</b>	<b>Business Matters</b>	Please confirm that after completion of the Transaction, IDBI Bank will not be under the purview of the Central Vigilance Commission.	The requirements applicable to a government company / subsidiary of GoI / public sector undertakings / Central public sector enterprise will not apply to IDBI Bank post-consummation of the Transaction.

13.	<b>Business Matters</b>	Please confirm that after completion of the Transaction, IDBI Bank will not be subject to comply with any requirements under reservation policies of the Indian government, including, but not limited to, reservations in services for candidates from Scheduled Castes (SCs)/ Scheduled Tribes (STs)/ Other Backward Classes (OBCs)/ Economically Weaker Sections (EWSs).	The requirements applicable to a government company / subsidiary of GoI / public sector undertakings / Central public sector enterprise will not apply to IDBI Bank post-consummation of the Transaction.
14.	<b>Business Matters</b>	Please confirm that after completion of the Transaction, the acquiror will not be subject to any restrictions or limitations in terms of running the business operations of IDBI Bank and its subsidiaries, including in relation to reorganization of the business, discontinuity of non-profit making business lines etc.	IDBI Bank shall continue to function post-consummation of the Transaction as per extant RBI regulations and applicable laws. The Continuing obligations and the thresholds thereto of the Successful Bidder shall be detailed in the SPA stage and other definitive agreements.
15.	<b>Business Matters</b>	Paragraph 7.5 of the PIM sets out additional requirements to be complied with by an acquiror after completion of the Transaction. In this regard, please clarify the scope and provide details of the obligation on “ <b>asset stripping</b> ” that	The definitive documents (including the SPA) will have detailed terms and conditions. It is anticipated that certain asset size and timing thresholds related to asset stripping would be provided to give

		is required to be undertaken by the Successful Bidder Also, please clarify if the foregoing requirement emanates under a particular legislation or is sought to be imposed from a commercial standpoint?	flexibility of operations to the Successful Bidder.
16.	<b>Business Matters</b>	<p>Paragraph 7.5 of the PIM sets out additional requirements to be complied with by an acquiror after completion of the Transaction.</p> <p>In this regard, please clarify the scope and provide details of the obligation on “<b>business continuity</b>” that is required to be undertaken by the Successful Bidder Also, please clarify if the foregoing requirement emanates under a particular legislation or is sought to be imposed from a commercial standpoint?</p>	The definitive documents (including the SPA) will have detailed terms and conditions relating to business continuity. It is anticipated that certain asset size and timing thresholds related to business continuity would be provided to give flexibility of operations to the Successful Bidder.
17.	<b>Business Matters</b>	<p>Paragraph 7.5 of the PIM sets out additional requirements to be complied with by an acquiror after completion of the Transaction. In this regard, please clarify the scope and provide details of the obligation on “<b>employee protection</b>” that is required to be undertaken by the Successful Bidder. Also, please clarify if the foregoing</p>	The definitive documents (including the SPA) will have detailed terms and conditions relating to employee protection.

		requirement emanates under a particular legislation or is sought to be imposed from a commercial standpoint?	
<b>18.</b>	<b>Business Matters</b>	Please confirm that all existing directors of IDBI Bank other than the managing director will resign on the date of completion of the Transaction and that the acquiror shall have the right to reconstitute the board of directors of IDBI Bank at its discretion subject to compliance with requirements under applicable law.	The definitive documents (including the SPA) will have detailed terms and conditions relating to reconstitution of the Board.
<b>19.</b>	<b>Business Matters</b>	Please confirm that GoI and LIC will fund the unfunded pension obligation for all past and present employees and take over the obligation of “Defined Benefit Plan” for the period until the completion of the Transaction. Thereafter, 100% of the bank employees should be covered under the National Pension Scheme only.	The Bidders are informed that actuarial valuation is currently being undertaken by IDBI on a periodic basis and incremental provisions are made on an annual basis.  Further details including an actuarial assessment in the matter will be disclosed to QIPs via VDR in the RFP Stage.



20.	<b>Business Matters</b>	We understand that IDBI Bank conducts significant business with LIC, including being the highest contributor to LIC's bancassurance business and provision of transaction banking services to LIC. Please confirm that after completion of the Transaction the existing business arrangements between IDBI Bank and LIC will continue as is on a committed locked in basis for a period of at least 10 years (Paragraph 2.15 of the PIM).	The requisite details of such continuing arrangements shall be provided at the RFP stage via VDR to QIPs.
21.	<b>Business Matters</b>	We understand that IDBI Bank acts as an agent for the RBI for handling receipt and payment transaction for the Central and State governments. Please confirm that after completion of the Transaction the existing business arrangements between IDBI Bank and the Central and State governments (including RBI) will continue as is. (Paragraph 2.16 of the PIM)	Details of such continuing arrangements shall be provided at the RFP stage via VDR to QIPs.
22.	<b>Business Matters</b>	Please clarify if the Successful Bidder / IDBI Bank's board of directors can be provided full autonomy in selection of candidate and deciding remuneration for the managing director and chief executive	The extant RBI guidelines/directions shall be applicable for selection of candidate and deciding remuneration for the managing director and chief executive officer and top

		officer and top management team of IDBI Bank for a period of 10 years without any requirement to obtain any incremental prior or post- appointment approval from RBI or any other authority in this regard for this 10 year period.	management team of IDBI Bank, post consummation of the Transaction.
<b>23.</b>	<b>Business Matters</b>	Will Gol and LIC be entering into commitments to ensure that business linkages (in terms of deposits from PSUs, bancassurance, or other business derived through other entities controlled by Gol and LIC) will continue to remain the same for the lock- in period at least?	The details of all such continuing arrangements of IDBI Bank shall be provided to the QIPs at RFP stage.
<b>24.</b>	<b>Business Matters</b>	Despite being classified as a 'private sector Bank'(for 'regulatory purposes'), what extent and form the bank continues to be a public sector Bank (e.g. Public sector' like attitude of employees, employee remuneration/ benefits; financial inclusion mandate - open branches in unbanked villages, oversight of central vigilance Commission, etc.)? To what extent the union are on-boarded and pre-consulted?	This conversion to a 'private sector bank' has been prescribed by RBI for regulatory purposes. The decision for this Transaction is a policy decision of GoI.

25.	<b>Business Matters</b>	Are there any particular expectations of GoI/ LIC/ IDBI from the IP in respect of focus towards any particular business vertical/ segment market?	It would be the prerogative of the Board of the IDBI Bank, subject to being in compliance with extant RBI guidelines, from time to time.
26.	<b>Business Matters</b>	Will the salary structures and superannuation benefits for current and ex-employees of IDBI Bank continued to be covered under the Indian Banks Association (IBA) norms? Will there be flexibility after the sale to re-define/ re-structure the salary structures and super-annuation benefits outside the IBA norms?	Details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
27.	<b>Business Matters</b>	Where a foreign bank acquires the shares in IDBI under consideration, would any of the existing business activities of IDBI undergo any change/ get impacted? E.g., Government Business where IDBI acts as an agent of the RBI for handling receipt and payment transactions of the Central Government and State Governments, a service line which only a few private sector banks are involved in.	The Target (IDBI Bank) shall post-consummation of the Transaction continue to function and operate as an Indian private sector bank and its functioning would be governed by the extant RBI guidelines.
28.	<b>Business Matters</b>	At paragraph 2.7 on Page 22 and 23 of the PIM, it is stated that, - As part of the Primary Dealer	The response/clarification to be advised later.

		<p>activity, IDBI is involved in market making activities in respect of G-Secs including T-bills. IDBI's Treasury also provides Constituent Subsidiary General Ledger ("CSGL") service to Gilt Account Holders ("GAHs") having accounts with it. The Treasury actively participates in primary auction of Government of India/ State Development Loans ("SOL") securities on behalf of CSGL &amp; non-CSGL clients. IDBI, in line with the RBI directives, provides the facility of web-based Negotiated Dealing System - Order Matching Segment module to GAH for online trading of G-Secs in the secondary market. IDBI's 'IDBI Samriddhi G-Sec' portal continues to provide facility to the retail investors to buy G-sec online and through its ATMs. Would any of the above activities undergo change/ get impacted, where a foreign bank acquires more than 50% shareholding and management control under the Transaction under consideration?</p>	
<p><b>29.</b></p>	<p><b>Business Matters</b></p>	<p>Please could you provide any guidelines on the usage of IDBI Bank brand name, and whether</p>	<p>The details regarding such aspects will be provided in the definitive documents</p>

		successfully IP would be allowed to decide on the continuation, modification or discontinuation of the brand name.	(including the SPA) shared with the QIPs at the RFP stage. At this stage, it is envisaged that all intellectual property owned by IDBI Bank would be a part of the Transaction on a going concern basis.
<b>30.</b>	<b>Business Matters</b>	Please provide more details of group companies, associate companies to assess the business and sector in which the companies operate in and whether they are regulated or unregulated. Under the scenario a Foreign Bank successfully acquires 60.72% shareholding in IDBI, would IDBI be mandated to divest stake in any group companies or subsidiaries due any foreign direct investment (FDI) restrictions.	The group companies/associate companies of IDBI Bank shall be transferred on an 'as-is-where-is' basis; and the extant FDI guidelines have to be complied by the Successful Bidder/IDBI Bank. Further details in this regard would be provided to the QIPs in the VDR.
<b>31.</b>	<b>Business Matters</b>	Will the approval accorded to IDBI Bank to carry out agency business for the Government of India be extended to the new promoters also, even if IDBI Bank is eventually merged into another entity?	The group companies/associate companies of IDBI Bank shall be transferred on an 'as-is-where-is' basis; and the extant RBI guidelines must be complied by the Successful Bidder/IDBI Bank. Further details in this regard would be provided to the QIPs in the VDR

32.	<b>Business Matters</b>	Please clarify whether the GoI will carve-out / hive-off identified businesses or identified assets, liabilities of IDBI Bank (prior to consummation of the Transaction), if the Successful Bidder is either not permitted to engage into or deemed to be commercially unviable. If yes, what will be the mechanism for carve-out?	Any hiving off the assets/investments/businesses of IDBI Bank shall be undertaken by the Successful Bidder post consummation of the Transaction.
33.	<b>Business Matters</b>	Can you please further elaborate section 7.5, which talks about employee protection, asset stripping and business continuity requirements?	The details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
34.	<b>Eligibility criteria - Consortium</b>	Please clarify the definition of the term “Consortium”.	Please refer Clause 9.2 of the PIM for consortium requirements.
35.	<b>Eligibility criteria - Consortium</b>	Paragraph 11.1(xvii) of the PIM prohibits group entities from bidding as a Consortium. In this instance, can group entities bid as a single IP?	There is no prohibition from Group Entities forming a consortium. However, as per Clause 11.1 (xvii), Group entities are not permitted to be part of another consortium.
36.	<b>Eligibility criteria - Consortium</b>	If the IP is an overseas pooling vehicle or fund, will the investors of such pooling vehicle or fund without any voting/ board/ special rights and	The PIM, as per sub-clause 9.1.1, permits ‘a fund/investment vehicle incorporated outside India’ to be an IP (either as a sole

		merely economic interest constitute as a Consortium for the purpose of the PIM?	bidder or a party of a consortium). In this instance the IP will be a Sole Bidder.
37.	<b>Eligibility criteria - Consortium</b>	<p>Paragraph 9.2(i) of the PIM inter alia provides that: (i) no changes to the Consortium will be permitted during the bidding process save and except addition of a new member, removal of a member or change in shareholding of members in the Consortium (other than the committed shareholding of the Lead Member (as defined in the PIM)); (ii) a one-time change to the Consortium may be permitted up to a period of 60 days from the IPs being shortlisted and declared as a QIP, including a change where the Lead Member of a Consortium would like to continue as a sole bidder without the other members of the Consortium; and (iii) changes will be permitted only once per Consortium.</p> <p>In this regard, please clarify: (i) If a QIP is a sole bidder, can a Consortium be formed by such QIP prior to submission of the RFP (as defined in the PIM)?</p>	<p><b>(i) A Sole Bidder can form a Consortium prior to submission of the RFP as per the terms stipulated in the PIM.</b></p>

		<p>(ii) If a QIP is a Consortium, can members of the Consortium be changed except for the lead member at any time prior to submission of the RFP without prior consent of the GoI as any new members of the Consortium will in any instance be subject to comply with the eligibility Criteria and Disqualification Conditions? In this scenario, any changes should not be subject to a time limit of 60 days from qualification as a QIP and should be permitted at any time until the submission of the RFP.</p>	<p><b>(ii)</b> Please refer sub-clause 9.2 (i) (ii) whereby not only a one-time change is permitted in the Consortium, but also such change (except of the Lead Member) has to be within a time limit of 60 days from qualification as a QIP. Further the IP will have to comply with the terms of sub-clause 9.2 (i)(iv).</p>
<p><b>38.</b></p>	<p><b>Eligibility criteria - Consortium</b></p>	<p>Paragraph 2(iii) of Annexure VII (Format For Consortium Agreement) provides that the members of the Consortium will not enter into or execute any shareholders'/ joint venture agreement for exercise of any special rights by any member at the board or shareholders level in the functioning and operations of IDBI Bank. In this regard, please clarify whether the members of the Consortium may enter into an inter se agreement to govern and regulate matters concerning the Consortium including how the Consortium as a</p>	<p>So long as there are no special rights to any investor/consortium member in IDBI Bank and the arrangement between the consortium member do not have any implication on IDBI Bank or the Transaction (including the Definitive agreements pertaining thereto), such inter se/consortium agreement may be permitted.</p>



		whole may exercise its rights in IDBI Bank as long as any such agreement is internal and is not at the IDBI Bank level or the liability of the Lead Member in connection with the transaction?	
<b>39.</b>	<b>Eligibility criteria - Consortium</b>	<p>Paragraph 4 of Annexure VII (Format For Consortium Agreement) provides that the Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members (as defined in the PIM) of the Consortium in discharging all of their respective obligations.</p> <p>Please clarify if the foregoing obligation extends only until completion of the Transaction or will continue to apply even after completion of the Transaction as long as the Consortium continues as is.</p>	The definitive documents (including the SPA) will have detailed terms and conditions with respect to certain continuing obligations.
<b>40.</b>	<b>Eligibility criteria - Consortium</b>	Paragraph 8 of Annexure VII (Format for Consortium Agreement) requires that the business of IDBI Bank will continue in its entirety as is being conducted as on the date of completion of the Transaction on a going concern basis. Please clarify	IDBI Bank shall continue to function post consummation of the Transaction as per extant RBI regulations and applicable laws.

		the time period during which the foregoing obligation will remain valid.	
<b>41.</b>	<b>Eligibility criteria - Consortium</b>	<p>Paragraph 8 of Annexure VII (Format For Consortium Agreement) requires that the business of IDBI Bank will continue in its entirety as is being conducted as on the date of completion of the Transaction on a going concern basis.</p> <p>Please confirm that this obligation will not restrict IDBI Bank to cease certain business lines in the ordinary course of business after the completion of the Transaction.</p>	<p>IDBI Bank shall continue to function post consummation of the Transaction as per extant RBI regulations and applicable laws.</p> <p>The continuing obligations would be detailed in the SPA and other definitive documents.</p>
<b>42.</b>	<b>Eligibility criteria - Consortium</b>	<p>Please clarify the scope of the restriction laid down in Paragraph 8 of Annexure VII (Format For Consortium Agreement) regarding the requirement that the business of IDBI Bank will continue in its entirety as is being conducted as on the date of completion of the Transaction on a going concern basis.</p> <p>In this regard, please clarify if parties can agree to exceptions to the foregoing rule under the share purchase agreement to be executed for consummation of the Transaction such as in</p>	<p>IDBI Bank shall continue to function post consummation of the Transaction as per extant RBI regulations and applicable laws.</p> <p>The other restrictions/obligations regarding the business of IDBI Bank shall be clarified in under the SPA (and other Definitive agreements).</p>

		relation to transactions in the ordinary course of below a certain threshold.	
<b>43.</b>	<b>Eligibility criteria - Consortium</b>	<p>Paragraph 18 of Annexure VII (Format For Consortium Agreement) provides that the Lead Member and the Consortium shall be jointly and severally responsible for indemnifying TA/GoI/LIC/IDBI Bank and/ or their respective consultants, agents, officials, advisors and employees in connection with the Transaction.</p> <p>Please clarify if parties can agree to exceptions to the foregoing rule under the share purchase agreement to be executed for consummation of the Transaction.</p>	<b>No such exceptions are under consideration.</b>
<b>44.</b>	<b>Eligibility criteria - Consortium</b>	<p>Paragraph 18 of Annexure VII (Format For Consortium Agreement) provides that the Lead Member and the Consortium shall be jointly and severally responsible for indemnifying TA/GoI/LIC/IDBI Bank and/ or their respective consultants, agents, officials, advisors and employees in connection with the Transaction.</p> <p>Please clarify the time period during which the foregoing obligation will remain valid.</p>	<b>Please refer to the response to Query 43.</b>

45.	<b>Eligibility criteria - Consortium</b>	Please clarify that there is no restriction on the Lead Member to obtain back-to-back indemnities/undertakings from the Consortium members as an inter se arrangement between them as long as it does not affect the Lead Member's obligations towards Transaction Advisor ("TA")/GoI/LIC/IDBI Bank.	So long as such arrangement between the consortium member do not have any implication on IDBI Bank or the Transaction (including the Definitive agreements pertaining thereto), such inter se/consortium agreement may be entered into by the Consortium members at their sole cost & risk.
46.	<b>Eligibility criteria - Consortium</b>	Please confirm that the consortium can solely consist of funds / investment vehicle incorporated outside India (i.e., non-residents) and therefore such non- residents can own more than 51% in (a) the NOFHC (in case of a NOFHC structure) or (b) the investment vehicle. In specific, we ask this in the context of the residency criteria stipulated for 'Promoter' under the 2016 Licensing Guidelines of RBI.	The response/clarification to be advised later.
47.	<b>Eligibility criteria - Consortium</b>	Would a bidder along with four of its subsidiaries/ associates be considered as an eligible bidder (since they are essentially part of the same promoter group/ acting in concert with one another)? Similarly, if there are 5 members of a consortium,	There is no prohibition from Group Entities forming a consortium. However, as per clause 11.1 (xvii), Group entities are not permitted to be part of another consortium.

		of which one is a subsidiaries/ associate of another member (and hence part of the same group/ acting in concert with another entity), be considered as an eligible bid?	However, the maximum limit of consortium members is limited to 4 (four).
<b>48.</b>	<b>Eligibility criteria - Consortium</b>	Can the consortium members have differential voting rights?	So long as there are no special rights to any investor/consortium member in IDBI Bank and the arrangement between the consortium member do not have any implication on IDBI Bank or the Transaction (including the Definitive agreements pertaining thereto), such inter-se/consortium agreement may be entered into at the sole cost and risk of the IP.
<b>49.</b>	<b>Eligibility criteria - Consortium</b>	Can the consortium members agree amongst themselves on their rights inter se?	So long as there are no special rights to any investor/consortium member in IDBI Bank and the arrangement between the consortium member do not have any implication on IDBI Bank or the Transaction (including the Definitive agreements pertaining thereto), such inter

			se/consortium agreement may be entered into at the sole cost & risk of the IP.
50.	<b>Eligibility criteria - Consortium</b>	<p>Para 7.2.(c) of the EOI states that if members of a Consortium directly acquire the shares of IDBI Bank, the lock-in requirement shall apply for each member of the Consortium in proportion to their respective participating interest in the Consortium such that the members of the Consortium (including the Lead Member) collectively hold and lock-in 40% (forty percent) of the paid-up voting equity share capital of IDBI Bank for a period of 5 years from the date of acquisition of stake in IDBI Bank.</p> <p>(i) Is it permitted that one of the members of the Consortium sells their stake to another member before the period of 5 years ends, but the total shareholding of the consortium members does not below the 40% level?</p> <p>(ii) Can the share of the lead member of the consortium fall to below 40% as a result of such inter se transfer of shares among consortium members?</p>	The equity lock-in also applies to the individual members of the Consortium in terms of Clause 7.2 (c) of the PIM. The same construct will apply to the NOFHC equity lock-in.

		Similarly, in case of para 7.2.(d), can the shareholding pattern of the NOFHC change as a result of a transfer of shares from one of the consortium members to another, without reducing the overall stake in the NOFHC/ investment vehicle to below 51%?	
<b>51.</b>	<b>Eligibility criteria - Consortium</b>	In case a consortium of 4 parties emerges as a successful bidder, would all the consortium members be classified as promoters? Is it possible that only one of the consortium members is classified as the promoter, and if so, does that have to be only the lead member, or can any other member/s be classified as promoters? In case more than one consortium member is classified as the promoter at the time of the proposed acquisition of shares of IDBI Bank, can some of those cease to be classified as promoters after the transaction but before expiry of lock-in period?	The Consortium members shall be treated as 'persons acting in concert' and would be classified as promoter/promoter group as per the extant SEBI guidelines.
<b>52.</b>	<b>Eligibility criteria - Consortium</b>	In case of a bidder being a consortium, and one of the members (other than the lead member) would end up owning more than 5% of the shares of IDBI Bank, please confirm that RBI approval for holding	The Transaction is being undertaken with consultation with RBI on key aspects. Hence, RBI approval will be provided to the

		more than 5% shares would be provided prior to the announcement of the successful bidder.	Successful Bidder as a part of the process towards consummation of the Transaction.
53.	<b>Eligibility criteria - Consortium</b>	Please confirm whether the restriction of 26% voting rights will apply to the consortium if the consortium is not comprised of ‘persons acting in concert’. While the acquisition of 60% stake would be as a consortium and while the consortium could be of persons / entities which are not acting in concert and would be taking independent decisions. Needless to add, the other RBI restrictions (such as 40% lock in for 5 years) would continue to apply to the consortium as a whole.	The Consortium under all circumstances will be considered as persons acting in concert as per the extant regulations. Further, the voting rights and the lock-in will apply on the Consortium as a single block.
54.	<b>Fit &amp; Proper</b>	Company A, a foreign corporation, whose shares are listed on an overseas stock exchange holds more than 90% voting interest of Company B, another foreign corporation, whose shares are also listed on an overseas stock exchange. Company B will hold at least 51% voting interest of Company C, a newly incorporated unlisted foreign corporation, which proposes to acquire 60.72% shares of IDBI Bank.	



From time-to-time, Company C may raise funds from capital providers in the form of subordinate voting equity, non-voting debt, quasi structures, convertible instruments or any other prevailing instruments or structures), however, such capital providers will not hold more than 49% voting interest of Company C at any time. In the above scenario, we have the following questions:

- (i)** Please confirm that Company C will be considered as a sole bidder under the PIM.
- (ii)** Please confirm that there is no requirement that Company C should have been in existence at least for X number of years prior to submitting the EoI.
- (iii)** Please confirm that Company C, which will acquire the shares of IDBI Bank, can be incorporated as a “limited liability partnership” or a “corporation/ company / body corporate”.
- (iv)** Company C will not have any other business operations and will be an investment holding company. Please confirm that

- (i)** The PIM, as per sub-clause 9.1.1, permits ‘*a fund/investment vehicle incorporated outside India*’ to be an IP (either as a sole bidder or a party of a consortium). Hence, in the quoted instance, Company C would be considered as a Sole Bidder.
- (ii)** In the quoted instance, we understand that the Company C shall be newly incorporated investment vehicle and would have to draw credentials from its Parent (Company A and/or Company B) to satisfy the Financial Criteria [*ref. clause 9.1.2*] in order to meet the

Company C will qualify as an investment vehicle incorporated outside India under Paragraph 9.1.1(e) of the PIM.

**(v)** As Company C will be an investment holding company, please confirm that Company C will be permitted to, without limitations, restrictions or prior approval of the Reserve Bank of India (the “RBI”) or GoI, acquire, own and invest in assets other than IDBI Bank, from time-to-time, whether prior to or after completion of the Transaction.

**(vi)** If Company C satisfies the net worth criteria on the basis of the accounts of Company A, the indirect parent entity, we understand that Company A will also be required to comply with the Constitution Criteria (as defined in the PIM) under Paragraph 9.1.1 of the PIM.

In this regard, if Company A is a listed investment holding company and does not engage in any business operations, please confirm that Company A will be considered

same, the Parent should be in existence with positive PAT for at least 3 (three) years [*ref. sub-clause 9.1.2 (b)*].

**(iii)** There are no specific constitution requirements for the ‘constitution’ of an Investment Vehicle outside India.

**(iv)** Unless the Investment Vehicle does not have any other businesses/group entities in India (in terms of the RBI’s ‘on tap’ Licensing of Universal Banks in the Private Sector August 1, 2016, as amended from time to time), the Company C would be considered under sub-clause 9.1.1 (e).

**(v)** As per the extant RBI guidelines, if Company C (in the quoted instance) has other group entities/investments in India or other group entities/investments are proposed to be established in India by the Company C after consummation of

as an investment vehicle in terms of Paragraph 9.1.1(e) read with 9.3(g) of the PIM.

Please confirm that Company B, the direct parent entity, will not be required to comply with the Eligibility Criteria (as defined in the PIM) and the Disqualification Conditions (as defined in the PIM) as its accounts are not being relied upon by Company C.

**(vii)** Paragraph 9.1.2(a) of the PIM provides that the net worth criteria shall be assessed on the basis of the statutory auditor's/ independent chartered accountant certificate not older than 3 months from the date of the PIM. At the same time, the calculation of the net worth criteria has to be based on the latest audited financials of an IP, which shall not be of a date earlier than March 31, 2022 (for Indian IPs) or December 31, 2021 (for foreign IPs), as the case may be.

the Transaction, it shall be mandatory for Company C to establish a NOFHC to acquire/hold the offered equity stake in IDBI Bank

**(vi)** In the quoted instance, the accounts of Company C will get consolidated in Company B and accounts of Company B gets consolidated into Company A. While the Company C would be permitted to draw on credentials of Company A to satisfy the Eligibility Criteria; however, the Disqualification Conditions (as well as other requirements under the PIM) would also have to be met by the intermediary Company B.

**(vii)** In the quoted instance for the foreign IP, the date of the issuance of statutory auditor's/ independent chartered accountant certificate shall not be older than 3 months from the date of the PIM. However, the

In light of the structure mentioned above, please confirm that the statutory auditor or independent chartered account certificate can be of a date not older than 3 months from the date of the PIM but the net worth information specified in such certificate will be as of December 31, 2021 (based on accounts of Company A).

**(viii)** If Company C is not required to prepare a profit and loss account, please confirm that the profit-making track record requirement specified in Paragraph 9.1.2(b) of the PIM will not be applicable to Company C.

If the profit-making record requirement is applicable, please confirm that Company C may satisfy the profit-making criteria under Paragraph 9.1.2(b) of the PIM on the basis of the accounts of Company A (the indirect parent entity).

**(ix)** As per the second paragraph of Paragraph 7.2(d) of the PIM, in case a Successful Bidder incorporates an Investment Vehicle

financial statements shall be of the period as per the last audited financial statement cycle of the IP.

**(viii)** The Profit and Loss account, in the quoted instance, would be on the basis of the accounts of Company A.

**(ix)** If the Company C, in the quoted instance, is itself an IP and eventually a Successful Bidder directly acquiring the offered equity stake in IDBI Bank, the Company C shall have to comply with the extant RBI guidelines as far as its lock-in requirements are concerned in IDBI Bank.

**(x)** Any change (whether of economic interest or otherwise) of the IP shall remain subject to the extant RBI guidelines, the requisite approvals/regulations of the GoI/DPIIT etc, including the final screening by RBI basis the 'Fit &

(as defined in the PIM) at its own discretion, such Successful Bidder will be required to hold at least 51% of the total voting equity shares of such Investment Vehicle.

In the context of the proposed structure mentioned above, it is our understanding that as the Successful Bidder, i.e., Company C is itself an investment vehicle in accordance with the Constitution Criteria under Paragraph 9.1.1(e) of the PIM, the foregoing requirement will not apply to the voting equity shares of Company C as no separate Investment Vehicle is being set-up by Company C to acquire the stake in IDBI Bank. In other words, once Company C has acquired 60.72% shares of IDBI Bank, there is no restriction on changes in the percentage of the voting equity shares of Company C subject to compliance with applicable RBI regulations prevailing at such time.

Proper assessment criteria. Any such change in the economic interest in Company C will have to be informed to RBI at the time of the final screening by RBI basis the 'Fit & Proper assessment criteria.

- (xi)** Already clarified above under point (i).
- (xii)** Please refer to second paragraph under sub-clause 7.2 (d).
- (xiii)** As per the PIM, the requirement of undertaking "Fit and Proper" assessment shall be applicable, in the quoted instance, to Company A, B, and C; however, the RBI may seek additional documents to satisfy itself.

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|  |  | <p><b>(x)</b> Please confirm that a mere change of economic interest of Company C at any time after submission of the financial bid or post-completion of the Transaction is permitted without the need for any approvals including under the applicable RBI guidelines applicable after completion.</p> <p><b>(xi)</b> Please confirm that Company C is not a Consortium (as described in the PIM) for the purpose of the PIM.</p> <p><b>(xii)</b> Paragraph 9.1.1 of the PIM provides that if the Successful Bidder is a Consortium, it may incorporate an investment vehicle, whether in or outside India, at its discretion for the purposes of consummation of the Transaction. Please clarify if a Successful Bidder, which is a sole entity/ bidder, such as Company C can also incorporate an investment vehicle, whether in or outside India, at its discretion for the purposes of consummation of the Transaction.</p> |
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		(xiii) Please confirm that the requirement of undertaking “Fit and Proper” assessment under the present scenario only extend to Company A, Company B and Company C.	
55.	<b>Fit &amp; Proper</b>	The transaction process under the PIM contemplates that after a person has been adjudged as a Successful Bidder, the RBI will undertake final assessment of the Successful Bidder on the basis of its “Fit and Proper” assessment. As the “Fit and Proper” assessment is also required to be undertaken by the RBI prior to the bid upon shortlisting of Qualified Interested Parties (“QIP”), could you please confirm whether this step can be dispensed with if the Successful Bidder confirms that there is no material change in the facts that were evaluated at the time of the first level assessment?	This is an RBI requirement and any dispensations in this regard are not envisaged for the Transaction.
56.	<b>Fit &amp; Proper</b>	Please clarify if any exemption from requiring prior approval of RBI under the Reserve Bank of India (Prior Approval for Acquisition of Shares or Voting Rights in Private Sector Banks) Directions, 2015 is available for acquisition of 60.72% of IDBI Bank?	The Transaction is being undertaken in consultation with RBI. The provisional Fit & Proper assessment is envisaged at EOI stage itself.

		Alternatively, can this approval be processed and made available at the time of initial fit and proper assessment itself i.e., pre submission of bids?	The Final RBI approval for transfer of shares to the Successful Bidder will be obtained as a condition precedent to the consummation of the Transaction.
57.	<b>Fit &amp; Proper</b>	To test the ownership, revenue and assets criteria for large industrial/ corporate houses, what is the relevant date or period that will be considered?	The ownership, revenue and assets criteria for large industrial/ corporate houses will be considered on the basis of last audited financial statements depending on the financial year cycle being followed by the IPs.
58.	<b>Fit &amp; Proper</b>	If a large industrial/ corporate house were to meet the qualifying criteria subsequent to the due date for submission of the EoI but before the completion of the sale, will it be acceptable?	Kindly refer the response to Question 57 above.
59.	<b>Fit &amp; Proper</b>	What will be the test for the large industrial/ corporate house If there are 2 companies, one financial and one non-financial, and each being independently managed and governed by separate family members of the same family?	Such 2 companies will be treated as promoter group companies as per extant SEBI guidelines.



<b>60.</b>	<b>Fit &amp; Proper</b>	What will be the test for the large industrial/ corporate house If there are 2 companies, one financial and one non-financial, and each being owned, independently managed and governed by separate family members of the same family?	Such 2 companies will be treated as promoter group companies as per extant SEBI guidelines.
<b>61.</b>	<b>Fit &amp; Proper</b>	How will income from financial assets of the non-financial companies be treated for conducting the test of determining the Asset/ Income criteria for large industrial/ corporate houses	The response/clarification to be advised later.
<b>62.</b>	<b>Fit &amp; Proper</b>	If the promoter of the interested party also owns a controlling stake in a real-estate business, how will it be looked upon?	It will be treated as promoter group companies as per extant SEBI guidelines.
<b>63.</b>	<b>Fit &amp; Proper</b>	Can a bidder submit an EOI and later on bid through one or more of its affiliates/ subsidiaries/ group companies (the details of these would be provided at the time of submitting the bid)?	The same is not permitted.
<b>64.</b>	<b>Merger/ Amalgamation</b>	If the Successful Bidder is also the promoter of another banking company, please confirm that the GoI and the RBI pursuant to exercise of their powers including under Section 53 of the Banking Regulation Act, 1949 and/or Section 237 of the Companies Act, 2013 can direct / mandate the	The Bidders are informed that the timelines/other requirements relating to the requisite amalgamation (including the dispensation of any Shareholders' approval) are under consideration in consultation with

amalgamation of the banking companies and dispense with the requirements set out in Section 44A of the Banking Regulation Act, 1949 e.g., requirement to obtain the approval of shareholders of both banking companies.

Please confirm that such amalgamation can be undertaken as a pre-closing condition to the Transaction. If not, please confirm that until such amalgamation directed by the GoI/ the RBI occurs both banking companies can be retained with a common promoter.

In the event that approval of the shareholders of both banking companies is required to be undertaken for the amalgamation and such approval of the shareholders is not forthcoming, please confirm that both banking companies can be retained with a common promoter without any time limitations on completion of the merger. If not, please confirm what would happen in such a scenario.

the RBI and suitable clarifications in respect thereof will be advised at the RFP stage.

The continuance of waivers and dispensations provided with respect to IDBI Bank (if any) shall be subject to Applicable Laws and directions of RBI.

		Please also confirm that all rights and privileges including any waivers and dispensations provided with respect to IDBI Bank in respect of the Transaction will continue to be available to and with respect to the combined entity.	
<b>65.</b>	<b>Merger/ Amalgamation</b>	If the Successful Bidder is also the promoter of another banking company, please let us know if any exemption from stamp duty and registration fee applicable with respect to the amalgamation will be provided.	No such exemptions are contemplated at this stage.
<b>66.</b>	<b>Merger/ Amalgamation</b>	If the Successful Bidder is also the promoter of another banking company whose shares are listed on a stock exchange in India, please confirm that for the merger of such banking company with IDBI Bank or vice-versa: (i) no open offer will be required to be made pursuant to such merger and a specific exemption will be provided from the requirement of a mandatory open offer for such merger in terms of Regulation 10 of the SEBI Takeover Regulations;	The Successful Bidder is expected to comply with Applicable Laws and no specific dispensations on the quoted instances are under consideration.  As regards the MPS requirements, the appropriate dispensation is under consideration. Further clarification would be provided at the RFP stage.

(ii) no specific approval will be required to be taken from the Competition Commission of India for such merger;

(iii) no approval will be required to be taken from majority of the public shareholders of either IDBI Bank or the other banking company (as per SEBI's regulations on schemes of arrangement involving listed companies); and

(iv) an extended timeline will be provided for the merged entity to comply with MPS requirements; and

(v) valuation of the merging bank will be determined as per Section 44A of the Banking Regulation Act, 1948 read with the Master Direction - Amalgamation of Private Sector Banks, Directions, 2016 issued by the RBI on April 21, 2016.

67.	<b>Merger/ Amalgamation</b>	Further, if an NBFC (as a member of a consortium) emerges as a successful bidder, and if the NBFC is merged into IDBI Bank before the expiry of the lock-in period, can any of the other members of the consortium cease to be classified as promoters at that point?	In such cases, the extant SEBI guidelines with respect to reclassification of promoters would apply.
68.	<b>Merger/ Amalgamation</b>	<p>Paragraph 9.4 of the PIM provides for merger/amalgamation of IDBI Bank with Successful Bidder (read as IDBI Bank being absorbed into the Successful Bidder and the Successful Bidder becomes the surviving entity).</p> <p>Please confirm whether merger/amalgamation is also permitted for:</p> <p>(i) Successful Bidder with / into IDBI Bank (i.e., IDBI Bank being the surviving entity);</p> <p>(ii) IDBI Bank with / into any other banking company owned by the Successful Bidder (i.e., such other banking company being the surviving entity).</p>	Subject to extant RBI regulations/directions and other requirements as RBI may stipulate in respect of such amalgamations, there are no restrictions under the PIM contemplated in respect of Successful Bidder merging with IDBI Bank or IDBI Bank with / into any other banking company owned by the Successful Bidder.
69.	<b>Merger/ Amalgamation</b>	Paragraph 9.4 of the PIM provides for merger/amalgamation of IDBI Bank. Please also clarify whether corporate restructuring (including	Subject to extant RBI regulations/directions and other requirements as RBI or respective regulator may stipulate, there are no

		merger and demerger) is permitted for subsidiaries of IDBI Bank.	restrictions under the PIM for undertaking any corporate restructuring for the subsidiaries of IDBI Bank, post consummation of the Transaction.
70.	<b>Merger/ Amalgamation</b>	We note the following assurance in paragraph 9.4 on page 76 of the PIM: "In the event the Successful Bidder intends to amalgamate IDBI Bank with itself or if the same is required by RBI, the GoI and LIC will vote in favour of any such merger/amalgamation at Board and/or shareholders' meetings of IDBI Bank, along with such reasonable assistance as GoI may in its absolute discretion deem fit." Would IDBI, Gol and LIC also offer the same assurance to support a merger of the successful bidder's existing branches in India into IDBI?	The assurances under Clause 9.4 apply to merger of existing operations in India of the Successful Bidder only.
71.	<b>Merger/ Amalgamation</b>	Is the lock-in of 5 years applicable to the specific shares acquired by the successful bidder/consortium, or does the successful bidder/consortium have to maintain its stake for 5 years?	The response/clarification to be advised later.

		Let's consider a case of an existing NBFC owned by promoters through an investment company, which emerges as the successful bidder. If before the expiry of the lock-in period, the NBFC is merged into IDBI Bank, as a result of which the stake of the bidder/ consortium reduces to less than 40% (none of the shares originally acquired have been sold}, is that permitted?	
72.	<b>Merger/ Amalgamation</b>	In case the proposed deal structure envisages an amalgamation between IDBI Bank and a bank or an NBFC, please confirm whether the RBI approval for the same will be provided before the announcement of the successful bidder?	The Transaction is being undertaken with consultation with RBI on key aspects. The requirement under 44A of the Banking Regulation Act, 1949 is mandatory and any exemption/dispensation in that regard, if any, will have to be taken up with RBI on a case-to-case basis.
73.	<b>Ownership/ Shareholding/ Voting rights</b>	The PIM proposes that after completion of the sale of the Government of India's ("GoI") and Life Insurance Corporation of India's ("LIC") equity stake in IDBI Bank along with transfer of management control in IDBI Bank (the "Transaction"), GoI and LIC will collectively retain	The CCEA approval specifically mentions that <i>"extent of respective shareholding to be divested by GoI and LIC shall be decided at the time of structuring of transaction"</i> .

		34% shareholding of IDBI Bank. If an interested party (“IP”) proposes to acquire 100% of the stake held by GoI and LIC, will such structure be taken into consideration by GoI and LIC given that 100% disinvestment in IDBI Bank has been approved by the Cabinet Committee on Economic Affairs? Is there flexibility to bid for higher stake in IDBI Bank?	The GOI has, in consultation with relevant stakeholders, accordingly, approved the strategic disinvestment of GoI and LIC’s aggregate equity stake equivalent to 60.72% in IDBI Bank, along with transfer of management control in IDBI Bank.
74.	<b>Ownership/ Shareholding/ Voting rights</b>	If an IP can bid for a stake in excess of 74% of IDBI Bank, we understand that an exemption from the requirements of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 will also be provided to enable foreign direct investment in excess of 74% in IDBI Bank.	The PIM requires the IP to bid for acquisition of GoI and LIC’s aggregate equity stake equivalent to 60.72% in IDBI Bank, along with transfer of management control in IDBI Bank.
75.	<b>Ownership/ Shareholding/ Voting rights</b>	The PIM is silent on future sale of the residual shareholding of IDBI Bank continued to be held by GoI and LIC after completion of the Transaction. Please clarify if the successful bidder for the Transaction (the “ <b>Successful Bidder</b> ”) will be given a right of first refusal on any future sale of the residual shareholding held by GoI and LIC. Also, please confirm that all the exemptions granted to	The details regarding the rights and obligations of the Successful Bidder, in respect of the Transaction, shall be detailed in the definitive agreements (SPA etc.) at the RFP-stage and be accessible to the QIPs through the VDR.



		the Successful Bidder for the current Transaction will also be applicable to any future stake purchase.	
76.	<b>Ownership/ Shareholding/ Voting rights</b>	If in the future, GoI and LIC propose to sell their residual shareholding in IDBI Bank to a foreign investor, please confirm that the Successful Bidder will not be required to sell down any part of the shares of IDBI Bank held by it at such time in order for IDBI Bank to comply with the foreign investment cap of 74% post-sale by GoI and LIC.	The details regarding the rights and obligations of the Successful Bidder, in respect of the Transaction, shall be detailed in the definitive agreements (SPA etc.) at the RFP-stage and accessible to the QIBs through the VDR.  A brief and indicative overview of the Transaction Process is mentioned under Sections 5 & 6 of the PIM.
77.	<b>Ownership/ Shareholding/ Voting rights</b>	Please clarify that simultaneous with completion of Transaction, GoI and LIC will renounce all of their existing rights in IDBI Bank and will: (i) waive general voting rights under the Companies Act, 2013; and (ii) cease to have any special rights/affirmative vote rights/veto powers etc. in IDBI Bank whether by virtue of a shareholder agreement, articles of association or otherwise.	The definitive documents (including the SPA) will have detailed terms and conditions relating to rights of GoI and LIC and the same shall be aligned to the applicable laws and regulations.
78.	<b>Ownership/ Shareholding/ Voting rights</b>	Please confirm that GoI and LIC will not act or be deemed to be persons acting in concert either	They are not expected to be 'persons acting in concert' in respect of their residual shareholding in IDBI Bank.

		explicitly or implicitly, in respect of their residual shareholding in IDBI Bank.	
<b>79.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Will GOI and LIC have any board seats or participate in the management & governance of IDBI Bank after the sale? Whether the voting rights of GOI and LIC will be restricted to below 10% or less?	The Bidders are informed that GOI has already made application for reclassification of its shareholding as 'public'. Further, the details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
<b>80.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Is government open to consider stock as consideration for acquisition instead of 100% cash?	The Bidders are expected to comply with the terms of the PIM and RFP with respect to consideration, which is envisaged on a cash basis only.
<b>81.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	As per the PIM, the Government of India (GoI) and the Life Insurance Corporate of India (LIC) propose to sell shareholding in IDBI Bank Limited (IDBI), to the extent of 60.72% (made up of 30.48% by GOI and 30.24% by LIC). Would GOI and/ or LIC be willing to sell further shares such that the aggregate shareholding of the successful bidder	The present transaction is for sale of 60.72% shareholding of GOI and LIC's stake in IDBI Bank. Further the Successful Bidder would be required to make an open offer for acquisition of 5.28% of the public shareholding.

		(after including shares obtained in the open offer) is at least 74%?	
<b>82.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Additionally, would the GOI and/ or LIC be willing to undertake a pre-emption obligation towards the successful bidder (right of first offer/ right of first refusal, etc.) in relation to their residual shareholding in IDBI?	The details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
<b>83.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Would Gol and/ or LIC be willing to undertake commitment about timing and quantum of sale of their own residual shares to enable IDBI to shore up its public shareholding to 26% in an orderly manner?	The Bidders are informed that GOI has already made application for reclassification of its shareholding as 'public'. The details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
<b>84.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	How are GOI and LIC proposing to disinvest their remaining shares so as to bring their shareholding below 10% so as to reclassify them as public shareholders?	The appropriate dispensation in this regard is under consideration. Further clarification would be provided at the RFP stage.
<b>85.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Would Gol and/ or LIC be willing to a co-voting agreement so as to transfer complete control of IDBI to the successful bidder [e.g., in a co-voting agreement, the Gol and/ or LIC would undertake to	No such arrangement is envisaged.  Further details regarding such aspects will be provided in the definitive documents

		vote their residual shares in the same manner as the successful bidder or in a manner that supports decisions of the board/ independent directors from time to time]?	(including the SPA) shared with the QIPs at the RFP stage.
86.	<b>Ownership/ Shareholding/ Voting rights</b>	For acquiring more than 49% shareholding in IDBI, would the IP (where it is a foreign shareholder)/ IDBI need to separately apply to the GoI for the Government Route approval?	This would be required as per the extant FDI policy and would be a part of the Transaction process. Whilst the Successful Bidder would be responsible making the requisite applications as per the extant guidelines/regulations, the GoI shall facilitate and provide reasonable support towards the same.
87.	<b>Ownership/ Shareholding/ Voting rights</b>	Voting Power ceiling of 26% - Would this cap be applicable to the entire consortium as a whole or to the lead consortium member? - The EOI mentions that the current level of ceiling on voting rights is at 26% (twenty-six) per cent, which shall also apply to a Successful Bidder, whether a sole entity or a Consortium.	The Consortium under all circumstances will be considered as persons acting in concert as per the extant regulations. Further, the voting rights and the lock-in will apply on the Consortium as a single block.
88.	<b>Ownership/ Shareholding/ Voting rights</b>	We understand that Promoter is required to hold a minimum of 40% stake in the Bank. In case IP forms a consortium with financial investors and the	Please refer clause 7.2 (d) of the PIM and the extant RBI Guidelines ('on tap' Licensing of Universal Banks in the Private

		consortium acquires the 60.72% stake in the Bank through an NOFHC, then please confirm that as long as the IP holds 40% or more stake in the NOFHC, the same is in compliance with the extant regulations.	Sector August 1, 2016, as amended from time to time), for requirements relating to lock-in in case of an NOFHC.
<b>89.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	<p>To what extent we can expect the Ministry of Finance MOF to support the incoming investors after the Transaction is completed ("Round #1"). such expected support can be in the following areas:</p> <p>A) any issues with Indian Income Tax Department ("ITD") on matters relating to taxation Pertaining to the Transaction (Round #1). We are highly sensitive about any extreme views taken by ITD - post the investment. To this extent, absolute clarity about all related tax matters related to the proposed transaction Will be required (say, the appropriate tax rate to be applied for deducting 'withholding tax', which can be linked to the subjective interpretation of valuation and capital gains). Towards this, whether any prior (unofficial)</p>	<p>The IP is required to comply with provisions of Applicable Laws in this respect.</p> <p>The employee related obligations would be clarified in the RFP stage.</p>

		<p>consultation with MOF, Revenue secretary and/ or with the member(s) of the central Board of Direct Taxes ("CBDT") be arranged for all stakeholders to be aligned and to avoid any future dispute related to this transaction?</p> <p>B) ensuring the conversion of existing bank branches are done on a tax neutral basis;</p> <p>C) restructuring of the bank that may entail retrenchment(and lateral hirings). These are likely to face stiff opposition from banks' union(s) and association(s);</p>	
<p><b>90.</b></p>	<p><b>Ownership/ Shareholding/ Voting rights</b></p>	<p>Post consummation of SPA, both LIC and GoI will respectively still hold more than 10% shareholding in IDBI Bank even though LIC will relinquish management control of IDBI Bank, and we understand GoI does not have at present any management control over IDBI Bank.</p> <p>In view of the above, please provide us clarity on how re-classification of LIC and GoI as public shareholders will be achieved in terms of Indian</p>	<p>The appropriate dispensation in this regard is under consideration. Further clarification would be provided at the RFP stage.</p>

		Listing Regulations given that the shareholding should be less than 10% (on a collective basis) by the applicants seeking re-classification of promoter/promoter group status.	
<b>91.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Can you please outline GOI and LIC's plan to exit completely out of IDBI Bank?	The details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
<b>92.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	Please provide details of the proposed composition of the Board of IDBI post the disinvestment. Specifically, do the GoI and LIC intend to have directors on the Board? If yes, please clarify the number of such nominee directors.	The Bidders are informed that GOI has already made application for reclassification of its shareholding as 'public'. The details regarding such aspects will be provided in the definitive documents (including the SPA) shared with the QIPs at the RFP stage.
<b>93.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	With GoI and LIC not looking to remain shareholders of Target in the long term, the mid to long term objectives of both sides, vis-a-vis Target and the incoming Shareholder, need to be aligned. In case there is an in-principle agreement towards this approach, then:	The present Transaction contemplates sale of 60.72% shareholding of GOI and LIC in the IDBI Bank. Further IDBI Bank is contemplated to be continued as a Private Sector Bank meeting all the extant RBI Regulations applicable to such bank.

i) an operating mechanism will need to be designed such that the final exit by GOI, LIC and public shareholders'—

(a) do not compromise upon the premium expectation on the residual stake; and

(b) is facilitated through a 'price discovery' at the time of exit achieved through a transparent and fair process that can withstand any public political scrutiny. Will there be any openness to discuss and accommodate such approach into the extant disinvestment process and include the same as a part of definitive agreements?

ii) the extant regulatory framework allows 100 per cent ownership by Foreign Banks under the Wholly owned subsidiary ("WOS") route. can this Transaction (at Round #1) be treated a 'transitory and intermediary' step towards Target becoming a 100 per cent WOS of potential Bidder (" Round #2"), consequent upon which we will Subsume/merge the existing branches of potential



Bidder into the WOS?

In other words, until the 100 per cent ownership of Target, we would continue Operating our bank branches in India uninterrupted and at arm's length.

Our 'single Presence' through the WOS will eventually get actualized after we complete acquisition of 100 per cent stake in Target and merge the existing branches. As mentioned in Question 81, will it be possible to discuss with the RBI to consider/ treat Target as a 'foreign bank' (at completion of Round #1) and thereafter a 'WOS' (as per Round #2)? such classification of Target as a 'foreign bank' can also help to resolve the issue of 'voting rights', which is applicable to private sector banks in India. The suggested pathway will not require any legislative changes (to the Banking Regulation Act,1949) and can be fitted into the extant regulatory framework, with some

		accommodative tweaks subject to regulatory approvals	
<b>94.</b>	<b>Ownership/ Shareholding/ Voting rights</b>	We understand from Clause 7.1 of the PIM that the voting % for the Consortium would be capped @26%. Upon consummation of the transaction, given that the LIC and GOI would respectively hold ~20% and ~15%, they would still exercise ~ 50% of the real voting power. Please confirm if our understanding is correct in light of the RBI directions relating to restriction on voting rights.	The voting rights of the shareholders post consummation of the Transaction shall be governed by the extant RBI guidelines. Kindly further note that LIC and GOI are not persons acting in concert and thus their voting rights are not cumulative.
<b>95.</b>	<b>Process</b>	Please describe in brief the nature of indemnity that GoI and LIC will extend to the acquirer in respect of past liabilities and obligations relating to IDBI Bank, its business operations, and sovereign matters. Will acquirers be entitled to defer part of the consideration payable and create an escrow for a specific time period to cover any past liabilities or the indemnification obligations of GoI and LIC?	The Indemnities (if any) on fundamental representations – relating to authority, encumbrance on & title to sale shares, will be set out under the Definitive documents (including SPA).
<b>96.</b>	<b>Process</b>	Please clarify if any exemption from payment of stamp duty, registration fees and other government filing fees will be available for the Transaction.	No such exemptions/dispensations are contemplated in this regard.

97.	<b>Process</b>	Given file size restrictions on e-mail, please confirm that an IP can send the EoI along with requisite documents in several e-mails to accommodate size restrictions and that there is no requirement that the EoI and all requisite documents have to be sent in a single email. (Paragraph 4.2 of the PIM).	<p>The IP can send the EOI submission in multiple mails. However, these shall be accompanied by a Covering Mail detailing the total number of emails to be sent and a listing of contents thereof.</p> <p>All such mails shall be sent before the bid submission deadline.</p>
98.	<b>Process</b>	Please confirm that an IP is required to execute and submit the Deed of Confidentiality Undertaking provided in Annexure V only after it has become a QIP, i.e., at the RFP stage. (Paragraph 11.17(iv) of the PIM).	All the IPs must submit Deed of Confidentiality Undertaking as per the PIM at the EOI stage.
99.	<b>Process</b>	Paragraph 5(g) of the PIM states that the GoI shall set the reserve price after receipt of bids and the reserve price will not be communicated to QIPs. Please disclose the reserve price before the RFP.	The Bid process shall be undertaken as per the extant DIPAM guidelines.
100.	<b>Process</b>	Would it be correct to assume that value maximization is the sole / most important Criteria to be used to select the bidders after the submission of Financial Bids in Stage 2 (RFP stage)?	The Bidders are expected to follow the process outlined in the PIM and, post-pre-qualification, value maximization, and

		<p>Would there be any weightage given to other qualitative criteria such as 'country of Origin', legal form, size and stature of the bidder (listed private sector bank, foreign bank, financial sponsors, strategic investor, etc.) or any other such qualitative criteria (well-regulated and supervised by home country regulation versus unregulated like the PE firms/ SWF)?</p>	<p>ability to close the deal in certain timeframe would be most important criteria.</p>
<b>101.</b>	<b>Process</b>	<p>When the GoI set up a reserve price as per the receipt of the financial bids, will it refer to the market price of the Target at that time as a benchmark or the average investment price for GoI and LIC? What would be the benchmark(s) for determining the reserve price?</p>	<p>The DIPAM guidelines, as amended from time to time, has prescribed the mechanism and methods of valuation to be undertaken for determination of the Reserve Price. The same would be followed in the extant Transaction.</p>
<b>102.</b>	<b>Process</b>	<p>How would you recommend/ guide us in submitting our EoI for smooth 'Fit-and-proper' assessment by the RBI? For example - do we highlight some of our key Considerations and plans (Like we discussed above), together with a tentative and high-level roadmap or should such possible solutions be discussed post submission of our EOI?</p>	<p>The Bidder are expected to apprise themselves of the extant instructions on 'fit and proper' criteria and due diligence process as provided in Chapter II, III, IV and V of Master Direction on 'Prior Approval for Acquisition of Shares or Voting Rights in</p>

			Private Sector Banks' dated November 19, 2015. The Bidders are informed that besides above, the RBI may seek further information and documents from the Bidders.
<b>103.</b>	<b>Process</b>	Can you please provide us with the overall timelines - from stage 2 until Consummation of this transaction? understanding of a realistic timeline is important from a resource planning and readiness perspective.	No specific timelines can be indicated at this stage; however, the indicative timelines will be provided to the QIPs at the RFP stage.
<b>104.</b>	<b>Process</b>	Being a listed entity, to what extent access to information (and people) Will/can be granted for due diligence? Is there any 'negative list' of documents that Will not be Shared with shortlisted investors (but will be finally shared with the successful bidder)?	The VDR rules would be disseminated to the QIPs after the EOI-stage which shall contain the restrictions on access to data and personnel.
<b>105.</b>	<b>Process</b>	As per Disqualification Condition (viii) on Page 87 of PIM, - As a general policy, Public Sector Enterprises (PSEs) [Central/State/ Joint]/ State Governments/ Cooperative Societies controlled by the Governments (i.e. where 51 % (fifty one percent) or more by ownership is by the Central	The stated Disqualification will only apply in case of Indian PSUs/PSBs.

		<p>Government/ State Governments/Jointly by Central and/ or State Governments) are not permitted to participate in the strategic disinvestment privatisation of other PSUs as bidders unless otherwise specifically approved by the Central Government in public interest.</p> <p>We understand that IDBI is categorised as a private sector bank and therefore the above disqualification will not be applicable.</p> <p>Separately, we understand that the above Disqualification Condition would also not cover foreign banks which are directly or indirectly owned more than 51% by foreign governments/ any entity or organisation owned by or associated with such government. Please confirm if the above understanding is correct.</p>	
<b>106.</b>	<b>Process</b>	One of the enclosures requested in Annexure 1(A) - Expression of Interest in Sole IP pertains to "Request for Qualification". Is there any specific	<b>The Bidders are requested to use the same enclosures as prescribed under Annexure I (A).</b>

		format requirement for the same as the enclosure does not form part of the PIM?	
<b>107.</b>	<b>Process</b>	In Table 1 of Annexure VIII - Format for application for Security Clearance, details of ultimate beneficial ownership (UBO) are requested. The note below the table provides definition of significant beneficial owner (SBO). UBO has been defined under Form A, which is different from the definition of SBO. Please confirm the interpretation applicable for filling details regarding beneficial ownership under Table 1.	<p><b>‘UBO’ and ‘SBO’ are two independent terminologies.</b></p> <p><b>For Table 1, 2, and 3 under Annexure-VIII, the Bidders are requested to provide details of the ‘UBOs’ as well as the ‘SBOs’.</b></p> <p><b>In case the IP is an LLP, it has to additionally provide for details of the ‘SBO’ in Table 1, Table 2 and Table 3 under Annexure-VIII.</b></p>
<b>108.</b>	<b>Process</b>	In Table 1 of Annexure VIII - The note provided below the table suggest providing a chart depicting the link between the IP and the UBO/ companies/ organizations along with their details as in Table 2 and Table 3 below. Table 2 and 3 suggests providing details pertaining to the IP only. Please advise if details of UBO are also to be provided in Table 2 and 3.	<b>Please refer to the response to Query 107 above.</b>

<p><b>109.</b></p>	<p><b>Process</b></p>	<p>Paragraph 11.17 on Page 98 of the PIM requires execution of the Deed of Confidentiality Undertaking by QIP before the RFP stage. Paragraph 11.7 on Page 94 of the PIM states - Any breach of Confidentiality Undertaking executed by the IP inter alia will result in disqualification.</p> <p>Further, the Deed of Confidentiality Undertaking forms part of the list of enclosures in Annexure 1(A) on Page 102 of the PIM. Also, Paragraph 10.3 (Page 78 of the PIM) lists the deed of confidentiality as part of the EoI contents.</p> <p>We request you to kindly clarify whether the Deed of Confidentiality Undertaking needs to be submitted along with the EoI document submission at Stage 1 or it needs to be submitted only after the IP getting shortlisted as a QIP for submission of RFP at Stage 2.</p>	<p>All the IPs have to submit Deed of Confidentiality Undertaking as per the PIM at the EOI stage.</p>
<p><b>110.</b></p>	<p><b>Process</b></p>	<p>The EOI is for the sale of shares of IDBI Bank by the GOI and LIC, would the sellers be agreeable to receive the consideration in terms of shares or other securities of a listed entity?</p>	<p>The Bidders are expected to comply with the terms of the PIM and RFP with respect to consideration.</p>



111.	<b>Process</b>	Timing of setting up the SPV / Investment Vehicle: Please confirm that the final investment vehicle can be set up later at the time of actual acquisition of shares.	The setting up of the Investment Vehicle/SPV shall be as per the requirements of RBI and it can be set up post emergence as Successful Bidder.
112.	<b>Process</b>	In para 9.1.1 of the EOI, it is mentioned that "In the event an IP (whether a sole entity/bidder or a Consortium) has other group entities, such IP on being adjudged as the Successful Bidder will, if required by the extant RBI directions/guidelines/regulations, establish a NOFHC in accordance with the 'Guidelines for Licensing of New Banks in the Private Sector'" - Request clarification on which businesses are envisaged to be covered in Other businesses?	As per the extant RBI Guidelines ('on tap' Licensing of Universal Banks in the Private Sector August 1, 2016, as amended from time to time), if the Successful Bidder have other group entities or propose to establish other group entities, post consummation of the Transaction, the NOFHC needs to be formed and registered as per the RBI guidelines.
113.	<b>Regulatory - Income Tax</b>	If the Successful Bidder is also the promoter of another banking company whose shares are listed on a stock exchange in India, please confirm that the merger of such other banking company with IDBI Bank or vice-versa, will be deemed to be in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961.	The requirements related to Applicable Laws shall be evaluated and suitably complied by the Successful Bidder.

114.	<b>Regulatory - Income Tax</b>	Please clarify whether in the event that the GOI carves-out identified businesses, assets, liabilities from IDBI Bank prior to completion of Transaction, such transfers be eligible for exemption under Section 47(viiaf) of Income-tax Act, 1961 by way of notifications to be issued by GoI pursuant to which: (i) IDBI Bank and the transferee entity will be deemed to be public sector companies; and (ii) the transfers made by IDBI Bank shall be considered to be undertaken as a plan approved by GoI?	Please refer to the afore-mentioned response against Query no. 32.
115.	<b>Regulatory - Income Tax</b>	Please clarify whether the Successful Bidder will be eligible for seeking exemption pursuant to Clause XI of proviso to Section 56(2)(x) of Income-tax Act, 1961 for purchase of the equity shares of IDBI Bank from GoI and LIC.	The appropriate dispensation in this respect is under due consideration and the same would be suitably advised to the QIPs at the RFP stage.
116.	<b>Regulatory - Income Tax</b>	Please clarify whether tax incentives (including losses, unabsorbed depreciation, concessions etc.) available to IDBI Bank shall be continued to be carried forward in case of amalgamation of IDBI Bank with and into Successful Bidder / affiliate of Successful Bidder.	The appropriate dispensation in this respect is under due consideration and the same would be suitably advised to the QIPs at the RFP stage.

		Further, in case of corporate group restructuring undertaken by the Successful Bidder post completion of the Transaction, please clarify whether losses incurred by IDBI Bank and unabsorbed depreciation shall be allowed to be carried forward as per Section 72A of Income-tax Act, 1961.	
117.	<b>Regulatory - Income Tax</b>	Will there be specific exemptions from provisions of tax to be deducted at source (TDS) and tax to be collected at source for the Transaction?	No such exemptions/dispensations are contemplated in this regard
118.	<b>Regulatory - Income Tax</b>	As per the draft scheme for capital reduction available at <a href="https://www.idbibank.in/Draft-Scheme-for-setting-off-accumulated-losses.aspx">https://www.idbibank.in/Draft-Scheme-for-setting-off-accumulated-losses.aspx</a> , we understand that IDBI Bank is proposing to set-off accumulated losses (as on April 1, 2021) in full or to such extent as may be possible by utilizing the balance standing to the credit of securities premium account. Please confirm that the scheme becoming effective can be made a condition precedent to the Transaction.	At present, the Scheme is pending approval before NCLT and, subject to the same and other requisite approvals, the same would be suitably advised to the QIPs at the RFP Stage. The Conditions Precedent to the Transaction will, accordingly, be suitably considered and detailed in the definitive agreements.

119.	Regulatory - others	Please clarify that there is no approval required from Insurance Regulatory and Development Authority of India (“IRDAI”) for LIC’s sale of its stake as part of the Transaction including as per the conditions in the original IRDAI approval LIC had obtained at the time of acquisition of its stake in IDBI Bank.	All statutory approvals required by LIC to give effect to the Transaction shall be obtained as a Condition Precedent.
120.	Regulatory - others	If it is assessed that approval of the Competition Commission of India will be required for undertaking the Transaction, will any special exemption be available from obtaining such approval? Alternatively, will such approval be provided under a fast-track mechanism?	No such special dispensation is contemplated in this regard.
121.	Regulatory - others	<p>If an IP sets-up an Investment Vehicle in India which qualifies as a core investment company or an investment holding company, prior approval will be required for foreign investment in such Investment Vehicle from the Department of Economic Affairs.</p> <p>If it is assessed that approval of the Department of Economic Affairs will be required for undertaking the Transaction under the applicable regulations</p>	Whilst the Successful Bidder would be required to make such application as per the extant regulations/guidelines the GOI will facilitate and provide reasonable support for obtaining such approvals, if any.

		under FEMA, will any special exemption be available from obtaining such approval? Alternatively, will such approval be provided under a fast track mechanism?	
<b>122.</b>	<b>Regulatory - others</b>	What are the existing conditionalities (imposed by the RBI, IRDA, SEBI, etc.) for the Promoters to comply (eg., insurance business; mandatory public shareholding, reducing stake to 26 Per cent or below, etc.) and to what extent these requirements will fall-away or be required to be 'grand-fathered'	The Bidders are expected to seek their independent legal, commercial, & tax advice on the extant rules and regulation applicable for the Transaction.
<b>123.</b>	<b>Regulatory - RBI</b>	Company A, a foreign corporation, whose shares are listed on an overseas stock exchange holds more than 90% voting interest of Company B, another foreign corporation, whose shares are also listed on an overseas stock exchange. Company B holds at least 51% voting interest of Company C, an unlisted foreign corporation, which proposes to acquire 60.72% shares of IDBI Bank. From time-to-time, Company C may raise funds from capital providers in the form of subordinate voting equity, non-voting debt, quasi structures, convertible instruments or any other prevailing instruments or	Please refer to the afore-mentioned response under 54 (iv) and 54 (v).

		<p>structures, however, such capital providers will not hold more than 49% voting interest of Company C at any time. Company A and Company B hold equity interests in other financial services businesses in and outside India.</p> <p>In light of the structure outlined above, prior to the submission of the EoI, we would request the RBI to confirm that IP will not be required to incorporate a Non-Operative Financial Holding Company for holding the shares of IDBI Bank.</p>	
<b>124.</b>	<b>Regulatory - RBI</b>	<p>Please confirm that post the acquisition of 60.72% of the shareholding of IDBI Bank pursuant to the Transaction the reduction of promoter shareholding to the ceilings applicable to banking companies will be in accordance with the glide path submitted by the Successful Bidder? Can the glide path to be submitted be confined to only committing to reduce the promoter shareholding to 26% in 15 years without any interim reduction milestones?</p>	<p>The Glide-path has to be submitted as per the requirement of RBI, besides the regulatory requirement of bringing down the equity stake to 26%. Further requirements would be detailed in the RFP stage.</p>
<b>125.</b>	<b>Regulatory - RBI</b>	<p>Paragraph 2.2 of the PIM mentions that the RBI has lifted the restrictions imposed on IDBI Bank as</p>	<p>The conditions and continuous monitoring of IDBI Bank shall be subject to RBI</p>

		part of the Prompt Corrective Action (“PCA”) framework subject to certain “conditions” and continuous monitoring. As Company C will be recognized as the promoter of IDBI Bank, please clarify whether an exemption from the PCA framework will be available for a period of at least 5 years from the consummation of the Transaction in respect of IDBI Bank without any conditionalities? Also please provide further details on the nature of conditions that were prescribed for IDBI Bank at the time of lifting the PCA related restrictions.	directions. The conditions that were prescribed for IDBI Bank at the time of lifting the PCA related restrictions will be provided to the QIPs through the VDR.
126.	Regulatory - RBI	If it is assessed that approval of the Department of Financial Services will be required for undertaking the Transaction under the applicable regulations under the Foreign Exchange Management Act, 1999 (“FEMA”), will any special exemption be available from obtaining such approval? Alternatively, will such approval be provided under a fast-track mechanism?	Whilst the Successful Bidder would be required to make such application as per the extant regulations/guidelines, the GOI will facilitate and provide reasonable support for obtaining such approvals, if any.
127.	Regulatory - RBI	Please clarify whether any relaxations (in terms of additional time period or additional thresholds)	No such exemptions/dispensations are contemplated in this regard and shall be

		will be provided for maintaining any financial ratios prescribed for banks (e.g., capital adequacy requirement - tier 1, tier 2 capital, Capital to Risk (Weighted) Assets (“CRAR”), group exposure, single borrower norms, provisioning of Non-Performing Assets (“NPA”), liquidity coverage ratio, net stable funding ratio, leverage ratio etc.)	subject extant RBI guidelines/directions, from time to time.
128.	Regulatory - RBI	Please clarify if the Successful Bidder is also the promoter of another banking company whose shares are listed on a stock exchange in India, after the merger of such banking company with IDBI Bank or vice-versa, whether the surviving merged entity will be provided any relaxations (in terms of additional time period or additional thresholds) will be provided for maintaining any statutory reserves or financial ratios prescribed for banks (e.g., capital adequacy requirement - tier 1, tier 2 capital, CRAR, group exposure, single borrower norms, provisioning of NPA, liquidity coverage ratio, net stable funding ratio, leverage ratio etc.).	No such exemptions/dispensations are contemplated in this regard at this stage.
129.	Regulatory - RBI	Please clarify if any exemption will be provided by the RBI to IDBI Bank from applicability of RBI’s	No such exemptions/dispensations are contemplated in this regard at this stage.



		requirement pertaining to priority sector lending for a period of 10 years?	
<b>130.</b>	<b>Regulatory - RBI</b>	Please clarify if: (a) immunity can be provided to IDBI Bank from all historical shortfalls including the financial year in which the Transaction is completed, in meeting priority sector lending targets such that there can be no fresh requirements to purchase Rural Infrastructure Development Fund Bonds on account of such legacy shortfalls (b) of the existing Rural Infrastructure Development Fund bond currently held by IDBI Bank can be redeemed prior to the effectuation of the transaction as they all relate to legacy priority sector lending target shortfalls on the part of IDBI Bank?	The business matters shall be disclosed to QIPs in the RFP stage via the VDR. The treatment of historical shortfalls, if any, would be dealt under the Definitive Agreements.
<b>131.</b>	<b>Regulatory - RBI</b>	In a scenario where 60.72% stake in the Target is acquired by potential Bidder ("Round #1") or any other Foreign Bank. Could the Target be reclassified as a Foreign Bank?	The Target (IDBI Bank) shall post-consummation of the Transaction continue to function and operate as an Indian private sector bank.
<b>132.</b>	<b>Regulatory - RBI</b>	While we understand from the PIM that the incoming investor will need to follow a "glide" path' to reduce their stake to 26 Per cent or below,	Please refer the PIM for the process envisaged for the Transaction. The dilution in shareholding of IDBI Bank shall be

		<p>however, can there be a consideration towards the incoming investor acquiring the residual stake of 39.28 Per Cent overtime (say, over next 5-7 years)? This request for consideration is in line with the Background as set out in the beginning of this List of Questions, and a potential query in the scenario where Target is reclassified as Foreign Bank</p>	<p>governed by extant laws and RBI's regulations, as amended from time to time. The Target (IDBI Bank) shall post-consummation of the Transaction continue to function and operate as an Indian Private Sector Bank.</p>
<p><b>133.</b></p>	<p><b>Regulatory - RBI</b></p>	<p>Being a Global systemically important Bank (GSIB), potential Bidder has presence in India today (through potential Bidder's majority ownership of a large diversified Non-Bank Finance company referred to as "Related NBFC" and may have other future investments - directly or indirectly through group affiliate entities. Can we continue to operate the Related NBFC uninterrupted (without any mandate to merge or close it)- as long as potential Bidder is able to demonstrate that the banking and NBFC businesses are ring - fenced, managed and operated at arm's length and are differently structured (like Related NBFC and Target owned by different group entities Of the potential Bidder's</p>	<p>The response/clarification to be advised later.</p>

		parent group)?	
		<p>a. Would the RBI have a view/ stipulation, as at the time of LIC becoming an investor, on any of the businesses of the Related NBFC (retail loans) or its subsidiary (housing loans business through the HFC)?</p> <p>b. Extant regulatory prescription can permit operating Target (once WOS) and Related NBFC (and any other future investments) under a Non-operative Financial Holding company ("NOFHC") structure. Will the RBI be open to allow us time for transiting to a NOFHC structure until our acquisition of residual stake of 39.28 per cent?</p>	
<b>134.</b>	<b>Regulatory - RBI</b>	If the interested party has issued secured NCDs which are currently outstanding, and the said interested party were to merge with IDBI Bank, will RBI consider allowing the interested party to continue with such secured NCDs?	Such eventualities will be considered by RBI at the time of merger, post consummation of the Transaction, depending on the facts and parties involved on a case to case basis. .
<b>135.</b>	<b>Regulatory - RBI</b>	If the interested party, as an NBFC, has extended loans to finance commercial real-estate sector	Such eventualities will be considered by RBI at the time of merger, post consummation of

		companies and the exposure of such loans is beyond the limits permissible under the exposure norms issued by the RBI, will RBI consider a dispensation to gradually roll down this business within a defined time frame?	the Transaction, depending on the facts and parties involved.
136.	Regulatory - RBI	Will RBI allow dispensation to meet CRR, SLR and PSL requirements within a defined timeframe to interested parties which are NBFCs?	Such eventualities will be considered by RBI at the time of merger, post consummation of the Transaction, depending on the facts and parties involved on a case to case basis.
137.	Regulatory - RBI	Whether the IDBI Bank will be allowed to be merged into the interested party and whether the banking license will be re-issued to the surviving entity?	Subject to the directions of RBI, the deemed license of IDBI bank shall automatically pass to the successor entity post the merger after the consummation of the Transaction.
138.	Regulatory - RBI	We understand that IDBI's classification as a private sector bank will not change because of the disinvestment, irrespective of whether the successful bidder is a foreign bank. This is because even if the successful bidder is a foreign bank, IDBI will still not become a branch or a WOS of a foreign	The stated understanding is correct.

		bank. Instead IDBI will only be a subsidiary of such foreign bank with a mandated glide path to reduction of promoter shareholding like any other private sector bank. We request that the DIPAM and RBI kindly confirm this understanding.	
<b>139.</b>	<b>Regulatory - RBI</b>	As an alternative to question above, we note from paragraph 16 of the Scheme for Setting up of Wholly Owned Subsidiaries (WOS) by foreign banks in India issued by the RBI that WOS of foreign banks may dilute their stake to 74% or less and list on stock exchanges in India. In the event that the successful bidder is a foreign bank, can IDBI be reclassified as a WOS and accordingly be governed by RBI regulations applicable to foreign banks in India, instead of being governed as a private sector bank?	The Target (IDBI Bank) shall post-consummation of the Transaction continue to function and operate as an Indian private sector bank.
<b>140.</b>	<b>Regulatory - RBI</b>	Please could you confirm if the GOI and/ or LIC have submitted a dilution schedule/ glide-path to the RBI for reduction of their respective shareholdings in accordance with the RBI Master Directions on Ownership in Private Sector Banks, 2016 upon classification of IDBI Bank as a private	The requirement of dilution and submission of the glidepath is applicable to the Promoter to bring down its shareholding to 26% over 15 years. The details regarding dilution of residual shareholding by GoI shall be advised at the RFP stage.

		sector bank with effect from January 21, 2019 and if yes, provide details of such dilution schedule/ glide-path?	
<b>141.</b>	<b>Regulatory - RBI</b>	We note that 'Master Directions on Ownership in Private Sector Banks, 2016', issued by RBI allows a timeline of 15 (fifteen) years from date of commencement of business of the bank to achieve the prescribed shareholding limit in long run. For the reduction of promoter shareholding pursuant to the glide path, as specified in paragraph 7.3 on page 65 of the PIM, can you please clarify from when the 15-year timeline would be applicable, i.e., what is the date of "commencement of business" to determine this 15-year period. Would this be date of acquisition of 60.72% shareholding or some other date?	For the extant Transaction, the 'commencement of business' shall mean the date of acquisition/closing as detailed under the definitive documents (including the SPA).
<b>142.</b>	<b>Regulatory - RBI</b>	The 'Master Directions on Ownership in Private Sector Banks, 2016', issued by RBI, allow a timeline of 15 (fifteen) years from date of commencement of business of the bank to achieve the prescribed shareholding. However, IDBI Bank has been in business for over 15 years already and the	The period of 15 years shall be applicable and considered from the date of closing on the Transaction.

		<p>transaction structure proposes a 40% lock-in for a period of 5 years. Please confirm that due approvals are in place for the glide path of 15 years to achieve the prescribed shareholding will commence after the completion of the lock-in period of 5 years.</p>	
<p><b>143.</b></p>	<p><b>Regulatory - RBI</b></p>	<p>Para 9.1.1, which defines the constitution criteria for ascertaining eligibility, includes the following two constitutions: (i) an entity which is registered with SEBI as an Alternative Investment Fund (AIF} under the extant SEBI regulations and (ii) a fund/investment vehicle incorporated outside India.</p> <p>Given the framework laid out in the relevant RBI guidelines. Guidelines for Licensing of New Banks in the Private Sector February 22, 2013), would such a consortium be eligible? The following are some specific scenarios and queries to which clarification is sought:</p> <p>(i) Para 2 {A) of the RBI guidelines states that entities/ groups in the private sector that are 'owned and controlled by</p>	<p>(i) The RBI's Guidelines for Licensing of New Banks in the Private Sector February 22, 2013 and the RBI's On-tap guidelines (2016) apply for licensing of new banks in the private sector. In this Transaction, the investments by the funds/investment vehicle, as a sole bidder or as a consortium, will be considered, subject to the extant FEMA guidelines in that regard.</p> <p>(ii) The Transaction is being undertaken in consultation on key matters with RBI. The Bidders are informed that the specific requirement of an NOFHC is stemming from RBI's 'Guidelines for Licensing of New</p>

residents' [as defined in Department of Industrial Policy and Promotion (DIPP) Press Note 2, 3 and 4 of 2009 / FEMA Regulations as amended from time to time] and entities in public sector shall be eligible to promote a bank through a wholly-owned Non-Operative Financial Holding Company (NOFHC). Please confirm that AIFs and funds/investment vehicles incorporated outside India are permitted solely, or as members of a consortium, to bid for the shares of IDBI Bank without any other entity (such as a bank or NBFC) being a member of the consortium. Given that AIFs and funds are eligible to bid, and that they may not be owned and controlled by residents, please confirm that this transaction structure has been duly approved.

(ii) Continuing on the lines of point 13 (a) above, please confirm that the NOFHC can have > 50% shareholding by non-

Banks in the Private Sector February 22, 2013' and the RBI's On-tap guidelines (2016). The requirement of an Investment Vehicle is at the discretion of the Successful Bidder, unless RBI specifically warrants the same pursuant to its directions in respect of the Transaction (in which case the said RBI guidelines have also been extended to an Investment Vehicle incorporated in India).

(iii) In case of a merger of an NBFC with IDBI Bank, the same has to be in compliance with the requirements under the Banking Regulations Act, 1949 and RBI's Master Directions on 'Amalgamation of Private Sector Banks' dated April 21, 2016, as well as other applicable laws (Companies Act, 2013 etc).

As regards timelines/other requirements relating to the



resident s.c. Para 2 (C) (i) of the RBI guidelines states that the Promoter/Promoter Group will be permitted to set up a bank only through a wholly-owned Non-Operative Financial Holding Company (NOFHC). However, the EOI states that bidders could acquire shares of IDBI Bank via an investment vehicle. Please confirm whether this transaction structure has been duly approved.

(iii) Para 2 (C) (iv) of the RBI guidelines states that the general principle is that no financial services entity held by the NOFHC would be allowed to engage in any activity that a bank is permitted to undertake departmentally. If an NBFC is the successful bidder, then merging the NBFC and IDBI Bank would be possible only after completing the required procedures and obtaining requisite approvals (e.g. NCLT). Please confirm

amalgamation, the RBI shall decide on a case-to-case basis post consummation of the Transaction.

(iv) The consortium members together have to hold and maintain a minimum of 51% equity in the NOFHC which, in turn, is required to lock in 40% in IDBI Bank for a initial period of 5 years.

that a reasonable timeframe will be permitted for this leg of the transaction.

- (iv) Para 2 {D) of the RBI guidelines states that the NOFHC shall hold a minimum of 40 per cent of the paid-up voting equity capital of the bank which shall be locked in for a period of five years from the date of commencement of business of the bank. However if the shares in IDBI Bank are acquired by a consortium that could comprise a bank or NBFC acquiring a portion of the shares from its NOFHC and other bidders acquiring shares via investment vehicles, the NOFHC would not be able to, on its own, hold 40% of the shares in IDBI Bank. The EOI states that bidders could acquire shares of IDBI Bank via an investment vehicle. Please confirm that this transaction structure has the requisite approvals.

144.	Regulatory - RBI	How would the requirement of NOFHC holding 40% stake in Bank for 5 years be complied with in the event of dilution on account of merger of IDBI Bank with an existing Bank/ NBFC?	The response/clarification to be advised later.
145.	Regulatory - RBI	Can the lock-in of the successful bidder be reduced to below 40%, say upto 26%? And can the lock-in period be reduced from the current level of 5 years to 3 years?	This is an RBI requirement and any dispensations in this regard are not envisaged for the Transaction.
146.	Regulatory - RBI	<p>In case the successful bidder is an NBFC which eventually merges its business into IDBI Bank, will there be a grandfathering provision for the following items:</p> <ul style="list-style-type: none"> <li>a. Exemption from deducting the investment made by the NBFC in IDBI Bank from its Tier 1 capital, since such holding is an interim arrangement till the merger is consummated?</li> <li>b. Permission to continue operations in the NBFC, including acceptance of deposits till the merger is completed</li> <li>c. Exemption from maintenance of CRR/ SLR on the existing liabilities of the NBFC, till they run down.</li> </ul>	The provision or continuance of any waivers and dispensations provided with respect to IDBI Bank (if any) shall be subject to Applicable Laws and directions of RBI at the time of the Merger and shall be decided by RBI on a case-to-case basis post consummation of the Transaction

147.	<b>Regulatory - RBI</b>	Ordinarily banks are not permitted to have material shareholding in business that do not fall under the purview of financial services. IDBI Bank has a 100% subsidiary that is engaged in technology services (IDBI Intech Ltd). Will the eventual promoters of IDBI Bank be allowed to continue having a stake in IDBI Intech Ltd? Does this change if the proposed transaction structure involves a merger of IDBI Bank into another entity (say a bank or NBFC)?	The provision or continuance of any waivers and dispensations provided with respect to IDBI Bank (if any) shall be subject to Applicable Laws and directions of RBI at the time of the Merger and shall be decided by RBI on a case-to-case basis post consummation of the Transaction.
148.	<b>Regulatory - sanctioned jurisdictions</b>	Please clarify if IDBI Bank or any of its subsidiaries, whether directly or indirectly does any business with (directly or indirectly), generates any revenues from, or had any operations or activities in any Sanctioned Jurisdictions, customers located in a Sanctioned Jurisdictions, the governments or government entities of a Sanctioned Jurisdictions, or other persons acting on behalf of a Sanctioned Jurisdiction? For this purpose, “Sanctioned Jurisdiction” will	IDBI Bank is presently handling Indo-Iranian Trade transactions bilaterally under Rupee Payment Mechanism (RPM). Settlement of trade transactions permitted under RPM are related to Goods of Humanitarian Assistance only i.e. Medicines, Medical Devices, Agricultural Commodities and Food Items.  These transactions are in compliance of OFAC guidelines. Details of these

		<p>mean: Cuba, Iran, North Korea, Sudan, Syria, Crimea, or any other destination subject to comprehensive sanctions imposed by the UN, U.S., EU, UK, or by any other applicable country. If yes, please confirm that as a pre-condition to the Transaction, all such businesses will be carved-out / hived-off from IDBI Bank and/or its subsidiaries.</p>	<p>transactions would be made available via VDR to the QIPs.</p> <p>Suitable arrangements regarding the continuity of this Rupee Payment Mechanism will be considered at the RFP Stage.</p> <p>There are no further dealings with any country listed/ sanctioned under the United States OFAC or any other EU/ any other country's sanctions.</p>
<p><b>149.</b></p>	<p><b>Regulatory - sanctioned jurisdictions</b></p>	<p>Please clarify if IDBI Bank or any of its subsidiaries, whether directly or indirectly engages in any transactions with entities or individuals on the U.S. Department of the Treasury, Office of Foreign Assets Control's ("OFAC") Specially Designated Nationals and Blocked Persons List, OFAC's Consolidated Sanctions List, the Department of Defense's List of Chinese Military Companies, the EU consolidated list of persons, groups and entities</p>	<p>Please refer response to Query No. 148</p>

		subject to EU financial sanctions or any other similar prohibited or restricted parties list? If yes, please confirm that as a pre-condition to the Transaction, all such businesses will be carved-out / hived-off from IDBI Bank and/or its subsidiaries.	
<b>150.</b>	<b>Regulatory - sanctioned jurisdictions</b>	Will Target discontinue handling of transactions with sanctioned/restricted Countries (like Iran) and entities? Being a tightly regulated and well Supervised Global systemically Important Bank (GSIB) having presence across the globe, we need to ensure strict compliance with global and home country norms related to Sanctioned countries/entities	Please refer response to Query No. 148
<b>151.</b>	<b>Regulatory - SEBI</b>	Rule 7B of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 prohibits any person holding 10% or more of the shareholding or voting rights in the asset management company or a trustee company of a mutual fund to acquire 10% of more shareholding or voting rights in the asset management company or the trustee company of any other mutual fund.	The various terms & conditions pertaining to the compliance with regulatory matters in this respect will be considered and suitably advised at the RFP stage and incorporated in definitive documents.

		Given this requirement, if a Successful Bidder already owns 10% or more of an asset management company of a mutual fund, the mutual fund business of IDBI Bank operated by its subsidiaries, IDBI Asset Management Company Limited and IDBI MF Trustee Company Limited will have to be carved out of IDBI Bank prior to undertaking the Transaction. In such case, the carveout will have to a condition precedent to this Transaction.	
152.	<b>Regulatory - SEBI</b>	Please clarify if any special exemption will be available from making an open offer pursuant to completion of the Transaction under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“ <b>SEBI Takeover Regulations</b> ”).	<p>The Bidders would be required to follow the extant Regulations regarding the Open offer and the exemptions/dispensations, if any, would be advised at the RFP stage.</p> <p>The Bidders are also requested to refer to the SEBI Notification dated November 9, 2022 setting out the amendments to the Takeover Regulations.</p>
153.	<b>Regulatory - SEBI</b>	If no special exemption is given from making an open offer, then please clarify that an exemption from application of the offer pricing mechanism	Please refer to the SEBI Notification dated November 9, 2022, setting out the

		<p>under Regulation 8 of the SEBI Takeover Regulations will be given. If the open offer price computed as per SEBI Takeover Regulations is higher than the bid price for this Transaction, please clarify if the IP can proceed with the open offer at the same bid price for the Transaction. If no such exemptions can be given, will IP be allowed to subsequently adjust the bid price to factor in the incremental open offer price?</p>	<p>amendment to Regulation 8 of the Takeover Regulations.</p>
154.	Regulatory - SEBI	<p>In the board meeting of the Securities and Exchange Board of India (“SEBI”) held on September 30, 2022, the proposal to permit acquirer to issue an irrevocable and unconditional bank guarantee instead of depositing cash has been approved for disinvestments which require an open offer to be made under the SEBI Takeover Regulations.</p> <p>In light of this, will Paragraph 6 of the PIM stand revised to reflect that an acquiror can either establish an escrow arrangement or provide an irrevocable and unconditional bank guarantee?</p>	<p>Please refer to the SEBI Notification dated November 9, 2022, setting out the amendment to Regulation 22 of the Takeover Regulations.</p>



155.	<b>Regulatory - SEBI</b>	Under the SEBI Takeover Regulations, an open offer is required to be made for at least 26% of the total shares of the target company. As the public shareholding of IDBI Bank is 5.28%, please clarify if any special exemption will be available from compliance with the open offer size requirements? How much the acquiror will be expected to fund the open offer escrow account?	The exemption in this regard is under consideration and the QIPs shall be advised on the appropriate dispensation in consultation with the SEBI at the RFP Stage.
156.	<b>Regulatory - SEBI</b>	As per the applicable SEBI regulations, certain conditions are required to be met in order to be classified as a public shareholder, including the following conditions: (i) the applicant should not hold more than 10% of the total voting rights in the listed entity; (ii) the applicant should not exercise control over the affairs of listed entity directly or indirectly; (iii) the applicant should not have any special rights with respect to the listed entity through formal or informal arrangements, including through any shareholders' agreements; and (iv) the applicant is not represented on the board of directors (including not having a nominee	The appropriate dispensation in this regard is under consideration.

		<p>director) of the listed entity.</p> <p>Paragraph 7.5 of the PIM provides that GoI's residual shareholding of 15% after completion of the Transaction may be classified as public shareholding. Given the above requirements under SEBI regulations, i.e., the shareholder proposed to be classified as a public shareholder should not hold more than 10% shares of such listed entity, will any special exemption be available to enable the reclassification of a shareholder holding in excess of 10% of IDBI Bank?</p>	
157.	<b>Regulatory - SEBI</b>	<p>Please clarify if LIC's residual shareholding of 19% after completion of the Transaction will be classified as public shareholding. If yes, given the requirements under the SEBI regulations, i.e., the shareholder proposed to be classified as a public shareholder should not hold more than 10% shares of such listed entity, will any special exemption be available to enable the reclassification of a shareholder holding in excess of 10% of IDBI Bank? This will be required in order to classify GoI and</p>	<p>The Bidders are informed that GOI has already made application for reclassification of its shareholding as 'public'. The appropriate dispensations for reclassification of GOI's residual shareholding in IDBI Bank is under consideration and shall be suitably advised to the QIPs at the RFP Stage.</p>

		LIC as public shareholders and accordingly relinquishing any special rights and/or control over the affairs of IDBI Bank.	
<b>158.</b>	<b>Regulatory - SEBI</b>	Paragraph 7.5 of the PIM provides that the requirement to meet the minimum public shareholding (“MPS”) will have to be complied with in accordance with the SEBI regulations irrespective of whether the shares held by GoI are re-classified as public shareholding in IDBI Bank. In this regard, please confirm that upon re-classification of LIC’s and GoI’s as a public shareholder, residual shareholding will be counted towards the MPS requirement applicable to IDBI Bank. Alternatively, please confirm that the onus to comply with the MPS requirement will be on GoI and LIC.	The aspects in respect of treatment of GOI’s residual shareholding and the appropriate transition period for MPS compliance are under due consideration and would, accordingly, be suitably advised to the QIPs at the RFP Stage.
<b>159.</b>	<b>Regulatory - SEBI</b>	After completion of the Transaction, can a Successful Bidder immediately sell part of the shares held by it in order to comply with the MPS requirements applicable under the SEBI regulations? If yes, please confirm that there will	The lock-in restrictions of the Successful Bidder vis-à-vis IDBI are specified in the EOI and the Successful Bidder shall be required to comply with the Applicable Laws. Appropriate dispensation to achieve MPS over an extended period is under

		be no lock-ins so as to enable the Successful Bidder to achieve MPS immediately.	consideration and shall be further intimated at the RFP stage.
<b>160.</b>	<b>Regulatory - SEBI</b>	If it is assessed that approval of SEBI will be required for undertaking the Transaction, including on account of business undertaken by various subsidiaries and associate companies of IDBI Bank will any special exemption be available from obtaining such approval? Alternatively, will such approval be provided under a fast-track mechanism?	The requisite dispensation/exemption, if any, would be advised at the RFP Stage in discussions with the Regulator. The GOI will provide reasonable support and facilitate obtaining such approvals.
<b>161.</b>	<b>Regulatory - SEBI</b>	If an IP is a foreign investor, it will have to comply with the pricing guidelines prescribed under applicable regulations under FEMA, i.e., the pricing mechanism prescribed for preferential allotments by listed companies under SEBI regulations will apply. Please clarify if any special exemption will be available from compliance with the pricing guidelines for: (i) the Transaction which entails secondary purchase of the shares of IDBI Bank; (ii) open offer required to be undertaken pursuant	Appropriate clarification for the Pricing Guidelines is in discussions.  Please also refer to the SEBI Notification dated November 9, 2022 setting out the amendments to the Takeover Regulations.

		to the Transaction, if any; and (iii) merger of IDBI Bank into another banking company or vice-versa, if the Successful Bidder is also the promoter of another banking company.	
<b>162.</b>	<b>Regulatory - SEBI</b>	Specific to mandatory public float requirement of 25% as per SEBI, what is SEBI'S current view on considering Gol and LIC's stake as 'public holding'. Is there a (revised timeline prescribed within which the 25% public float needs to be achieved?	The appropriate dispensation in this regard is under consideration. Further clarification would be provided at the RFP stage.
<b>163.</b>	<b>Regulatory - SEBI</b>	As per Section 7.5, the successful bidder will be required to meet the MPS in accordance with SEBI Regulations irrespective of whether the shares held by GOI are re-classified as public shareholding in IDBI Bank.  A) Will the remaining stake of 19% held by LIC and 15% held by GOI after the sale be classified as public float for calculating the MPS by SEBI?  B) If the answer to the above question is negative, will LIC & GOI take the obligation to liquidate their stakes to meet MPS requirements?	The appropriate dispensation in this regard is under consideration. Further clarification would be provided at the RFP stage.

164.	<b>Regulatory - SEBI</b>	Please confirm that for the purpose of complying with the minimum public shareholding regulations, LIC and Government of India would be classified as public shareholders. Please also confirm that relevant approvals for subsequent sale of shares of either of LIC or GOI to the public would be in place.	The appropriate dispensation in this regard is under consideration. Further clarification would be provided at the RFP stage. .
165.	<b>Regulatory - SEBI</b>	Can an exemption be provided for the open offer (that would be triggered once the proposed sale of 60.72% of outstanding shares is effected) in order to ensure higher public shareholding and enable compliance of the minimum public shareholding regulations?	No Open offer exemptions/dispensations are contemplated at this stage.
166.	<b>Subsidiaries</b>	As per Paragraph 2.8 of the PIM, we understand that IDBI Bank holds 26.10% shares of National Securities Depository Limited (“NSDL”). The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 permit an Indian banking company to acquire a maximum of 15% shares of a depository. In this regard, please clarify if a specific approval has been granted by SEBI permitting IDBI Bank to hold	The IPs are informed that requisite dispensation in this regard is under suitable consideration in consultation with the Regulator and shall be advised to the QIPs at the RFP stage.

		<p>more than 15% shares of NSDL. If no such approval has been granted, please:</p> <p>(i) clarify if SEBI has issued any directions to, or exchanged any correspondence with, NSDL and/ or IDBI Bank requiring IDBI Bank to reduce its shareholding in NSDL and if yes, please confirm that such process will be completed prior to the completion of the Transaction;</p> <p>(ii) confirm that as a pre-condition to the Transaction, an exemption will be granted to IDBI Bank permitting it to continue to hold 26.10% shares of NSDL for 15 years after the completion of the Transaction;</p> <p>(iii) confirm that in the event any liability arises in the hands of IDBI Bank and/ or the Successful Bidder on account of this non-compliance in the future, GoI and LIC will indemnify IDBI Bank and/ or the Successful Bidder, as the case may be, for all such losses.</p>	
167.	<b>Subsidiaries</b>	We understand that IDBI Bank has inter alia the following subsidiaries: (i) IDBI Asset Management	The appropriate dispensation/exemption in this regard are under discussions and shall

Company Limited; (ii) IDBI Trusteeship Services Limited; and (iii) IDBI MF Trusteeship Company Limited. Given that IDBI Bank holds a controlling stake in the foregoing entities which is engaged in the business of mutual funds, please let us know if a separate approval will be required from SEBI under the SEBI Mutual Fund Regulations, 1996 for: (A) a change in control of the asset management company; and/or (B) change in sponsor of the IDBI Mutual Fund, or will the Government of India provide a general exemption in the context of the proposed transaction.

be suitably advised at the RFP stage in consultation with SEBI.