

**Government of India**  
**Ministry of Finance**  
**Department of Investment & Public Asset Management**

**Response to Pre-Bid Queries received with respect to Request for Proposal (“RFP”) for engagement of an  
Asset Valuer for Strategic Disinvestment of IDBI Bank Limited (“IDBI Bank”)**

S. No.	RFP Clause	Clarifications sought by the prospective bidders	Comments of DIPAM
1.	<p><b><u>On Fixed Assets Valuation</u></b></p> <p><b>Clause 3:</b> Terms of Reference: IDBI Bank is listed on NSE and BSE in India. In order to determine the value of IDBI Bank, the Asset Valuer is required to carry out the fair valuation of all the assets and liabilities appearing on the balance sheet of IDBI Bank, as on a date prescribed and notified by DIPAM, on an "as is where is basis".</p>	<p>A. To provide information on the assets of IDBI Bank for the purpose of submitting quotation: A list of the fixed assets, assets given on lease and CWIP assets along with their brief description, location, and area.</p> <p>B. Request to share the List of Fixed Assets under the purview of Land &amp; Building Valuer to be able to assess the scope of the services. Details pertaining to the location, type and size of the of properties under the asset base with relevant Sale Deed/ Title Deeds of the said properties is requested.</p> <p>C. It is requested to provide the list of property with details. Kindly note that it has been provided in the annual report that certain valuations for leasehold/freehold land and Residential/office building were carried out in 2021-22. It is requested to access those valuation reports, for valuations carried out in the past.</p>	<p>A complete list of IDBI Bank's fixed assets and relevant documents would be provided to the appointed Asset Valuer subsequent to execution of the Confidentiality Agreement.</p> <p>A list of number of properties in top 7 cities is attached at <b>Annexure-A</b> to this document. These properties comprise nearly 94% of the written down value of fixed assets of IDBI Bank. Physical fixed assets like land and building etc. constitute approximately only 3% of the total assets.</p>
2.	<p><b><u>On Valuation of Liabilities</u></b></p>		

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3.	<p><b><u>On Valuation of Furniture/Fixtures</u></b></p> <p><b>Clause 3.1.2 C:</b> Other Assets such as Furniture Fixtures, Etc. - To be considered at Net Book Value.</p>	<p>It is suggested to value the same on Fair Market Value instead and include sub-contracting of a Registered Plant and Machinery Valuer too, for this mandate.</p>	<p>The valuation approach for land, buildings, furniture &amp; fixtures is specified in the Terms of Reference of the Request for Proposal.</p>
4.	<p><b><u>On Valuation of Intangibles</u></b></p> <p><b>Clause 3.2:</b> In estimating the value of the assets and liabilities, the Asset Valuer shall clearly identify, describe and list all the properties and assets, including intangibles such as trademark(s), title to property rights, being valued, as provided by the Bank. Valuation of</p>	<p>A. To provide a list of intangibles and a brief note on the same. B. To confirm that the scope of AV in relation to Intangible Assets will not be restricted to just those intangible assets which are appearing on the balance sheet of IDBI Bank. AV will work with IDBI Bank to identify and fair value even those intangible assets</p>	<p>The intangible on the balance sheet of IDBI Bank primarily comprises of deferred tax assets of around Rs. 11,520 Crore.</p> <p>The Asset Valuer shall further identify intangibles not on the IDBI Bank balance sheet like brand name, branch network and value these as a part of Terms of Reference.</p>

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	Intangibles (if applicable) is to be given/ indicated separately.	which are currently not present on the balance sheet of the company.	
5.	<p><b><u>On the content of Inception Report</u></b></p> <p><b>Clause 3.8:</b> Any issue requiring direction of the GoI shall be brought before the Inter Ministerial Group (IMG), or the Selection Committee constituted in respect thereof, for decision. The inception reports of Asset Valuation (by the Asset Valuer) shall clearly mention individual items of Assets and liabilities of balance sheet to be valued by them.</p>	Request elaboration on the content of the Inception Report -Clause 3.8, to get a clarity on the deliverables for the report.	Clause 3.8 of the Terms of Reference is self-explanatory.
6.	<p><b><u>Valuation of Subsidiaries and Associates</u></b></p>	<p>A. Request clarity whether assets of Subsidiaries &amp; Associates of IDBI Bank would be required to be included within the purview of Valuation.</p> <p>B. We request to confirm that AV will not do an asset-by-asset fair valuation in relation to the assets in the balance sheet of these respective subsidiaries. AV will only do an equity valuation of IDBI's equity investment in these</p>	Assets of subsidiaries/ associates of IDBI Bank are not envisaged to be valued individually. However, the Asset Valuer is required to value the investments of IDBI Bank in such subsidiaries/ associates based on acceptable valuation standards.

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		subsidiaries using an appropriate business valuation methodology.	
7.	<p><b><u>On Consortium Bids &amp; Inclusion of Cat I MB</u></b></p> <p><b>Clause 4.1.1:</b> The Bidder should be either be a Company or a Limited Liability Partnership (LLP) Firm or a registered Partnership Firm, each of which is registered with the Insolvency &amp; Bankruptcy Board of India (IBBI) for the asset class of Securities and Financial Assets. A self-attested copy of the certificate of registration issued by IBBI shall be furnished by each of the Bidders.</p>	To kindly consider Category I Merchant Banker to participate along with the IBBI Registration and RVO Membership of Team Leader for the asset class of Securities and Financial Assets; to allow to participate in Consortium with their Company having same Promoter which is registered with IBBI as Valuer Entity for all the 3 Asset Classes.	<p>Please refer to clause 4.1.5 of the RFP in terms of which no consortium bids are permitted.</p> <p>Further, refer to Corrigendum-III.</p>
8.	<p><b><u>On turnover condition</u></b></p> <p><b>Clause 4.1.2:</b> The Bidder shall have an annual turnover of not less than Rs. 5,00,00,000/- (Rupees Five Crore only) for each of the immediately preceding 3 (three) financial years from the Bid Due Date under this RFP (Schedule A). A Chartered Accountant's</p>	<p>A. With respect to this turnover condition mentioned in Para 4.1.2 of RFP, can the bidder, in conjunction with its associate entities, collectively meet the turnover threshold for eligibility?</p> <p>B. It is suggested to drop criteria related to turnover mentioned at Clause 4.1.2 of RFP, as it is difficult for any registered valuer to meet this criterion</p>	Kindly refer to Corrigendum-III.

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	<p>certificate shall be furnished certifying the turnover of the Bidder for each of the preceding 3 (three) financial years.</p>	<p>given that Registered Valuer profession is emerging and the registered valuer entity is involved only in certain types of valuation which are for compliance under Companies Act. Rest of the valuations performed by any of the professional firms whether for litigation, financial reporting, compliance under SEBI regulations or FEMA (RBI) or Income Tax Act have been under the Chartered Accountant firm or other related entity. Only very recently, SEBI requires Registered Valuer for merger valuation processes. Therefore, the revenues under registered valuer entity would be insignificant.</p> <p>C. To kindly consider Average annual financial turnover during the last three years, at 35 Lakhs excluding GST.</p> <p>D. The concept of RV is quite new and the condition of Para 4.1.2 of turnover criteria of 5 Crore (INR 5,00,00,000/-) for 3 preceding years is on the higher side. Therefore, it is requested to reconsider this Para and revise this</p>	

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		<p>turnover criterion to some reasonable amount.</p> <p>E. To consider the financial turnover eligibility criteria at INR 3.75 Cr per year for each of the immediately preceding 3 financial years.</p> <p>F. To increase this threshold to INR 35 Crore annual turnover for each of the immediately preceding 3 (three) financial years from the Bid Due Date.</p>	
9.	<p><b><u>On valuation assignment of 'assets of similar nature'</u></b></p> <p><b>Clause 4.1.3:</b> The Bidder shall have completed at least 1 (one) valuation assignment of 'assets of similar nature' during the period starting April 01, 2018 till 5 (five) days prior to the Bid Due Date under this RFP (Schedule A).</p>	<p>A. In relation to this criterion mentioned in Para 4.1.3 of RFP, is it acceptable for the Bidder to provide a valuation report for such an assignment conducted by a firm that is not registered with the Insolvency &amp; Bankruptcy Board of India?</p> <p>B. With respect to the condition mentioned in Para 4.1.3 of RFP, Can the bidders may be allowed to include execution of large bank merger valuations, that have been carried out under the Chartered Accountant Firm (related entity) and not under Registered Valuer entity as required by SEBI regulations prevailing at the time.</p>	Kindly refer to Corrigendum-III.

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		<p>C. To increase this threshold to atleast 7 valuation assignments of Banks/NBFC for M&amp;A / transaction purpose during the period starting April 01, 2018 till 5 (five) days prior to the Bid Due Date under this RFP.</p> <p>D. To elaborate on the subsegments which are allowed to be covered under "Financial Services". For example, will valuation of Insurance company be allowed as a relevant credential?</p>	
10.	<p><b><u>On the requirement to conduct land &amp; buildings valuation</u></b></p> <p><b>Clause 4.1.4:</b> The Bidder shall have also conducted a land &amp; buildings valuation in India of not less than Rs. 2,500 Crore (Rupees Twenty-five hundred crores) in a single assignment during the period starting April 1, 2018 till 5 (five) days prior to submission of response to this RFP.</p> <p>However, for meeting the criteria in this clause 4.1.4, the Bidder may be allowed to rely on the credentials of a</p>	<p>A. Whether Valuation work undertaken for the Strategic disinvestment of Kamarajar Port Limited having total Asset Value of INR 3000 Crore (Approx.) with Property type of Land &amp; Building and various Port Assets be considered as Eligible Assignment?</p> <p>B. It is suggested that the credentials of the Land and Building Valuer also be part of the Technical Evaluation Criteria and allocate proportionate Marks/ Weightage towards the experience, capability and proposed Team credentials etc. This would also curtail the risk of the Land and</p>	<p>The provisions of clause 4.1.3 of the Request for Proposal document are self-explanatory and shall prevail. No change is envisaged.</p>



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	third party, registered with the IBBI under the asset class "Land and Buildings", with eligible experience to which the Bidder has subcontracted the valuation of only the land and buildings in respect of the assignment.	Building Valuer entering into a subcontract with more than one Bidder (SFA Valuer)	
11.	<p><b><u>On the weightage of Financial and Technical components</u></b></p> <p><b>Clause 8.3:</b> The weightage of Financial and Technical components shall be in the ratio of 30:70 respectively. The combined score of technical and financial bids based on the Quality and Cost Based Selection (QCBS) Method will determine the H-1, H-2, H3 and so on</p>	The weightage of Financial and Technical components shall be in the ratio of 15:85 respectively.	No change is envisaged.
12.	<p><b><u>On minimum fees for the engagement</u></b></p> <p><b>Clause 9.2:</b> The Fee quoted should be minimum 1.00 (Rupee One) or in multiples of 1.00 (Rupee One), failing which the financial Bid would be rejected. The GST component should be indicated separately while raising the bills for</p>	DIPAM is requested that the minimum fees for the engagement should be INR 2 Crore.	No change is envisaged.

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	payment of fee. All bills are to be raised in Indian Rupees and will be payable in Indian Rupees		
13.	<p><b>Clause 10:</b></p> <p><b>ASSIGNMENT MILESTONES AND TERMS OF PAYMENT</b></p>	<p>As per the TOR on page 12 (clause 3.9) of the RFP, AV is supposed to prepare a draft report (without giving specific figures of valuation) and making detailed presentations on the subject. Therefore, for AV to prepare the draft report to meet the requirements of clause 3.9, it is prerequisite that all the data/information for valuation has been provided by IDBI to AV. It is requested that the milestone for submission of Draft Report should be linked to requisite data being made available to AV by IDBI for valuation purpose. It is requested that since a material portion of AV's time and effort will be already consumed by the time draft report is submitted, the fee for this milestone be increased to 60% of the total fee quoted instead of 35%.</p> <p>In addition to the normal payment milestones discussed in the RFP, it is requested that the concept of "Drop Dead Fees" be introduced.</p>	<p>The provisions of the Request for Proposal document are self-explanatory and shall prevail. No change is envisaged.</p>

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14.	<p><b>Clause 12: PERFORMANCE SECURITY</b></p>	<p>Performance Security should not be applicable to MSME bidders.</p>	<p>As per GFR 170, no Earnest Money Deposit has been stipulated for this bid.</p> <p>The Performance Security shall be required to be submitted by the Successful Bidder.</p>
15.	<p><b><u>On the time period of engagement</u></b></p> <p><b>Clause 13.1:</b> The contract in respect of the assignment shall be initially valid for a period of 3 (three) years from the date of issue of appointment letter and shall be extendable by 1 (one) more year on existing terms and conditions. The Bidders are required to complete the aforesaid services/work in all respects as per timelines for various milestones/deliverables in Clause 10 above</p>	<p>It is requested, that if the contract period goes beyond 1 year, both AV and DIPAM should mutually discuss, and based on the past 1-year experience of the valuation exercise, and mutual assessment of additional effort expected in the future, both parties should mutually agree to a fair incremental fee.</p>	<p>The provisions of the Request for Proposal document shall prevail. No change is envisaged.</p>
16.	<p><b><u>General queries</u></b></p>	<p>A. It is recommended that a format of standard clauses/ terms of subcontract agreement, that would be expected to be executed between the Bidder and the Land and Building</p>	<p>A. The provisions of the Request for Proposal document are self-explanatory and shall prevail.</p>

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		<p>Valuer to be shared for uniform contracting terms.</p> <p>B. The asset valuer is not obligatory required to be empanelled with DIPAM prior to quoting or participating in the bid.</p> <p>C. Provide clarity on valuation approach for investments as per Annual Report of FY2023 and Provisions made</p> <p>D. Provide Clarity on valuation approach for advances as per Annual Report of FY2023 including Gross NPAs and Technical Write-Offs</p> <p>E. Provide Clarity on valuation approach for Other Assets as per Annual Report of FY 2023 including non-banking assets and claim receivables.</p>	<p>The ultimate accountability and responsibility is cast on the Asset Valuer.</p> <p>B. The asset valuer is required to satisfy the Eligibility Criteria as stipulated in Clause 4 and is not required to be empaneled with DIPAM.</p> <p>C, D &amp; E: The Terms of Reference under the Request for Proposal are self-explanatory. No change is envisaged.</p>

**Annexure-A:**

<b>Sr. No.</b>	<b>City</b>	<b>Count of Property(ies)</b>
1	Mumbai	68
2	Hyderabad	5
3	Chennai	9
4	Delhi	5
5	Kolkata	6
6	Ahmedabad	7
7	Pune	20