

REPLIES TO QIP PRE-BID QUERIES (FOR SELECTION OF BRLMs/MBs)

(REF NO: SPD/PP/01/2017-18 dated 08/12/2017)

Sr. No	Page No of RFP	Clause No	Original RFP clause	Bidder's query	Bank's reply
1	13	3	The applicant should have experience of 5 years or more in merchant banking services (as per SEBI guidelines) and should have carried out at least 3 issues (QIP/IPO/FPO/Rights Issue) for India based companies totaling to Rs. 2500 Crores or more during the last 3 years as on 31.03.2017 and out of which at least one issue should have been for an amount of atleast Rs. 1000 Crores	Requested to extend eligibility criteria to include the first half of the year ended 30 sep 2017	Criteria as per RFP terms. However any additional relevant data can be furnished
2	13	3.4	The applicant should have not been blacklisted/ debarred/ disqualified by any regulatory/ statutory body	We would request the Bank to consider a self-declaration by us on our letter head for the same. Earlier PSU Banks have accepted the same for their transactions. Canara Bank had also accepted the same in previous deals.	Documents can be self certified
3	13	3.3	Satisfactory completion Certificate from the respective Institutions or Chartered Accountant certificate to this effect	We would request the Bank to consider data from public databases like Bloomberg, Prime Database for the confirmation on equity deals done.	Documents can be self certified. However this will be evaluated independently by the Bank
4	2 & 40	Annx-1	Application fee	Please confirm the application money to be submitted with RFP response, as it is appearing as Rs. 5,000 on Page 2 and as Rs 10,000 on Page 40 of the RFP. We would also need the receipt of the same from Canara Bank.	The application money to be submitted along with the RFP response is Rs.5000+GST

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5	8	1.1.3	The Bank intends to tap capital markets via Qualified Institutional Placement (QIP) for an amount upto Rs. 3500 cr. The issue size may vary based on various factors including, but not limited to, management discretion and the decision of the shareholders. Further, the bank intends to initiate the process relating to the selection and appointment of BRLMs/Merchant Bankers to prepare the requisite documents and to undertake various activities in relation to the QIP.	Can you please let us know the maximum number of merchant bankers that the Bank intends to appoint for the proposed QIP?	We intend to appoint on the assignment BRLMs not exceeding 5
6	23.	9.1.4 (D)	Research coverage and capability	Any weightage in scoring of coverage on Canara Bank	No such special weightage
7	26	12.5.2	Retention Money: 10% of the Professional Fees Amount will be retained by the Bank as Retention Money and the amount retained shall be paid after completion of all the formalities by the BRLMs.	The payment of professional fees will be post receipt of Listing approval, hence could be dropped or can it be reduced to 1%	As per RFP terms.
8	64	Annexure - 18	TO WHOM SO EVER IT MAY CONCERN This is to certify that M/s..... is our empanelled BRLMs for more than..... Years. The performance of the firm/company is satisfactory during their tenure with us.	Since the empanelment is for transaction basis this should be amended to that effect	May be provided in the following format: TO WHOM SO EVER IT MAY CONCERN This is to certify that M/s..... is our empanelled BRLMs for issue. The performance of the firm/company is satisfactory during their tenure with us.

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9	26	12.4	It may be noted that the Bank will not pay any other amount / other expenses like travel and accommodation etc., except the agreed professional fees. The BRLMs firm/company is expected to quote price in Indian Rupees for the services inclusive of all taxes. The TDS amount at prevailing rate and work contract tax etc. shall be deducted from the BRLMs firm/company payments. The BRLMs firm/company shall take into account all conditions and difficulties that may be encountered during the course of assignment, while quoting the rate.	Request clarification on whether the fee should be quoted as a percentage (%) of issue size or a fixed fee in INR.	As per RFP terms in fixed INR including applicable taxes.
10	68	iii	We, (Name of BRLMs) undertake to arrange firm commitment amount of Rs.____ crore (Rupees _____ crore) as per the terms of the RFP document.	Request clarification on whether this clause constitutes 'hard underwriting' of the issue	No
11	45	Annex ure 5	Details of Domestic/ International Public Offerings	The data is sought for details of Public Offerings only till March 2017. However QIP is not a public offering. Also capital markets have seen high buoyancy after March 2017, and data post March 2017 would be of high	Criteria as per RFP terms. However any additional relevant data can be submitted

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				relevance. Can we include data after March 2017 till November 2017?	
12	NA	NA	NA	Request clarification on whether the following costs would be borne by the Bank or the BRLM: 1. Cost of Roadshow for Canara Bank 2. Incidental regulatory costs including Stock Exchange Fees, Registrar Fees and Depository Fees	1. Expenses related to the travel and stay for Canara Bank officials and also that for one representative of one BRLM per centre for the road show will be borne by the Bank. 2. Stock Exchange Fees, Registrar Fees and Depository Fees will be borne by the Bank.
13	26	12.4	"..Bank will not pay any other amount / other expenses like travel and accommodation etc., except the agreed professional fees.."	Will Canara Bank bear cost for roadshow and regulatory filings?	1. Expenses related to the travel and stay for Canara Bank officials and also that for one representative of one BRLM per centre for the road show will be borne by the Bank. 2. Stock Exchange Fees, Registrar Fees and Depository Fees will be borne by the Bank.
14	23	9.1.4. B.(i)	Credentials - Experience of managing Capital Market issuances as Merchant Bankers	(i) Credentials to be provided for bidding entity only? (ii) Credentials to be provided for BFSI sector only? (iii) Credentials to be provided for what time period?	As per RFP terms

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15	44	Annexure - 4	Statement Showing Details Of Public Offerings Mobilization	Data to be provided for all IPO/FPO/QIP/IPP done since 1 April 2014 till date?	Last 3 years from the cutoff date i.e., from 01/04/2014 till 31/03/2017.
16	46	Annex - 6	Statement Showing Research Reports Details	Research data to be provided for bidding entity only?	As per annexure 6 -Any sector in point A and BFSI sector in point B.
17	46	Annexure - 6	Statement Showing Research Reports Details	Research data to be provided for what time period?	For the past 1 year.
18	37	18.1.4	“Each BRLMs firm/company must indicate whether or not they have any actual or potential conflict of interest related to contracting services with CANARA BANK..”	Will this deal conflict us from taking any other deal?	No. But it has to be assured and ensured that the team assigned for Canara Bank project, will not be assigned with any other project concurrently.
19	11	2.1.11	Prepare and approve the statutory advertisements for publication. The cost of the preparation will be borne by the BRLMs and the cost of publication will be borne by the bank	Not relevant for QIP transaction which is a Private Placement Transaction	If required only.
20	12	2.2.5	The selected BRLMs will be required to ensure media management and PR so as to generate adequate publicity for the Bank within the realms as permitted by Securities and Exchange Board of India.	Not relevant for QIP transaction which is a Private Placement Transaction	If required only.
21	12	Sl. No. of the eligibil criter	The applicant should have experience of 5 years or more in merchant banking services (as per SEBI guidelines) and should have carried out at least 3 issues	Can the eligibility criteria be extended to include the first half of the year ended 30 Sept 2017 since equity markets have been very	Criteria as per RFP terms. However any additional relevant data can be submitted

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			(QIP/IPO/FPO/Rights Issue) for India based companies totaling to Rs. 2500 Crores or more during the last 3 years as on 31.03.2017 and out of which at least one issue should have been for an amount of at least Rs. 1000 Crores.	active in the last 6-8 months? So the period under consideration would be April 1, 2014 till September 30, 2017	
22	12	Eligibility Criteria 1	Documents to be submitted- SEBI Registration certificate duly certified by the entities' Statutory Auditor	Can the statutory auditor certificate requirement be waived off given it is not a standard market practice?	Documents can be self certified
23	13	Eligibility Criteria 2	Documents to be submitted- Copy of the certificate of incorporation and certificate of commencement of business or Registration certificate certified by the entities' Statutory Auditor.	Can the statutory auditor certificate requirement be waived off given it is not a standard market practice	Documents can be self certified
24	13	Eligibility Criteria 3	Documents to be submitted- Details of issues handled during the last 3 years may be submitted on the letter head of the Company/Firm. Satisfactory completion Certificate from the respective Institutions or Chartered Accountant certificate to this effect.	Can the CA certificate requirement be waived off given it is not a standard market practice?	Documents can be self certified
25	13	Eligibility criteria - 5	Documents to be submitted- The Undertaking letter from Authorized signatory on the letter head of the firm/company is required duly certified/attest by the entities' Statutory Auditor.	Can the statutory auditor certificate requirement be waived off given it is not a standard market practice	Documents can be self certified

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26	13	4.1.3	Prepare and approve the statutory & other advertisements for publication of advertisement for QIP issue in the newspaper or such other documents including Information Memorandum, for eliciting response for the interested shareholders for the QIP issue. Bank shall pay the cost of advertisement in newspaper/media.	Not relevant for QIP transaction, which is a Private Placement Transaction	To be done if required only
27	14	5.3	Non- performance including delays by the Bidder shall attract a penalty as shown in Clause No. 12.6 and 12.13 of this RFP.	<p>i. Please clarify on whether this penalty would be deducted from the EMD or the fees payable to the BRLM?</p> <p>ii. Also, in case a DD is provided as Bank guarantee, what would be the process to get the funds returned?</p>	<p>i. The applicable penalty will be primarily deducted from the EMD. If the amount is not sufficient, then from the fee payable.</p> <p>ii. Will return the DD in the case of unsuccessful bidders.</p>
28	27	12.6	The Bank may charge penalty for any delay in the execution of the project due to reasons attributable to the BRLMs firm/company at the rate 1% per week of the amount payable for the delay in phases of implementation in terms of Clause 12.5 subject to a maximum of 10% of the contract value. The penalty will be calculated on the amount of fixed fee quoted for the assignment.	What is the definition of Contract value?	Fees payable to the BRLMs
29	32	15 Indemnity	Canara Bank is asking for indemnity from BRLMs.	<p>i. Would Canara Bank be indemnifying the BRLMs as well?</p> <p>ii. Can the cap on the indemnity be the individual fees to be received by individual</p>	As per RFP terms

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				BRLM?	
30	35	15.11 other items	Bidder to indemnify Canara Bank for itself and agents	Given that the successful BRLMs would be appointing the legal counsels (for Canara Bank & BRLMs), may not be possible to indemnify legal counsels and hence, could we delete "Agents"?	Legal Counsels would be appointed by the Bank.
31	46	Annexure-3B & 3C	Details around research team in terms of no. of years of experience, no. of issues handled	Given compliance and research guidelines, it will not be possible to provide such details	As per RFP terms
32	13	3.3	Eligibility Criteria: Satisfactory completion certificate from the respective institutions	Trust filings with exchange/SEBI/RoC would suffice as proof of transaction	As per RFP terms
33	13	3.5	Eligibility Criteria: The Undertaking letter from Authorized signatory on the letter head of the firm/company is required duly certified/attest by the entities' Statutory Auditor	Would a Company Secretary's certification/ attestation suffice for this?	Documents can be self certified
34	49	Annexure 9	Pre Contract Integrity Pact	Would this need to be submitted as part of the RFP response? If so, should this be on a stamp paper (please confirm denomination) or on the bidder's letterhead?	Yes. On stamp paper with stamp duty as applicable to the state in which the agreement is executed.
35	23	9 (c)	Investor connect, relationship and track record	As part of the Evaluation Criteria (C), the Bank has requested for "suitable documentary proof" to indicate the network of	Documents can be self certified. However this will be evaluated independently by the Bank

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				investor connect. Please clarify what the Bank considers as suitable proof.	
36	44		Ann-4	Please confirm the period to be considered for details on the mobilization commitment	During the last 3 year (FY 15, FY16 and FY17) ie., from 01/04/2014 to 31/03/2017
37	45		Annex 5	The Bank has requested for information on all types of issues (IPO/FPO/QIP). Can we include Rights Issues as a part of all types of issues as well?	Any equity issue/s, including rights issue.
38	56		Annex 10	The Bank has stated a reference to Annexure 7 as part of the Cover Letter for the Commercial Bid. This should refer to Annexure 11 instead. Please confirm the same.	Please read as annexure 11
39	67		Annex -21	Point 10 of the Checklist (Annexure 21) on Page 67 requires proof of major merchant banking services provided. Please clarify with suitable example	Documents can be self certified.
40	23	9 (b) ii	Mobilisation Commitment	Please clarify what the Bank means by "Mobilization Commitment".	The amount to be brought-in in proportion to the number of BRLMs engaged
41	24	9.3	Techno-commercial evaluation criteria	Please clarify the calculation of the techno-commercial score.	As per RFP
42				Please also confirm whether the Bank will separately pay fee to the	No separate fee will be paid.

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				Left Lead Banker (precipium fee).	
43	13	3	Satisfactory completion Certificate from the respective Institutions or Chartered Accountant certificate to this effect.	Will the certificate from independent CA suffice the requirement?	Yes.
44	13	3	The Applicant should not have been blacklisted/ debarred/disqualified by any regulator/statutory body	Will the certificate on Company's letter head suffice the requirement?	Yes.
45	49	Annex ure 9	PRE CONTRACT INTEGRITY PACT	Will this form part of Technical bid? Or is it to be signed post finalization of the Banks on the deal?	Yes, to be submitted along with technical bid duly stamped.
46	58	Annex ure - 12	BANK GUARANTEE FORMAT FOR EARNEST MONEY DEPOSIT	Annexure 12 is not required if EMD is paid in a Demand Draft format?	Either DD or Bank Guarantee.
47	64	Annex ure - 18		This is not required if we get the confirmation on deals from an auditor?	As per RFP
48	42	Annex -2	SUPPLIMENTARY INFORMATION		The brief profile of Team leaders and members may be provided.
