

**Clarification on the Request for Proposal – Book Running Lead Manager(s) – Pre-Bid Meeting held on May 02, 2017**

Sr. No.	Query	Response
1	Under Clause 2 point 4 - While the total number of BRLMs are mentioned as “upto 8”, can you clarify is the actual number of banks appointed by SBI life would be disclosed in advance or be at the discretion of the Company.	The appointment and disclosure of number of BRLMs shall be at the discretion of the Company.
2	Under Clause 3.1 (xviii) Can you please clarify that all expenses related to the IPO would be borne / reimbursed by the selling shareholders (except as mentioned in clause 10.11). For example the fees for the domestic and international counsels for the selling shareholders/company, cost of printing of application forms, the advertisement in relation to the IPO etc.	Yes, all the expenses related to IPO will be borne by the Issuer/Company except for the fees of the domestic and international legal counsels for the BRLMs/underwriters, the travel and accommodation for the Merchant Bankers, etc. (during the roadshows).
3	Under Clause 3.1 point xviii - Please note the reimbursement of the initial payment of statutory fees by BRLMs will involve an additional service tax implication (i.e. the BRLMs will need to add service tax to the expense incurred on behalf of the company while recovering the same from the Company). Request confirmation that such service tax component will also be reimbursed to the BRLMs.	Statutory fees as mentioned under clause 3.1 Point xviii, will be paid directly by the Issuer/Company.
4	Under Clause 4 - The bidder has been requested to comply with certain requirements and provide certain undertakings Clause 4 (Eligibility Criteria), sub-clauses 4.3 and 4.4. Request clarification if sub-clauses 4.3 and 4.4 are intended to be read with a materiality threshold such that events which do not have any material adverse impact on the bidding Merchant Bank's performance as BRLM for the IPO may be	Not to be read with any materiality threshold. Information is required to be shared as it has been asked for.

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	disregarded.	
5	Under Clause 4 point 4.5, the selected merchant bankers would be required to sign the non-disclosure agreement. Could you please provide copy of the non-disclosure agreement? If no, would this agreement be negotiable?	Non-Disclosure Agreement would be provided to the selected Bankers. The Issuer/Company would like to maintain uniformity in agreement with all selected BRLMs.
6	Under Clause 4, the bidder is requested to provide undertaking regarding the bidder entity and the sister concern(s). Request clarification on definition of sister concern(s). Does it mean subsidiary of the bidder entity or the parent of the bidder entity or the entire group of which bidder entity is part of?	Sister concern (s) would mean subsidiary of the bidder entity as well as parent of the bidder entity, governed by Indian Statute/Regulations.
7	Under Clause 4, What would you consider as a conflict of interest pertaining to this transaction? Would conflict of interest only mean engaging on another listing of Indian Life Insurance	Conflict of interest would mean any equity transaction with a life Insurance company in India.
8	What would be the time frame for which the merchant banker would be restricted from working on another Indian Life Insurance listing on Indian stock exchanges? What if the IPO timetable is postponed?	The restriction would apply till the listing process gets over.
9	We note that any clarification to the undertaking would need to be provided separately. Can we add a sentence to the proposed language of the undertaking stating reference to the clarification?	No changes in undertaking. Any Clarification can be provided below the undertaking clause.
10	As per Clause 8 (Proposal Format), Section A (v), bidder is required to submit pending litigations, contingent liabilities and possible conflicts of interest. Would this be required for only the bidder entity or its subsidiaries/parent/group entities as well?	Information with respect to the bidder is required to be submitted.
11	Under Clause 8 - The RFP has sought information on capital	Bidders can include information regarding the Rights issue,

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	market issuances including IPOs, FPOs and QIPs. Can we also include Rights Issues, OFS and Blocks in the same?	OFS and Blocks in the technical bid but the eligibility criteria remains same as mentioned in the RFP.
12	Under Clause 8, Point H-i, please confirm that the Annexure VII refers to the last annexure. It is mentioned as Annexure VI.	Last annexure to be read as Annexure-VII.
13	Under Clause 8 - Annexure V, VI and VII – Should the information be provided for the period April 1, 2012 to March 31, 2017?	Yes, Information required from April 1, 2012 to March 31, 2017.
14	Under Clause 8 - In Annexure V: Details of Team – Can we restrict the information regarding IBD team to BFSI sector team or do we need to provide information on entire IBD team. Same query for the Research team as well.	Part B requires team details of the whole team – Number of team members and details of heads, etc. Part C requires details of individual team members who will be handling the IPO.
15	Under Clause 8 - In Annexure V: For Research and Sales teams, please clarify the information sought in the column – No. of issues handled.	Not relevant for sales and research.
16	Under Clause 8 - In Annexure V: For the disclosure on research, what is the scope of BFSI sector?	Banking, Financial Services (NBFCs, IFCs) and Insurance.
17	Under Clause 8 - In Annexure VII - Please confirm whether the column “Rating” refers to the Rating of the research analyst.	Yes, rating refers to the rating of the research analyst.
18	Under Clause 8 - In Annexure VII - Please confirm whether the information for “A. Sectors” is required collectively for the sectors or for each individual company in each sector.	Information is required collectively for the sectors not for individual company. With regard to BSFI sector specific company related reports shall be included.
19	Under Clause 8 - In Annexure VII - Rating and target price would not be applicable to sector research data in part A?	It is applicable only to companies and not sector.
20	Under Clause 8 - In Annexure VII - Since insurance company research data is requested as part C, should the same be included in part B under research data for BFSI companies?	Insurance related data to be provided separately under Part C, Part B may be read as BFS only.
21	Under Clause 8.G. point iii – Regarding the Trading Rank among broking houses in India. This is pertaining to which	Overall market share, bidders are free to disclose details of various segments if they wish too.

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	parameter (IPO related procurement, overall market share, derivative trading volumes, cash trading volumes, etc)?	
22	Clause 9.8 – The BRLM will have the right to refuse Left Lead role / position – Will such a refusal by the BRLM shall be considered as a criteria for rejection of the BRLM.	No, it will not lead to rejection or disqualification.
23	Will there be any mechanism for investor split / picks (QIB category)	Yes but the same will be decided later once the Investment Bankers are selected.
24	Under Clause 9.1- Is there any restriction of number of words for bid and any restriction of number of slides on presentation?	There is no restriction but the presentation will be limited to 30 minutes.
25	Under Clause 9.4 - Please confirm if the financial bid weightage of 30 will be pro-rated on fee quote by each BRLM	Lowest gets 30 and then the others are pro-rated accordingly.
26	Further can you please clarify the ratio in which the fixed component would be shared between the BRLMs selected (equally or at the discretion of Company depending on responsibilities of each BRLM). Also it would help if the fees for left lead BRLM as per clause 9.9 is clarified upfront (may be as a percentage of the total fees paid out) so that we can take into account the same while bidding our fees.	Fees for left lead BRLM as per clause 9.9 will be in % of total fees, which will be decided later on and will be at the discretion of the Company.
27	Costs pertaining to printing of stationery including DRHP, RHP, Prospectus, Bid Cum Application Form with Memorandum in Book form, Posters/Banners, CAN, Refund stationery	The cost of the forms will be borne by the Issuer/Company.
28	Cost pertaining to travel and accommodation, venue arrangements, logistics and local transportation with respect to Domestic and International roadshows for the BRLMs and the Company representatives	The cost of roadshows travel and accommodation of the Company officials will be borne by the Issuer/Company but the travel and accommodation for the Merchant Bankers, etc. is to be borne by the Bankers themselves and will not be reimbursable.
29	Kindly confirm that the Financial bid to be submitted would	Full fee is required to be quoted.

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	incorporate only the fixed component of fees	
30	Since the BRLMs will bear some of the costs for example international and domestic legal counsels, will the split of 50% fixed vs variable be done after the deduction of common costs borne by the BRLMs?	Whatever fee is quoted, the amount for left lead will be deducted and then the remaining amount will be bifurcated for fixed fees and variable fees. The amount of variable fees will be based on QIB allotment.
31	Under Clause 10.1 - The quote requested is the estimated cost to be borne by the BRLMs + BRLMs fees for the IPO. Will the entire amount (cost to be borne by the BRLMs + BRLMs Fee) be split as 50% fixed fees and 50% variable fees or the split will be done only for the amount quoted as BRLM fees. Additionally, the estimate of cost taken assumed by each BRLM will be different.	
32	Clause 10.2 mentions that the BRLM fees would have a fixed component and a variable fee component. Can you please clarify that the variable fee component would be paid depending on the funds mobilized by respective BRLM from the QIBs (presume funds mobilized from retail / NIBs would not be included in this since there is separate fees and incentive for them as per clause 10.3, 10.4, 10.5 and 10.6)	
33	Point 10 is silent about total number of forms to be printed and the cost related to the same, the refund stationery to be printed and the cost related to the same, roadshow related expenses. Will these be borne by the BRLMs or the Company / Selling Shareholders.	The cost will be borne by the Issuer/Company so it does not impact the financial bid.
34	Under Clause 10.2 of the RFP (Variable fee component of 50%) - Request you to explain the mechanism for fee calculation for the variable component. Also how will the adjustment of fee for Left Lead be made	It will be based on QIB allotment.
35	Under Clause 11.4, the bidder cannot share information with	Information can be shared with their affiliates but not any

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	any other party not connected with responding to this RFP. We will be sharing this information with our global affiliates or their respective directors, officers, employees, agents or advisors who would be working on the IPO (regional ECM teams, syndicate, regional FIG team). Please confirm if that is fine	third party.
36	<b><u>Business Related:</u></b> 1. Can you provide your estimated embedded value as at 31 December 2016 and estimated VNB margin for 12 months ended 31 December 2016? 2. Given that SBI Life achieved a marked growth in FY2017 in terms of NB APE (+35%), did the company maintain the strong VNB margins recorded in prior years? 3. Please provide your VNB margin for FY2013 - FY2015 4. Please provide your number of individual agents, corporate agents and direct sales force 5. Please provide further details on your digital / online initiatives for selling policies 6. Please share sensitivity of EV against change in interest rates 7. Please share proportion of Pure Term Insurance premium to the total premium in FY16 and FY17 8. Proportion of GWP through online / digital channels over FY16 and FY17	Not relevant at RFP stage. Details shall be provided during DRHP drafting to the selected bidders.