

**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



सत्यमेव जयते

Transaction Advisor

KPMG India Private Limited
Building No. 10B, 8th Floor, DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002,
India

October 7, 2022

Disclaimer Notice

The Government of India (“GoI”) is proposing a strategic disinvestment of IDBI Bank Limited (“IDBI Bank” or “Bank”) through sale of GoI’s and Life Insurance Corporation of India’s (“LIC”) equity stake along with transfer of management control in IDBI Bank (“Transaction”).

KPMG India Private Limited and Link Legal have been appointed as Transaction Advisors (“KPMG” or “TA”) and Legal Advisors (“LL” OR “LA”) respectively by the Department of Investment & Public Asset Management (“DIPAM”) for advising on the Transaction.

The sole purpose of this Preliminary Information Memorandum and Invitation for Expression of Interest (“PIM”) is to assist the interested parties (“IPs”) in evaluating the potential opportunity of acquisition of GoI’s and LIC’s stake in IDBI Bank, and accordingly submitting an Expression of Interest (“EoI”) in accordance with this PIM. This document does not comprise an offer of shares to public or an invitation to public to subscribe for shares or any investment advice. In all cases, IPs should carry out their own evaluation and analysis of IDBI Bank and all data set forth in this PIM, and their own investigation in relation to the business of IDBI Bank.

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The PIM has been prepared and issued strictly in order to provide details of IDBI Bank for the limited purpose of submitting the EoI. The TA has relied upon publicly available information provided by IDBI Bank and GoI (or any other instrumentalities thereof). The information has been reviewed on a selective basis from readily available secondary data sources as mentioned in the PIM. The TA has by no means carried out any audit or due diligence exercise to verify either the past or current financial data pertaining to the businesses including the balance sheet or profit and loss account as provided to the TA. This PIM is the property of the GoI (or any other instrumentalities thereof) and issued on a strictly private and confidential basis and must not be circulated or reproduced or redistributed to any other person in whole or in part.

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Capitalized Terms

Wherever capitalized terms are defined in this PIM / Invitation for EoI, by way of inclusion in bold text, quotes and/or parentheses, such terms shall have the meanings ascribed to such terms under the relevant provisions of this PIM, as set out below:

TERM	CLAUSE REFERENCE
Affiliate	Clause 11.1
ALCO	Clause 2.22.2
Associate Companies or Associates	Clause 11.2
BR Act	Clause 3.3(b)
CCEA	Clause 1.2
Conflict of Interest	Clause 11.2(xxiii)
Constitution Criteria	Clause 9.2.1
CRR	Clause 2.7
CU	Clause 1.2
DICGC Act	Clause 3.3(e)
DIFC	Clause 2.6
Disqualification Conditions	Clause 11
DPIIT	Clause 8
Eligibility Criteria	Clause 9.1
EMD	Clause 11.18 (v)
EoI Due Date	Clause 1.4
ESOP	Clause 2.4
Financial Criteria	Clause 9.1.2
F&P Assessment Documents	Clause 10.4
GIFT	Clause 2.6
IBC	Clause 3.3(j)
IBU	Clause 2.6
IDBI	Clause 2.1
IDBI Capital	Clause 2.8
IFSC	Clause 2.6
IRAC Norms	Clause 3.3 (n)
IRDAI	Clause 2.1
JLF	Clause 3.3 (m)
LA	Clause 1.2
LCR	Clause 2.7
Lead Member	Clause 9.3 (b)

TERM	CLAUSE REFERENCE
MPS	Clause 7.5
NIM	Clause 2.20
NOFHC	Clause 7
NSDL	Clause 2.1
PA	Clause 6
PIPDIC	Clause 2.8
PMLA	Clause 3.3(g)
PM-LVM/ NPS-Traders	Clause 2.17
PM-SYM	Clause 2.17
PMKMY	Clause 2.17
POS	Clause 2.7
QIP	Clause 1.2
RBI Act	Clause 3.3(a)
RDB Act	Clause 3.3(i)
Repeal Act	Clause 2.1 and 3.3(c)
Revised Framework	Clause 3.3(m)
RFP	Clause 1.2
SARFAESI Act	Clause 3.3(h)
Scheme	Clause 3.3(f)
SEBI Act	Clause 3.3(l)
Security Clearance Documents	Clause 10.5
SHCIL	Clause 2.1
SIDBI	Clause 2.1
SLR	Clause 2.7
SPA	Clause 5(j)
Successful Bidder	Clause 5(i)
Takeover Regulations	Clause 5(m)
TPD	Clause 2.14

Abbreviations

1 Crore	10,000,000
AMC	Asset Management Company
ANBC	Adjusted Net Bank Credit
ATM	Automated Teller Machine
BC	Business Correspondents
BSE	Bombay Stock Exchange
CCB	Capital Conservation Buffer
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CRAR	Capital to Risk (Weighted) Assets
DFS	Department of Financial Services, Ministry of Finance, Government of India
DIPAM	Department of Investment & Public Asset Management, Ministry of Finance, Government of India
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DR	Data Room
FEMA	Foreign Exchange Management Act, 1999
F&O	Futures & Options
GNPA	Gross Non-Performing Asset
GoI	Government of India
IPs	Interested Parties
IPDI	Innovative Perpetual Debt Instruments
IPO	Initial Public Offering
LIC	Life Insurance Corporation of India Limited
MHA	Ministry of Home Affairs, Government of India
MSME	Micro, Small & Medium Enterprises
NPA	Non-Performing Assets
NSE	National Stock Exchange
PCA	Prompt Corrective Action
PMJDY	Pradhan Mantri Jan-Dhan Yojana
PSL	Priority Sector Lending
PSLC	Priority Sector Lending Certificates
QIPs	Qualified Interested Parties
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
SMA	Special Mention Account
TA	Transaction Advisor
UPI	Unified Payments Interface
YoY	Year on Year

1 Introduction

1.1 About IDBI Bank

IDBI Bank operates as a full-service universal bank serving customers from all the segments. On January 21, 2019, LIC completed acquisition of 51% (fifty one percent) controlling stake making it the majority shareholder of IDBI Bank. The RBI, consequently, categorized IDBI Bank as a Private Sector Bank for regulatory purposes with effect from January 21, 2019.

Since then, the IDBI Bank has showcased turnaround in operations and is constantly exploring new avenues for growth in its business, especially in the retail segment, to maintain its competitive edge and to strengthen its position in the banking landscape.

1.2 Transaction Background and Broad Terms of the Transaction

LIC's Board passed a resolution for reducing its shareholding in IDBI Bank through divestment of its equity stake along with strategic stake sale envisaged by the GoI with an intent to relinquish management control and by taking into consideration price, market outlook, statutory stipulation, and interest of policy holders. This decision of LIC's Board is also consistent with the regulatory mandate to LIC for reduction of its equity stake in the IDBI Bank.

Subsequently, the Cabinet Committee on Economic Affairs ("CCEA") has given its in-principle approval for strategic disinvestment of GoI and LIC's equity, along with transfer of management control, in IDBI Bank.

Consequently, the GoI acting through DIPAM has engaged KPMG India Private Limited as the Transaction Advisor ("TA") and Link Legal as the Legal Advisors ("LA") for providing advisory services and managing the Transaction. It is envisaged that strategic acquirer/investor will infuse funds, new technology and best management practices for optimal development of business potential and growth of IDBI Bank.

LIC holds 49.24% (c. 529.41 crore shares) while the GoI holds 45.48% (c. 488.99 crore shares) in IDBI Bank as on March 31, 2022. It has now been decided that pursuant to the strategic disinvestment of IDBI Bank (i) GoI shall sell such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India ("LIC") shall sell such number of shares representing 30.24 % (thirty decimal two four percent), aggregating to 60.72% (sixty decimal seven two percent) of the equity share capital of IDBI Bank, along with transfer of management control in IDBI Bank.

TABLE 1: SHAREHOLDING IN IDBI BANK AS OF MARCH 31, 2022

S. No	Shareholder	Shareholding Percentage	No. of Shares (Cr)
1	LIC (Promoter with management control)	49.24% (forty-nine decimal two four percent)	529.41
2	Government of India (Co-Promoter without management control)	45.48% (forty-five decimal four eight percent)	488.99
3	Public	5.28% (five decimal two eight percent)	56.84
	Total	100% (one hundred percent)	1,075.24

Source: IDBI Bank Annual Report

The process for the Transaction has been divided into two sequential stages - Stage I and Stage II

Stage I (EoI Stage):

This PIM provides instructions to the IPs for submitting their EoIs, for pre-qualification of such IPs in accordance with Eligibility Criteria and Disqualification Conditions detailed in this PIM. Those IPs who are adjudged as qualified in accordance with Eligibility Criteria and Disqualification Conditions, as per the terms of this PIM/Invitation for EoI, and, subsequently, clear the 'Fit & Proper' assessment by RBI and the Security Clearance by GoI/MHA shall be notified as the Qualified Interested Parties ("**QIPs**").

Further, such QIPs would be considered to participate in Stage-II, subject to them executing a Confidentiality Undertaking ("**CU**") in the format as enclosed in Annexure V hereto and being in compliance with other terms and conditions outlined under this PIM. Further, these QIPs would be required to be in compliance of other terms and conditions outlined in this PIM.

Stage II (RFP Stage):

Only the QIPs, will be provided with Request for Proposal document ("**RFP**") and further details of IDBI Bank and soliciting financial bids on terms as may be detailed under the RFP. On receipt of the financial bids from the QIPs, the same shall be opened and evaluated as per terms detailed under the RFP.

1.3 Contact details for Clarification

All enquiries relating to the Transaction and/or the PIM or in relation to the EOI (submitted on the letterhead of the IP duly signed by its authorized signatory and a scanned copy of such letter should be emailed) should be addressed to the following representative of the TA at the email ID- **in-fmidbibankquery@kpmg.com**

All communication shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: PIM for Strategic Disinvestment along with transfer of management control of IDBI Bank Limited."

IPs/QIPs should note that all correspondence, enquiries, requests for additional information and clarifications in relation to the Transaction should be routed and addressed, only to the TA at the above email address. Neither GoI nor the IDBI Bank nor LIC shall be responsible in any manner, to reply to any communication directly to the IPs/QIPs or to respond to any communication sent directly to them by the IPs. All responses to queries, if deemed appropriate and necessary, will be provided to the IPs/QIPs without revealing the source of the query. Further, GoI, the IDBI Bank, LIC, and TA, reserve the right not to respond to queries or clarifications sought and not to provide information in addition to the information provided herein, if not sought within the timelines prescribed.

The PIM, or any other clarifications and common communications would be available on the following websites:

- Website of IDBI Bank at <https://idbibank.in>
- Website of DIPAM at <https://dipam.gov.in>
- Website of LIC at <https://licindia.in>
- Website of TA at <https://home.kpmg/in>
- Website of DFS at <https://financialservices.gov.in>

The IPs/QIPs are requested to check the above-mentioned websites for any clarifications. The contact details for seeking clarifications is provided below:

KPMG India Private Limited

Manish Aggarwal Head- Special Situations Group Partner, Head- Energy & Infrastructure M&A	Hitesh Sachdeva Partner, Deal Advisory- Infrastructure & Special Situations
---	--

Address: KPMG India Private Limited,
Building No. 10B, 8th Floor,

DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India
Email: in-fmidbibankquery@kpmg.com

1.4 Important Dates

TABLE 2: IMPORTANT DATES

The tentative timelines till the submission of the EoIs shall be as follows:

S. No	Activity	Dates and Timelines	Time (Indian Standard Time)
1	Publication and release of PIM	October 07, 2022	N/A
2	Last date for submission of written queries by IPs on PIM	October 28, 2022	By 5pm (IST)
3	Last date and time for submission of EoIs (“ EoI Due Date ”)	December 16, 2022	By 5pm (IST)
4	Last Date and time submission of physical copies of EoIs (for IPs submitting EoIs electronically)	December 23, 2022	By 6pm (IST)

The above dates and timelines may change at the discretion of GoI.

2 Bank Overview

2.1 History

Industrial Development Bank of India (“**IDBI**”) was established in 1964 under the IDBI Act, 1964 initially as a wholly owned subsidiary of the RBI. In 1976, the ownership of IDBI was transferred to the GoI and it was regarded as the principal Development Financial Institution (DFI) and played a pioneering role, particularly in the pre- economic reform’s era, in catalyzing broad-based industrial development in India.

Institutions like Securities and Exchange Board of India (“**SEBI**”), National Stock Exchange of India (“**NSE**”), the National Securities Depository Limited (“**NSDL**”), Stock Holding Corporation of India Limited (“**SHCIL**”), Credit Analysis & Research Limited, the Exim Bank (India), Small Industries Development Bank of India (“**SIDBI**”) and Entrepreneurship Development Institute of India were built with the support of IDBI.

On account of commercial prudence and in order to diversify its role, it was decided to transform IDBI into a bank. Consequently, the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 (**‘Repeal Act’**) was passed repealing the IDBI Act of 1964. In terms of the Repeal Act, a new company under the name of Industrial Development Bank of India Limited (IDBI Limited) was incorporated under the Companies Act, 1956 on September 27, 2004, to carry on banking business. Thereafter, in terms of the Repeal Act, the undertaking of IDBI was transferred to and vested in IDBI Limited with effect from October 1, 2004.

Desirous of fueling its business growth and towards achieving the faster inorganic growth of the IDBI Bank, IDBI Limited merged its subsidiaries - the erstwhile IDBI Bank, IDBI Home Finance Limited, IDBI Gilts, the erstwhile United Western Bank Limited, with itself over a period of time.

The name of the IDBI Limited was changed to IDBI Bank Limited with effect from May 07, 2008. The Banking Regulation Act, 1949 by virtue of Section 22, empowers RBI to issue licenses for commencing and carrying on banking business in India. In context of IDBI Bank, the requirement of a specific banking license, as per the Banking Regulation Act, 1949, was dispensed by virtue of Section 3 (2) of the Repeal Act. In order to bring in the requisite clarity, the proviso (a) to Section 3(2) of the Repeal Act has been amended by the Finance Act, 2021, which specifically clarifies that IDBI Bank shall be deemed to have obtained the license under Section 22 of the Banking Regulation Act, 1949.

In 2016, the Government of India decided to reduce its stake in IDBI Bank. Taking note of this, LIC, after taking approval of the Insurance Regulatory and Development Authority of India (“**IRDAI**”) and other approvals, acquired 51% (fifty one percent) controlling stake in

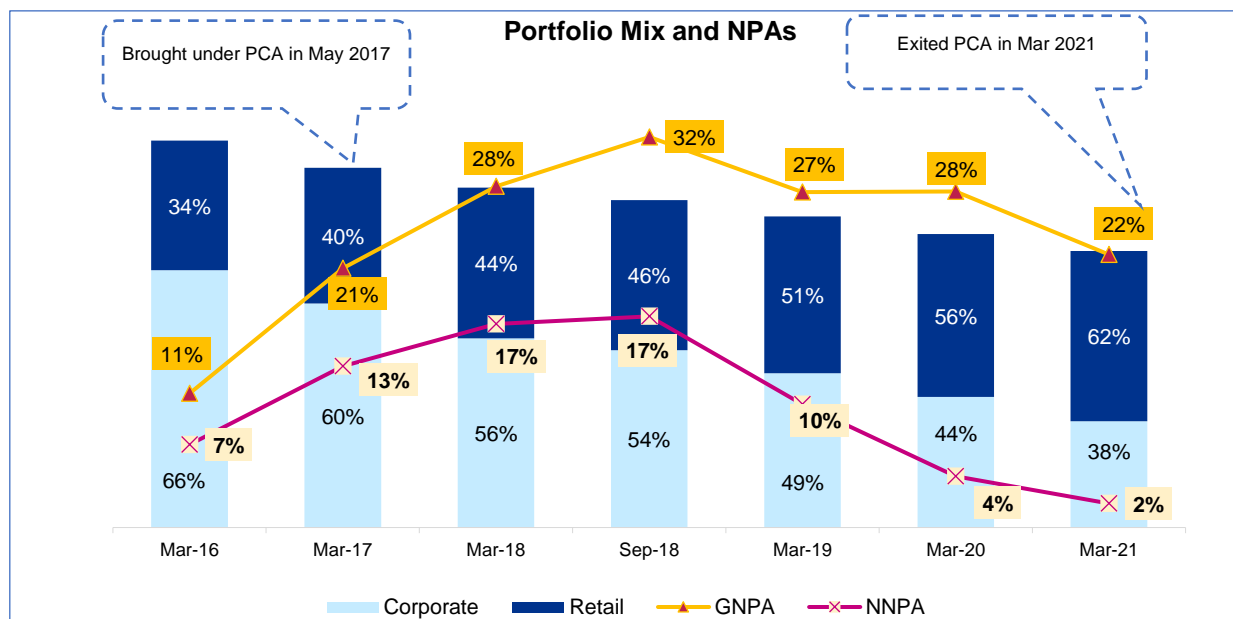
IDBI. Consequently, IDBI Bank was categorized by the RBI as a Private Sector Bank, with effect from January 21, 2019. Post Qualified Institutional Placement of December 2020 the GoI shareholding in IDBI Bank stood at 45.48% (forty-five decimal four eight percent), LIC at 49.24% (forty nine decimal two four percent) and the Non-promoter (Public) shareholding at 5.29% (Five decimal two nine percent).

2.2 Fund raise and exit from Prompt Corrective Action framework

IDBI Bank had raised equity capital amounting to INR 1,435.18 crore through the Qualified Institutional Placement route in Q3 of FY 2020-21. The IDBI Bank raised capital for the first time after a gap of 25 years since its maiden Initial Public Offering (“**IPO**”) in 1995. Under this Qualified Institutional Placement, 44 Qualified Institutional Buyers participated and were issued equity shares of 37,18,08,177 (nos.) at INR 10/- each fully paid up with a share premium of INR 28.60 per share aggregating to INR 1,435.18 crore.

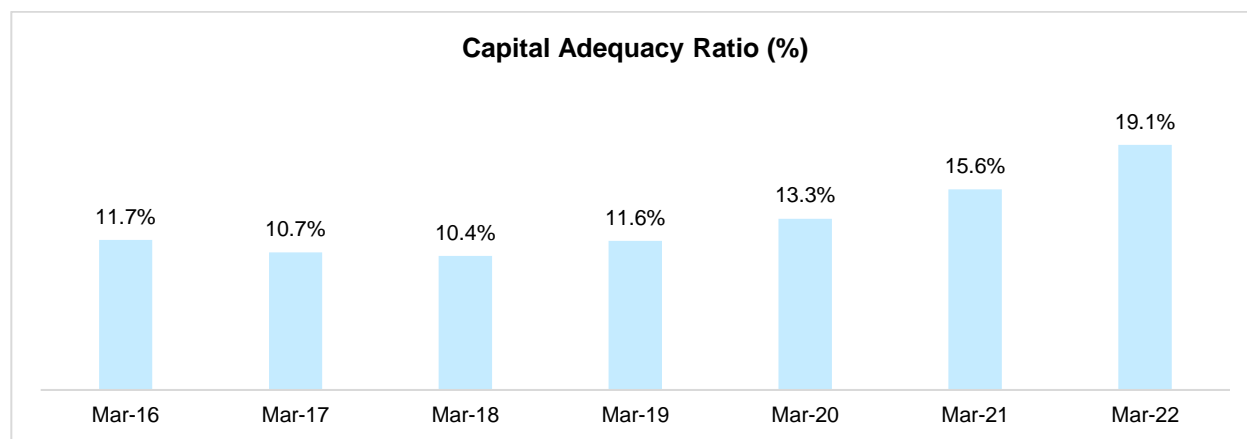
IDBI Bank had been under RBI’s PCA framework since 2017. However, after equity infusion by LIC and other investors, IDBI Bank, on December 31, 2020, reported Capital to Risk Weighted Asset Ratio (“**CRAR**”) at 14.47% (fourteen decimal four seven percent), Common Equity Tier 1 (“**CET1**”) at 12.22% (twelve decimal two two percent), Net NPA at 1.94% (one decimal nine four percent) and Leverage Ratio at 5.71% (five decimal seven one percent). In due consideration of said parameters not being in breach of the PCA framework, the RBI, vide its letter dated March 10, 2021, lifted the restrictions imposed on the IDBI Bank under the PCA framework subject to certain conditions and continuous monitoring.

FIGURE 1 : HISTORICAL PORTFOLIO MIX AND NPA TREND



Source: IDBI Bank Analyst Presentations

ii FIGURE 2: HISTORICAL CAPITAL ADEQUACY RATIO TREND



Source: IDBI Bank Analyst Presentations

The Capital Adequacy Ratio (“CAR”/ “CRAR”) improved significantly over March 2018 to March 2022 aided by:

- Infusion from LIC of INR 21,624 Cr in FY 2018-19 and INR 4,743 Cr in September 2019;
- Infusion from GoI of INR 4,557 Cr in September 2019;
- Qualified Institutional Placement of INR 1,435 Cr by Bank in December 2019;
- Return to profit of IDBI Bank

2.3 Incorporation Details

The incorporation details of IDBI Bank are provided below:

TABLE 3: INCORPORATION DETAILS OF IDBI BANK

Particulars	Description
Name of Bank	IDBI Bank Limited
Date of Incorporation	27/09/2004
Constitution	Public Limited Company
CIN	L65190MH2004GOI148838
Registered Office	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005, Maharashtra, India

Source: Ministry of Corporate Affairs Website

2.4 Capital Structure and Shareholding Pattern

IDBI Bank has only one class of equity shares of face value of INR 10 with no outstanding convertible instruments. The IDBI Bank has also not issued any employee stock options

(“ESOPs”). The shares of IDBI Bank are listed on Bombay Stock Exchange (“BSE”) and National Stock Exchange (“NSE”). As on March 31, 2022, the market capitalization of IDBI Bank was c. INR 46,020 Cr. The equity share capital of the IDBI Bank as on March 31, 2022:

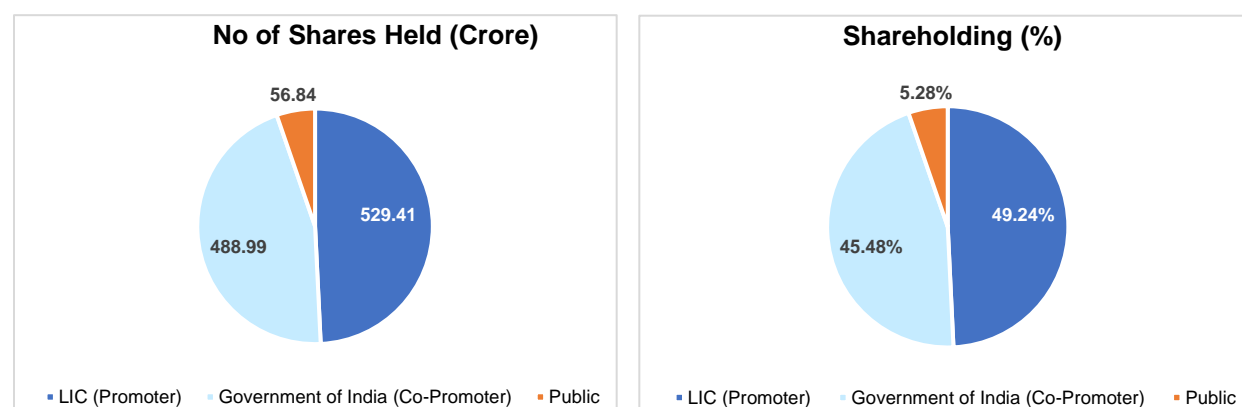
TABLE 4: EQUITY SHARE CAPITAL OF IDBI BANK

Particulars	No. Of Shares (Crore)	Equity Share Capital (INR Crore)
Authorized	2,500	25,000
Issued, subscribed and paid-up	1,075.24	10,752.40

Source: IDBI Bank Annual Report

The shareholding of IDBI Bank as on March 31, 2022, is as follows:

FIGURE 3 : SHAREHOLDING OF IDBI BANK AS OF MARCH 31, 2022



Source: IDBI Bank Annual Report

2.5 Board of Directors of IDBI Bank

The Board of Directors of IDBI Bank as on July 24, 2022, are as below:

Name	Designation
Mr. T. N. Manoharan	Independent Director & Part-Time Chairman
Mr. Rakesh Sharma	Managing Director & CEO
Mr. Samuel Joseph Jebaraj	Deputy Managing Director
Mr. Suresh Khatanhar	Deputy Managing Director
Mr. Manoj Sahay	Nominee Director, GoI
Mr. Sushil Kumar Singh	Nominee Director, GoI
Mr. Mukesh Kumar Gupta	Nominee Director, LIC
Mr. Raj Kumar	Nominee Director, LIC
Mr. Gyan Prakash Joshi	Independent Director

Mr. Bhuwanchandra B. Joshi	Independent Director
Mr. Samaresh Parida	Independent Director
Mr. N. Jambunathan	Independent Director
Mr. Deepak Singhal	Independent Director
Mr. Sanjay G. Kallapur	Independent Director
Ms. P. V. Bharathi	Independent Director

Key Management Personnel of IDBI Bank as on July 24, 2022, are as below:

Name	Designation
Mr. Rakesh Sharma	Managing Director & CEO
Mr. Samuel Joseph Jebaraj	Deputy Managing Director
Mr. Suresh Kishanchand Khatanhar	Deputy Managing Director
Mr. P Sitaram	Executive Director & Chief Financial Officer
Smt. Jyothi Biju Nair	Deputy General Manager & Company Secretary

2.6 Physical Network

IDBI Bank serves its customers through its wide physical network of 1,884 domestic branches, one overseas branch at Dubai International Financial Centre (“DIFC”), Dubai and one International Financial Services Centre (“IFSC”) Banking Unit (“IBU”) at Gujarat International Finance Tec–City (“GIFT”), Gandhinagar. The IDBI Bank’s physical network also comprised 3,400 ATMs as on March 31, 2022.

FIGURE 4 : IDBI BANK PHYSICAL NETWORK

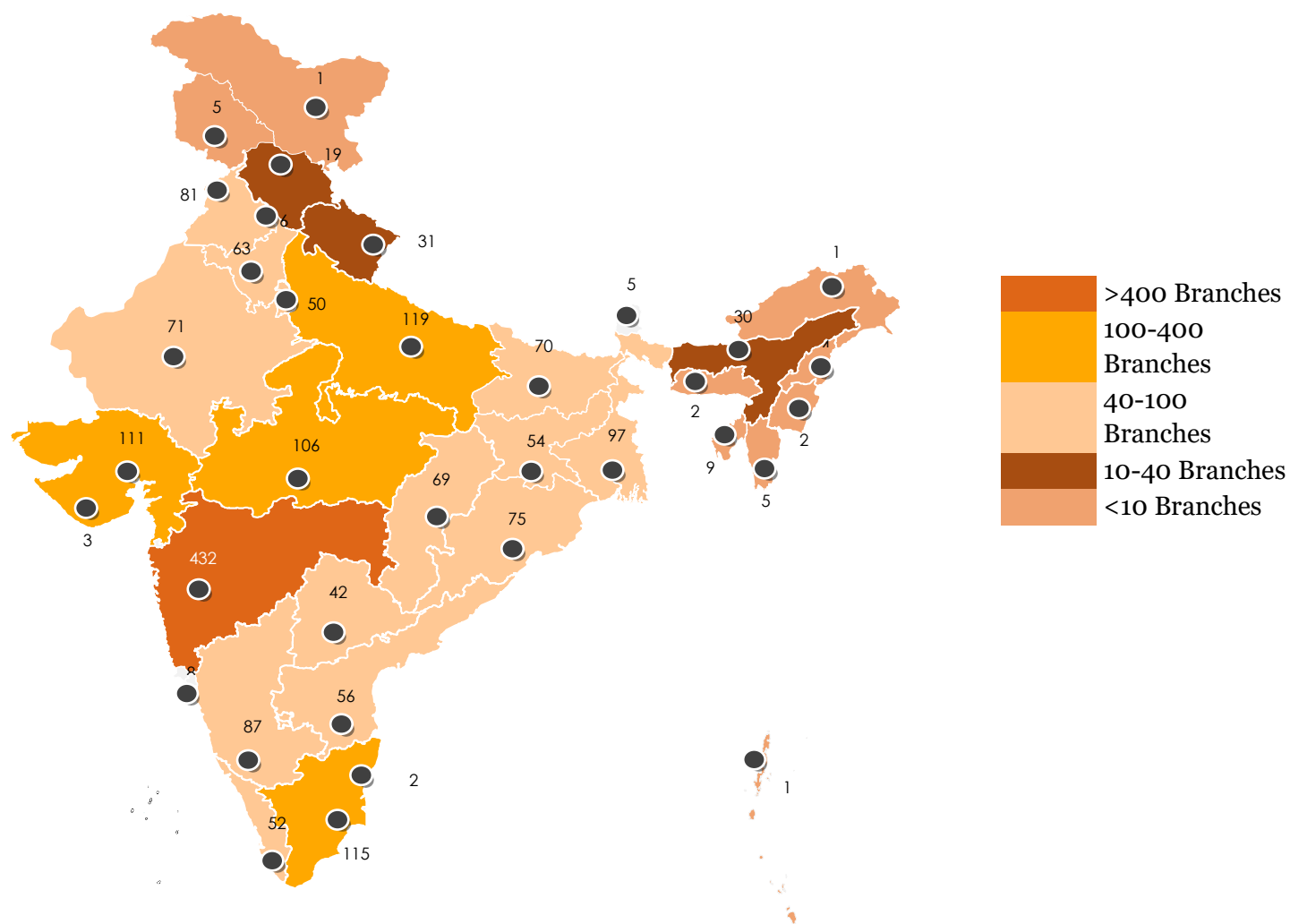
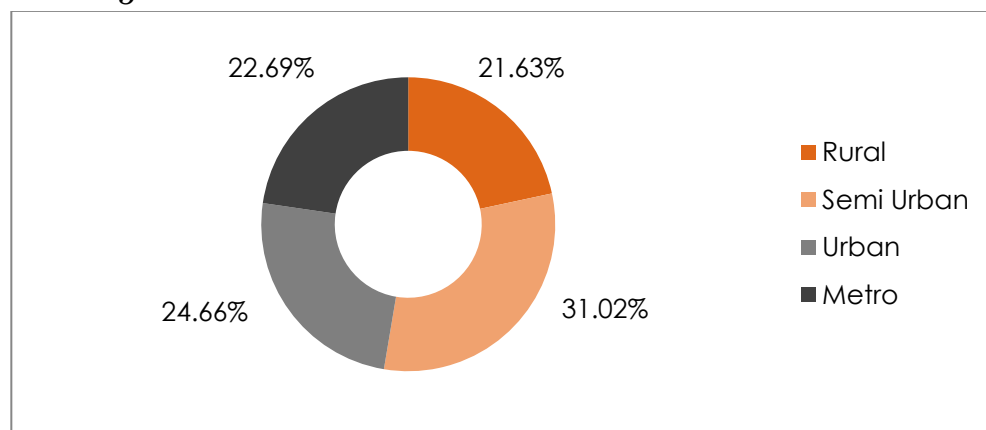


FIGURE 5 : IDBI BANK BRANCH DISTRIBUTION



Source: IDBI Bank

2.7 Operating Segments

Retail Banking:

Retail Banking broadly includes credit and deposit activities that are primarily oriented towards individuals & small business including Priority sector lending. Retail Banking also encompasses payment and alternate channels like ATMs, Point of Sale (“POS”) machines, internet Banking, mobile Banking, credit cards, debit cards, travel/currency cards, third party distribution and transaction Banking services.

The IDBI Bank is focused on achieving a progressively larger retail banking portfolio to ensure a more balanced business portfolio mix. IDBI Bank offers a bouquet of retail asset products such as housing loans, loan against property, personal loans, education loans, auto loans, and other products.

Corporate Banking:

The Corporate Banking segment comprises the Mid Corporate Group (turnover of INR 250 crore to INR 750 crore, and including exposure above INR 15 crore, irrespective of turnover being less than INR 250 crore) and the Large Corporate Group. IDBI Bank provides long-term financial assistance by way of term loans and short-term financial assistance by way of fund based and non-fund based working capital limits, viz. cash credit, export credit to exporters, bill discounting, Letter of Credit, Bank Guarantee, Standby Letter of Credit, Buyers’ Credit, and Letter of Credit backed Bill Discounting.

During FY2022, IDBI Bank also introduced a bouquet of products to cater to the needs of its corporate clients such as short-term loan – non-committed line, receivable buyout, term loan linked to external benchmark(s), Bill Discounting linked to external benchmark(s), etc.

Treasury:

Major activities of Treasury operations include money market, fixed income, foreign exchange, derivatives, Primary Dealer, and equities. The Treasury is responsible for adherence to regulatory requirements like maintaining Cash Reserve Ratio (“**CRR**”), Statutory Liquidity Ratio (“**SLR**”), Liquidity Coverage Ratio (“**LCR**”)ⁱⁱⁱ etc.

As part of the Primary Dealer activity, IDBI Bank is involved in market making activities in respect of G-Secs including T-bills. The IDBI Bank’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 (“SDL”) securities on behalf of CSGL & non-CSGL clients. The IDBI Bank,

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 Bank's 'IDBI Samriddhi G-Sec' portal continues to provide facility to the retail investors to buy G-sec online and through its ATMs.

TABLE 5 : SEGMENT-WISE SNAPSHOT OF IDBI BANK

Standalone, INR Crore			
Particulars	31-Mar-22	31-Mar-21	31-Mar-20
Segmental Revenue			
Corporate/Wholesale banking	6,489	5,569	12,093
Retail Banking	21,302	23,078	28,905
Treasury	13,087	15,317	754
TOTAL	40,878	43,963	41,752
Less: Inter-segment Revenue	17,893	19,467	16,457
Net Segment revenue	22,985	24,497	25,295
Segmental Profit/(Loss) before tax			
Corporate/Wholesale Banking	1,799	(1,425)	(11,309)
Retail Banking	1,269	1,934	1,767
Treasury	541	1,860	575
Other Banking Operations	-	-	-
Profit/(Loss) before tax	3,609	2,369	(8,967)
Income Taxes	(1,169)	(1,009)	(3,920)
Net Profit/(loss)	2,439	1,359	(12,887)
Segmental Assets			
Corporate/Wholesale	36,197	38,135	106,428
Retail	119,429	101,196	171,634
Treasury	129,045	137,501	175
Unallocated	16,748	20,932	21,691
Total	301,419	297,764	299,928
Segmental Liabilities			

Corporate/Wholesale	10,677	18,332	53,464
Retail	232,774	225,035	217,844
Treasury	16,306	17,586	1,099
Unallocated	-	-	-
Total	259,757	260,953	272,407

Source: IDBI Bank Annual Reports

2.8 Subsidiaries, Jointly controlled Entities and Associates

A summary of IDBI Bank's subsidiary, jointly controlled entities and associates is presented below:

TABLE 6 : SUBSIDIARIES OF IDBI BANK

Particulars		Income	Total Networth (INR Crore)		RoA (%)
	Stake held by IDBI Bank	FY22	FY22	FY21	FY22
A) Financial Subsidiary Companies					
IDBI Capital Market & Securities Limited	100%	106	330	313	4.52%
IDBI Asset Management Company Limited	66.70 % (33.30% held by IDBI Capital)	33	122	113	6.73%
IDBI Trusteeship Services Limited	54.70%	86	283	249	17.90%
IDBI MF Trustee Company Limited	100.00%	0.4	2	2	4.21%
B) Non-Financial Subsidiary Companies					
IDBI Intech Limited	100%	142	104	87	16.00%

TABLE 7 : ASSOCIATES OF IDBI BANK

INR Crore (FY22)			
Associate*	% of Ownership Interest	Net Assets	Share in Profit/Loss
National Securities Depository Limited	26.10%	NA	39.33
North-Eastern Development Finance Corporation Limited	25%	NA	-
Biotech Consortium India Limited	27.93%	NA	-
Pondicherry Industrial Promotion Development and Investment Corporation Limited	21.14%	NA	NA

Source: IDBI Bank Annual Report

* The financials of three associates, viz. Northeastern Development Finance Corporation Ltd. (25%), Biotech Consortium India Limited (27.93%) and Pondicherry Industrial Promotion Development and Investment Corporation Limited (21.14%) are not considered for consolidation on account of non-receipt of Financial Statements for FY 2021-22 and in case of one Associate, National Securities Depository Limited (26.10%), the financials have been taken up to December 2021, impact of which on Consolidated Financial Statements is not material. In case of the Associate, Pondicherry Industrial Promotion Development and Investment Corporation Ltd., the investment in the said company has been written down to INR 1.

Subsidiary Companies:

a) IDBI Capital Markets & Securities Limited (“IDBI Capital”):

Incorporated in 1993, IDBI Capital is a fully integrated financial services provider, having its registered office at 6th Floor, IDBI TOWER, World Trade Centre, Cuffe Parade, Mumbai 400 005, and catering to the needs of retail, institutional and corporate clients. It employs over 300 employees in 18 branches, spread over 14 cities across India. The Retail Broking & Distribution division of IDBI Capital offers online trading in Equities, F&O, Mutual Funds, and IPOs. IDBI Capital also distribute various Third-Party Products, like Mutual Funds, and is amongst the top mutual funds’ distributors in India. IDBI Bank holds 100% (one hundred percent) stake in IDBI Capital.

b) IDBI Asset Management Limited*:

Incorporated in 2010, IDBI Asset Management Limited is the asset management company for IDBI Mutual Fund (average AUM^{iv} for quarter ended on March 31, 2022, stood at INR 4,161 crore), having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005. IDBI Bank holds 66.67% (sixty-six decimal six seven percent) stake whereas IDBI Capital holds 33.33% (thirty three decimal three three percent) stake in IDBI Asset Management Company Limited.

c) IDBI MF Trustee Company Limited:

Incorporated in 2010, IDBI MF Trustee Company Limited, having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai, 400005, is the Trustee to the IDBI Mutual Fund. It performs a supervisory role over the operations of IDBI Asset Management Ltd. For which it receives Trusteeship fees at a defined rate as prescribed under SEBI regulations and guidelines and the Trust deed. IDBI Bank holds 100% (one hundred percent) stake in IDBI MF Trustee Bank Limited.

d) IDBI Trusteeship Services Limited:

Incorporated in 2001, IDBI Trusteeship Services Limited, having its registered office at Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400001, offers services encompassing debentures, bonds, private equity, bank lending, Securitization, Infrastructure Investment Trust (InvIT) / Real Estate Investment Trusts (REITs), Escrow, Document Management Solutions, etc. It offers drafting of documents and monitoring services to both domestic and foreign entities including banks, financial institutions, corporates, funds, governments, insurance companies and high net worth individuals and provides facilities for formation of Private Trusts to high-net-worth individuals as well as act as Trustees to Alternative Investment Funds. IDBI Bank holds 54.70% (fifty-four decimal seven zero percent) stake in IDBI Trusteeship Services Ltd. The balance shares are held by LIC and General Insurance Corporation of India.

e) IDBI Intech Limited:

Incorporated in 2000, IDBI Intech Limited, having its registered office at Plot No. 39-41, Sector 11, CBD Belapur, Navi Mumbai 400614, Maharashtra, India, is a technology-led business transformation organisation specializing in the Banking, Financial Services, and Insurance industry vertical with over two decades of experience and expertise as a leading Banking and Insurance digital technology business transformation partner.

IDBI Intech leverages technologies such as Artificial Intelligence, Machine Learning, Microservices etc. to offer fintech, financial crime & compliance and digital ecosystem products. IDBI Bank holds 100% (one hundred percent) stake in IDBI Intech Limited.

Associate Companies

a) Biotech Consortium India Limited:

Incorporated in 1990 and promoted by the Department of Biotechnology, Ministry of Science and Technology, Government of India, Biotech Consortium India Limited, having its registered office at Anuvrat Bhawan, 5th floor, 210, Deen Dayal Upadhyay Marg, New Delhi 110002, is a nodal agency for providing business support services to facilitate accelerated commercialization of biotech products and processes. The company is actively involved in technology transfer, project consultancy, fund syndication, information dissemination, and manpower training & placement related to biotechnology. IDBI Bank holds 27.93% (twenty-seven decimal nine three percent) stake in Biotech Consortium India Limited. Other promoters include IFCI Limited (18.62%), IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund; 18.62%), Administrator of the Specified Undertaking of the Unit Trust of India ("SUUTI"; 5.59%) and IFCI Venture Capital Funds Limited (3.72%).

b) National Securities Depository Limited:

Incorporated in 1996, National Securities Depository Limited, having its registered office at Kamala Mills Compound, A wing, 5th Floor, Trade World, Senapati Bapat Marg, Lower Parel, Mumbai 400013, handles securities held and settled in dematerialized form in the Indian capital market. It was set up with the objective of facilitating safe and fast transfer of securities.

NSDL provides bouquet of services to investors, stockbrokers, custodians, issuer companies etc. through its nationwide network of Depository Participants and digital platforms. It managed ~2.92 crore active client accounts, with a demat custody value~ INR 312.57 lac crores as of September 30, 2022.

IDBI Bank holds a 26.10% (twenty-six decimal one zero percent) stake in National Securities Depository Limited.

c) North-Eastern Development Finance Corporation Limited:

Incorporated in 1995, North-Eastern Development Finance Corporation Limited, having its registered office at NEDFi House, G. S. Road, Dispur, Guwahati 781006, is a notified Public Financial Institution that provides financial assistance to micro, small, medium, and large enterprises for setting up industrial, infrastructure and Agri-allied projects in the North-Eastern Region of India and Microfinance through MFI/NGOs. Besides financing, the Corporation offers Consultancy & Advisory services to the state Governments, private sectors, and other agencies. The company had a loan portfolio size of c. INR 1,056 crore in FY 2019-20.

IDBI Bank holds 25% (twenty five percent) stake in North-Eastern Development Finance Corporation Limited. Other shareholders include State Bank of India, LIC, SIDBI, SUUTI, General Insurance Corporation of India etc.

d) Pondicherry Industrial Promotion Development and Investment Corporation Limited:

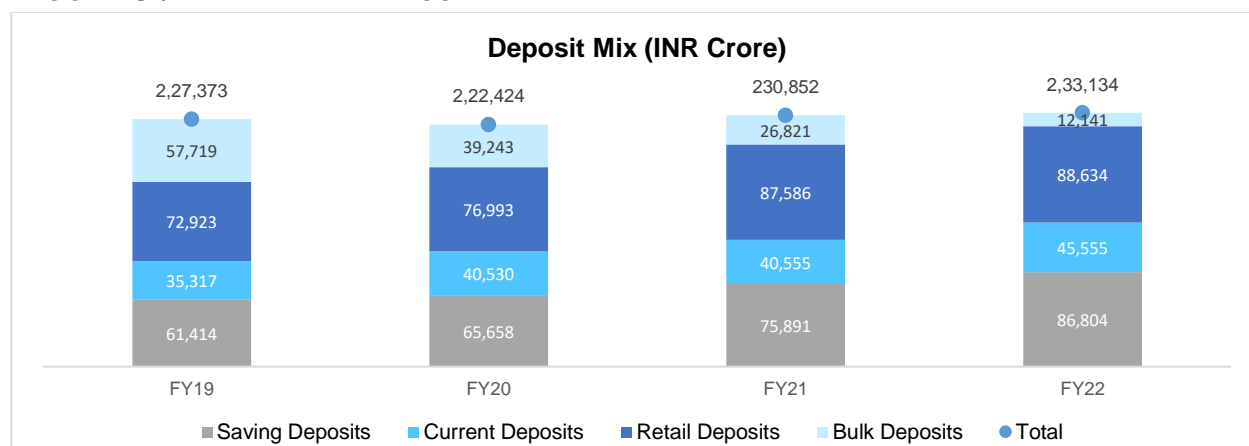
The Pondicherry Industrial Promotion Development and Investment Corporation Limited (“**PIPDIC**”) was set up by the Government of Puducherry in 1974 with the objective of promoting the Industrial Development of Puducherry and providing financial assistance to entrepreneurs. PIPDIC provides various facilities such as Term loans, IT Park/Growth Centre/Industrial Estates. IDBI Bank has written down its investment in PIPDIC to INR 1 as per FY22 Annual Report.

2.9 Deposits & Advances

Deposits:

Aggregate deposits of IDBI Bank stood at c. INR 233, 133 Crore as on March 31, 2022. Retail Deposits, Savings Account Deposits, Current Account Deposits, Bulk Deposits^v accounted for c. 38% (thirty eight percent), 37% (thirty seven percent), 20% (twenty percent), and 5% (five percent) of aggregate deposits respectively.

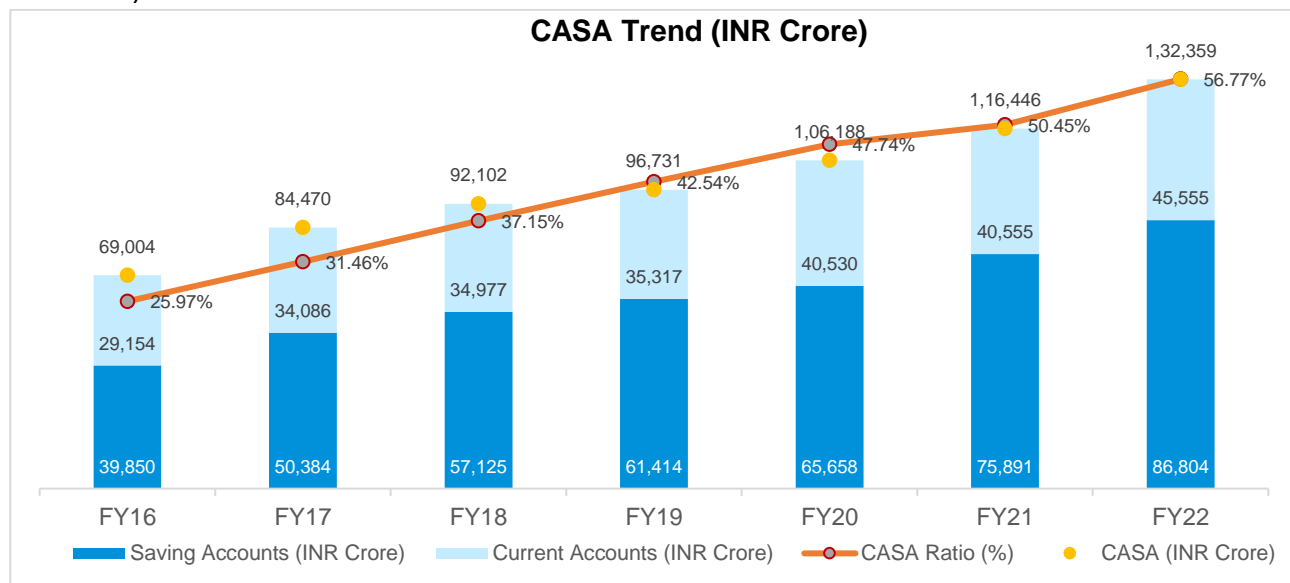
FIGURE 6 : IDBI BANK DEPOSIT MIX



Source: IDBI Bank Annual Reports

In alignment with its overall business strategy, the IDBI Bank augmented the share of low-cost CASA deposit base and reduced its reliance on high-cost institutional deposits by lowering its bulk deposit base, thus witnessing a healthy growth in its CASA^{vi} ratio as is evident by the below graph. CASA ratio grew from 50.45% (fifty decimal four five percent) on March 31, 2021, to 56.77% (fifty-six decimal seven seven percent) on March 31, 2022.

FIGURE 7 : HISTORICAL CASA TREND OF IDBI BANK

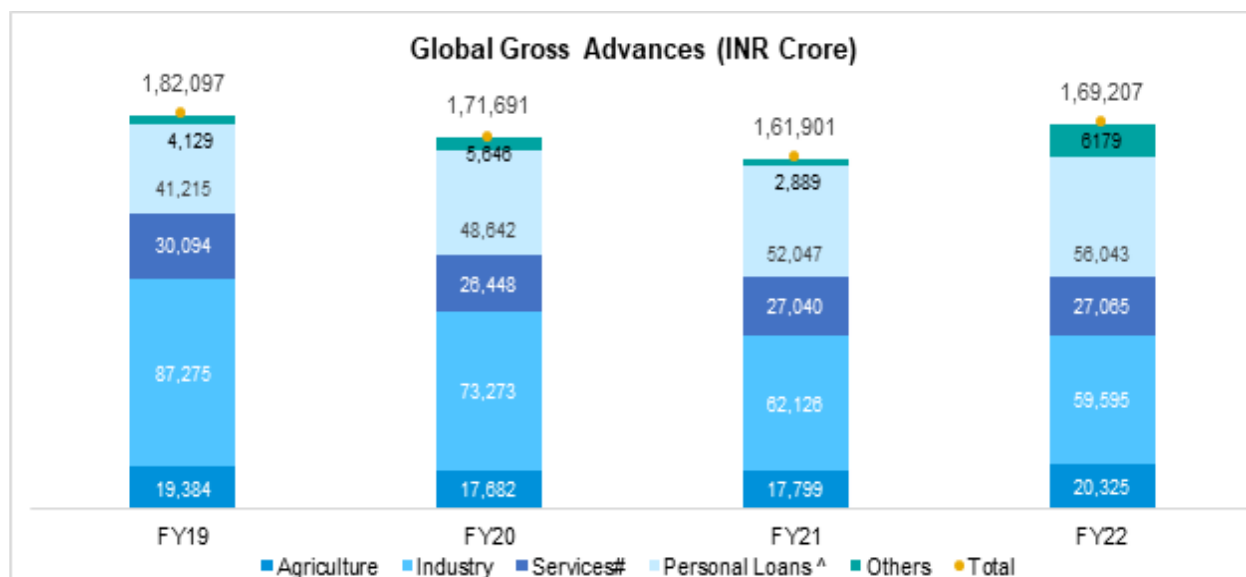


Source: IDBI Bank Analyst Presentations

Advances:

Global Gross Advances stood at c. INR 169,207 lac crore on March 31, 2022. Retail portfolio amounted to c. 63% (sixty three percent) of Global Gross Advances while the remaining 37% (thirty seven percent) is apportioned to the Corporate Portfolio. On the Priority Sector Lending (“PSL”) front, the IDBI Bank exceeded the regulatory PSL target of 40% (forty percent) of the Adjusted Net Bank Credit (“ANBC”).

FIGURE 8 : HISTORICAL GLOBAL GROSS ADVANCES

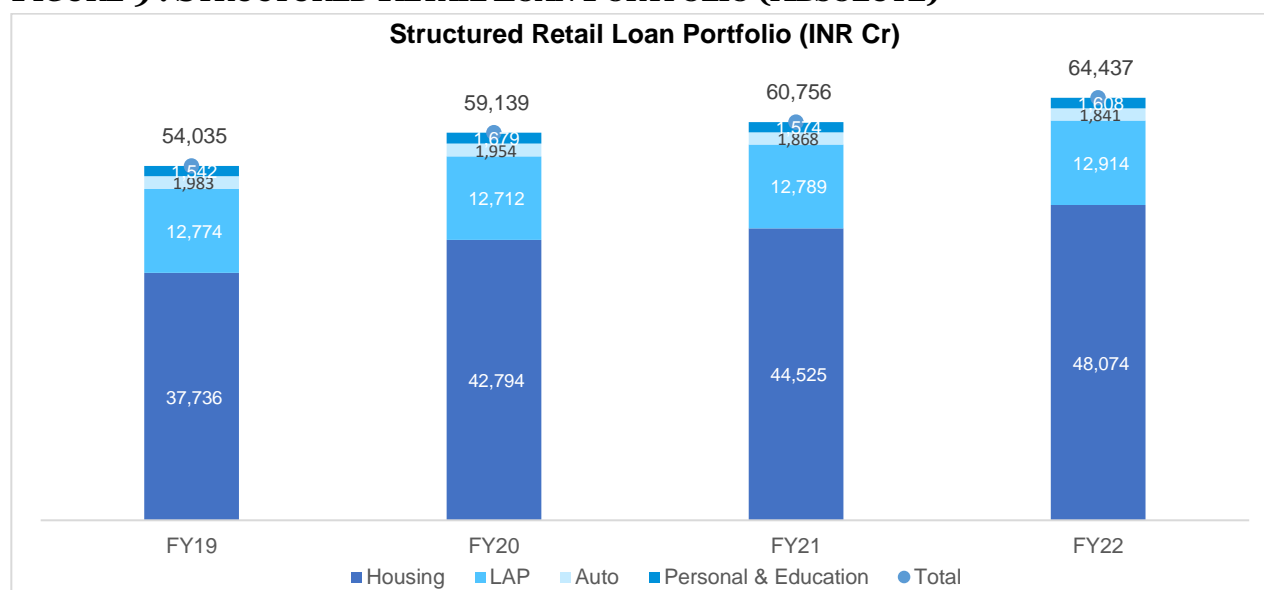


Source: IDBI Bank Analyst Presentations

#Service sector includes trade, NBFCs, professional, commercial real estate, transport operators, computer software, shipping, tourism, hotel, and restaurants etc.; ^ Personal Loans includes Housing Loan, Education Loan, Auto Loans & Other Retail Loans.

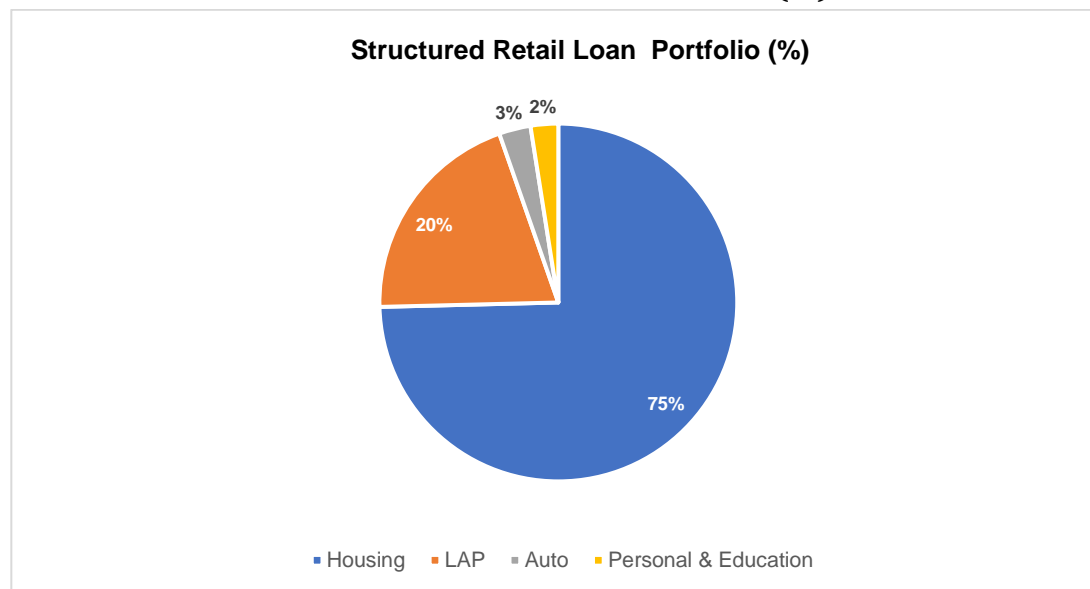
IDBI Bank's Structured Retail Portfolio stood at INR 64,437 crore on March 31, 2022

FIGURE 9 : STRUCTURED RETAIL LOAN PORTFOLIO (ABSOLUTE)



Source: IDBI Bank Analyst Presentations

Housing Loans accounted for c. 75% (seventy five percent) of the total structured retail loan portfolio, followed by Loans Against Property at c. 20% (twenty percent) and Auto and Personal & Education Loans at c. 5 % (five percent) respectively as of March 31, 2022.

FIGURE 10 : STRUCTURED RETAIL LOAN PORTFOLIO (%)

Source: IDBI Bank Analyst Presentation

2.10 Priority Sector Lending^{vii}

IDBI Bank has been contributing significantly to the objective and requirements of PSL as mandated by the RBI. As per the regulatory requirement, IDBI Bank has primarily focused on financing to Micro Enterprises, Direct Agri Non- Corporate and Small & Marginal Farmers. In terms of the Government schemes/ directions, IDBI Bank has been extending loans under Pradhan Mantri Mudra Yojana, Prime Minister Street Vendor Atmanirbhar Nidhi, Stand-up India, etc. as also to minority communities and weaker sections including Scheduled Castes/ Scheduled Tribes.

As on March 31, 2022, IDBI Bank exceeded the regulatory PSL target of 40% (forty percent) with the priority sector advances amounting to c. INR 67,583 crore, aggregating to 44.44% (forty four decimal four four percent) of Adjusted Net Bank Credit (“ANBC”)^{viii}. A snapshot of Priority Sector Lending of IDBI Bank, is given below:

TABLE 8 : PRIORITY SECTOR LENDING OF IDBI BANK

Particulars (INR Crore)	Mar-20		Mar-21		Mar-22		Growth over March- 21
	Amount	% of ANBC	Amount	% of ANBC	Amount	% of ANBC	
ANBC	186,090	-	169,317	-	152,079	-	-
Priority Sector Advances (a+b+c)	77,586	41.69	69,334	40.95	67,583	44.44	(1,751)

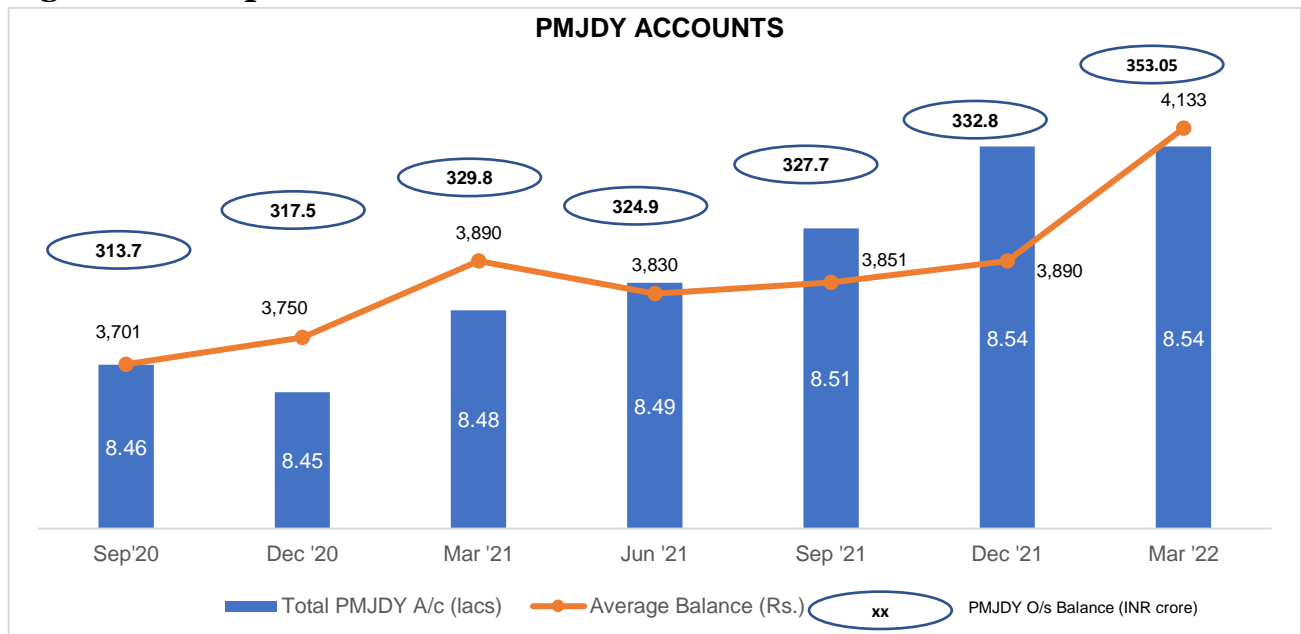
(a) Agriculture	30,912	16.61	29,467	17.4	29,731	19.55	264
(i) Direct Lending to Agri-Non Corporate	25,618	13.77	21,891	12.93	22,021	14.48	130
(ii) Other Agri	923	0.5	2,051	1.21	1,640	1.08	(411)
(iii) Indirect Agriculture (RIDF)	15,346	8.25	10,725	6.33	8,971	5.9	(1,754)
(iv) PSLC (Agri) sale	(10,975)	-	(5,200)	-	(2,900)	-	2,300
(b) MSME (Micro, Medium & Small Enterprises)	29,959	16.1	27,476	16.23	26,958	17.73	(518)
(c) Other Priority Sector Advances	16,715	8.98	12,391	7.32	10,894	7.16	(1,497)
(i) Housing	24,075	12.94	24,626	14.54	18,904	12.43	(5,722)
(ii) Others	901	0.48	865	0.51	815	0.54	(50)
(iii) PSLC (General) sale	(8,262)	-	(13,100)	-	(8,825)	-	4,275

Source: IDBI Bank Analyst Presentation

2.11 Financial Inclusion

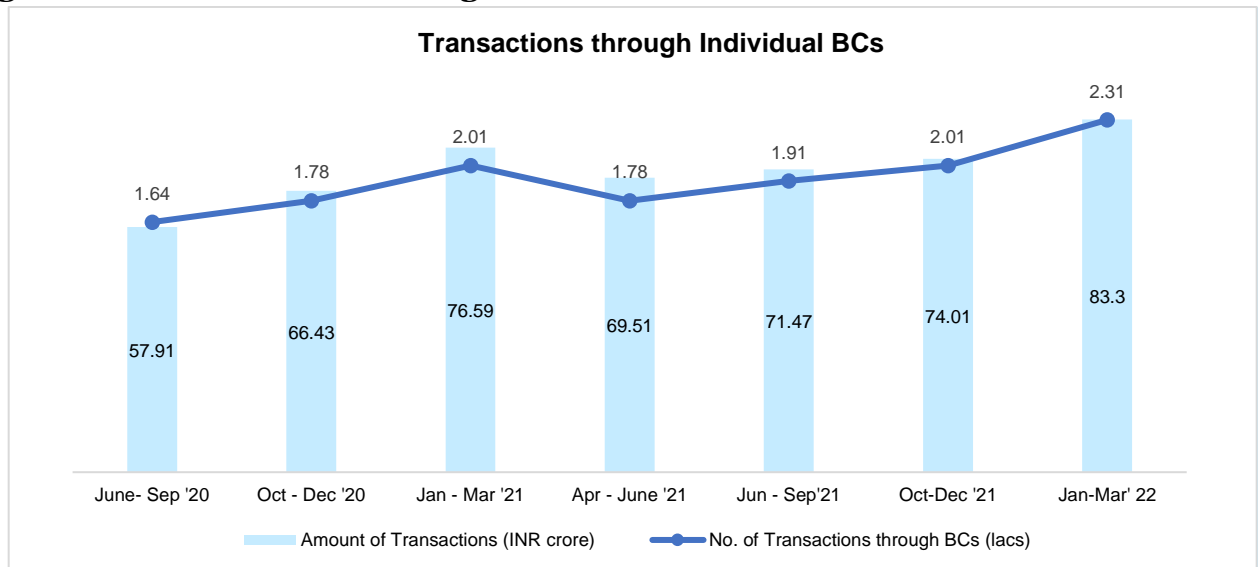
IDBI Bank has been proactive in partnering with policymakers to further the objective of financial inclusion by ensuring access to financial products and services to the vulnerable sections of the society at an affordable cost in a fair and transparent manner. The IDBI Bank has been actively promoting the GoI's financial inclusion program, viz. Pradhan Mantri Jan Dhan Yojana ("PMJDY") and the Government's social security schemes, viz. Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and Atal Pension Yojana, leveraging its Business Correspondents ("BC")/ Business Facilitators network and increasing financial literacy.

Figure 11 : Snapshot of PMJDY Accounts of IDBI Bank



Source: IDBI Bank Analyst Presentation

Figure 12 : Transactions through Individual BCs

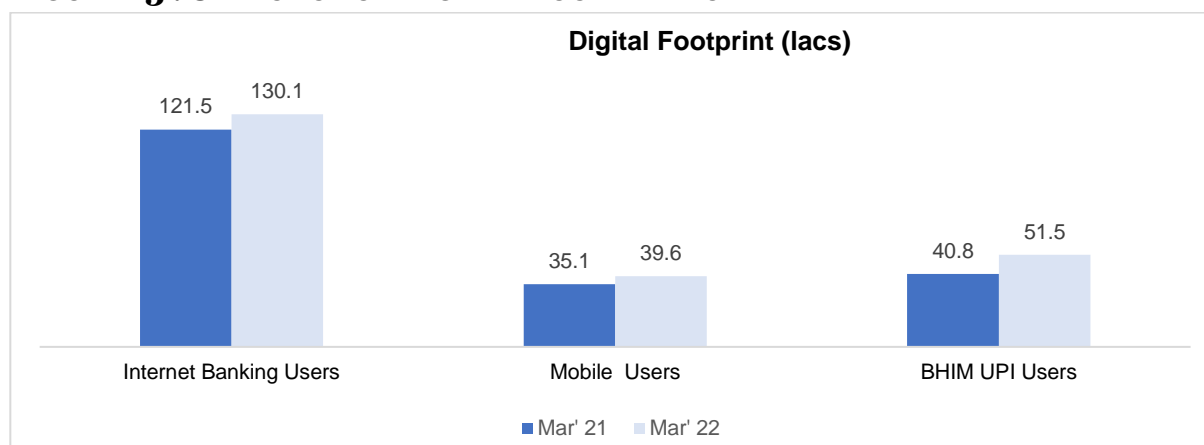


Source: IDBI Bank Analyst Presentation

2.12 Digital Footprint

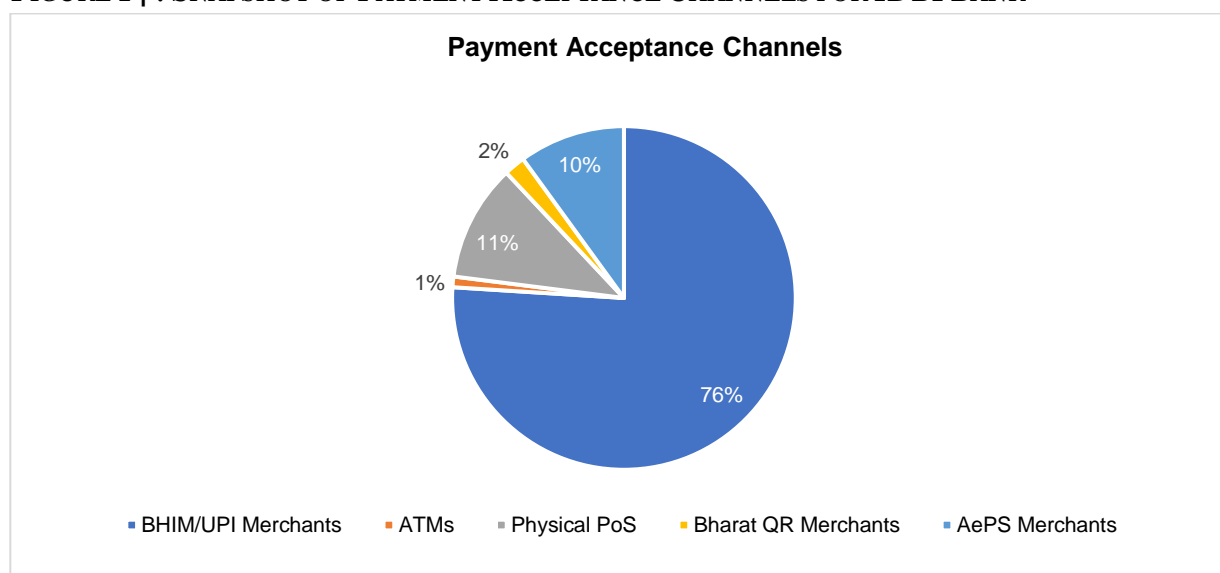
The COVID-19 pandemic saw an exponential growth in digital banking channels as customers exhibited preference for this mode on account of being contactless and convenient. As IDBI Bank continued to revamp and strengthen its digital infrastructure for smooth, convenient, safe, and secure banking experience, it witnessed 42% (forty two percent) growth in its digital transactions and 47% (forty seven percent) growth in the mobile banking users during the pandemic. The IDBI Bank introduced additional features in its internet banking facility such as instant online registration for retail users, implementation of positive pay system, round-the-clock Real Time Gross Settlement (RTGS) system for corporate customers, online verification of electronic payment advice for Public Financial Management System agencies, e-mandate registration, etc.

FIGURE 13 : SNAPSHOT OF DIGITAL FOOTPRINT OF IDBI BANK



Source: IDBI Bank Analyst Presentation

FIGURE 14 : SNAPSHOT OF PAYMENT ACCEPTANCE CHANNELS FOR IDBI BANK



Source: IDBI Bank Analyst Presentation

While the IDBI Bank has a strong internet & mobile banking and debit card user base, UPI has emerged as the preferred mode of transaction for IDBI Bank's customers.

2.13 Internal Audit

The Audit function at IDBI Bank has adopted a Risk Based Audit approach and audits activities undertaken by various businesses and verticals, the Zonal Offices, Regional Offices, branches, and non-branch segments. The Audit Department functions under the guidance and supervision of the Audit Committee of the Board.

The Audit function is governed by (a) Risk Based Internal Audit Policy; (b) Concurrent Audit Policy; and (iii) Information Systems Audit Policy and the audit process is undertaken via a web-based application, the Audit Management System, which can be accessed by respective officers of auditee units on real-time basis for monitoring. The Audit Department also manages the functions of: (a) Fraud Monitoring Group (b) Vigil Mechanism; (c) Staff Accountability Committee Secretariat (d) Long Form Audit Report and (e) Internal Financial Controls Over Financial Report.

2.14 Third Party Products and Capital Market Products

Third Party Product ("TPD") segment of IDBI Bank offers various value-added products and services to customers, keeping in view their risk profile and financial goals. The IDBI Bank emphasizes on imparting necessary thrust in enhancing fee income.

Major products distributed by IDBI Bank includes:

- Life Insurance products through its life insurance partner, LIC.
- General and standalone health insurance through its channel partners, viz. New India Assurance Company Limited, TATA AIG General Insurance and Niva Bupa Health Insurance Company Limited.
- Mutual Funds through various AMCs such as IDBI Asset Management Limited, LIC Mutual Fund Asset Management Limited, and other AMCs
- Portfolio Management Services for High Networth Individual and Ultra High Networth Individual clients in partnership with IDBI Capital Markets & Securities Limited.
- Capital market products such as demat account, 3-in-1 accounts (wherein savings & Demat account are linked to the Online Trading account), 2-in-1 account (savings & Demat account), Applications Supported by Blocked Amount and Loan Against Securities
- National Pension Scheme
- Bonds such as GoI Bonds- Floating Rate Savings Bonds 2020 (T) Bonds, capital gain bonds (Rural Electrification Corporation of India, National Highway Authority of India, Indian Railway Finance Corporation, Sovereign Gold Bond ("SGB") etc.)

2.15 Synergies with LIC

IDBI Bank has emerged as highest contributor in LIC's bancassurance business contributing to 59% (fifty nine percent) of its total business from this channel in FY 2021-22. IDBI Bank has also been extending transaction banking services through its branch/ digital channels in order to cater to the collection/ payments related requirements of various offices of the LIC.

IDBI Bank has been reaping significant benefits in all major business segments through collaboration with LIC. It is also anticipated that, going forward, with the current intensity of engagement as well as synergies with the LIC and its subsidiaries, the IDBI Bank will continue to witness multi-dimensional growth which will help in further increasing customer reach, thus enhancing the value proposition for all the stakeholders of the IDBI Bank.

2.16 Government Business

IDBI Bank 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. It has been authorized to collect Central Government Taxes, viz. Direct Taxes, Customs Duty, and Goods & Services Tax. IDBI Bank is active in collection of State Receipts in 14 States and 2 Union Territories. It also provides 24x7 internet banking facilities for tax payments.

The IDBI Bank has also enabled online collection of Employees' Provident Fund Organisation and Employees' State Insurance Corporation dues. It has also been authorized by the Government to offer Small Savings Schemes, viz. Public Provident Fund, Senior Citizens' Savings Scheme and Sukanya Samriddhi Account Scheme through its branches. IDBI Bank is also authorized to disburse Central Civil, Defence and Railway Pensions.

2.17 Cash Management Services

IDBI Bank also provides comprehensive Cash Management Services ("CMS") to help corporates accelerate collections, handle bulk payments efficiently and smoothen flow of funds. The IDBI Bank offers various solutions like National Automated Clearing House, Virtual Account Facility, utility payments, direct debit facilities and other customized e-solutions that have been technologically integrated (Host-to-Host) with client systems. IDBI Bank has also been authorized to participate in e-Freight payment system of Indian Railways and collected e-Freight in 12 Zones of the Indian Railways.

IDBI Bank also added FASTag and launched FASTag Acquiring Business for toll plaza operators to electronically collect the toll charges using IDBI Bank FASTag Acquiring System.

IDBI Bank is also empaneled as the sole Sponsor Bank for Pradhan Mantri Shram Yogi Maan-Dhan Yojana (“PM-SYM”), Pradhan Mantri Kisan Maan-Dhan Yojana (“PMKMY”) and Pradhan Mantri Laghu Vypari Maan- Dhan Yojana (“PM-LVM/ NPS-Traders”).

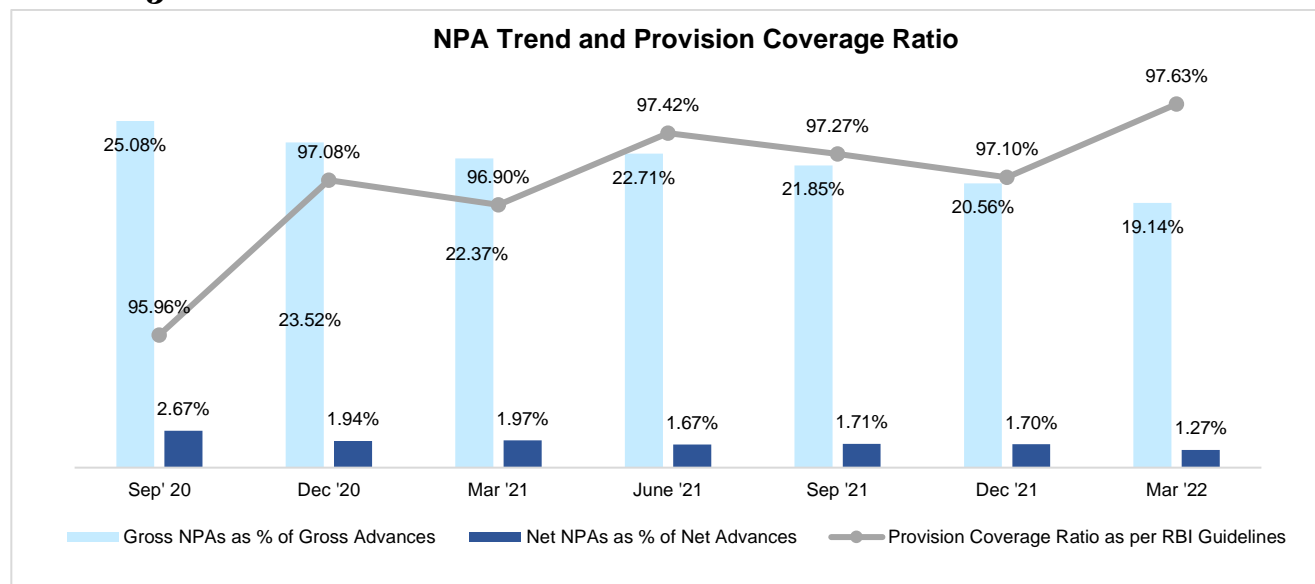
2.18 Retail Collection:

IDBI Bank set up a Retail Collection Vertical in February 2021 to control incipient stress & slippages, and drive collection efforts from the retail loan accounts. Retail Collection activity entails reduction of pre- SMAs, High Risk Accounts, SMAs and probable/ marked First Time Non-Performing Assets (FTNPAs). The accounts are segregated into product-specific lots such as Structured Retail Asset (Housing Loan / LAP/ Auto Loan / Education Loan / Personal Loan etc.) and Non-Structured Retail Asset (Gold Loan/ Kisan Credit Card / MSMEs/ Agriculture etc.). The collection activity is driven by the Retail Collection Vertical with the help of a team of Collection Officers posted at different Zones/ Regions of the IDBI Bank, supported by the Call Centre, Collection Agencies, Business Correspondents (BCs)/ Business Facilitators (BFs) and branches/ Retail Asset Centres (RACs) for branch-centric products. The Retail Collection vertical is making extensive use of the IDBI Bank’s Call Centre and Collection Agencies which is expected to achieve higher resolution rates on collection.

2.19 Asset Quality

IDBI Bank had Gross NPAs^{ix} of 20.16% (twenty decimal one six percent) of Gross Advances (c. INR 34,115 crore) while Net NPAs^x as a percentage of Net Advances stood at only 1.36% (c. INR 1,856 crore) as on March 31, 2022. The IDBI Bank retains a healthy Provision Coverage Ratio^{xi} of 97.63% (including Technical Write-Offs), as per RBI guidelines.

FIGURE 15 : HISTORICAL NPA AND PROVISION COVERAGE RATIO TREND



Source: IDBI Bank Analyst Presentations

TABLE 9 : PROVISION FOR SUB-STANDARD, DOUBTFUL AND LOSS ASSETS AS ON MARCH 31, 2022

Category, INR Crore	Gross NPA	Provision	Net NPA	Provision % #
Sub Standard Assets^{xii}	1,167	210	956	18
<i>-of which 100% provided</i>	<i>7</i>	<i>7</i>	<i>-</i>	<i>100</i>
Doubtful-1 Assets	1,435	930	506	65
<i>-of which 100% provided</i>	<i>727</i>	<i>727</i>	<i>-</i>	<i>100</i>
Doubtful-2 Assets	3,184	2,790	394	88
<i>-of which 100% provided</i>	<i>2,492</i>	<i>2,492</i>	<i>-</i>	<i>100</i>
Doubtful-3 Assets	5,783	5,783	-	100
Loss Assets	22,546	22,546	-	100
Total	34,115	32,259	1,856	95

Excluding TWO provisions

Source: IDBI Bank Analyst Presentation

Total SMA^{xiii} pool stood at INR 4,505 crore as on March 31, 2022, as compared to INR 6,385 crore on March 31, 2021.

TABLE 10 : SMA PROVISIONS AS ON MARCH 31, 2022

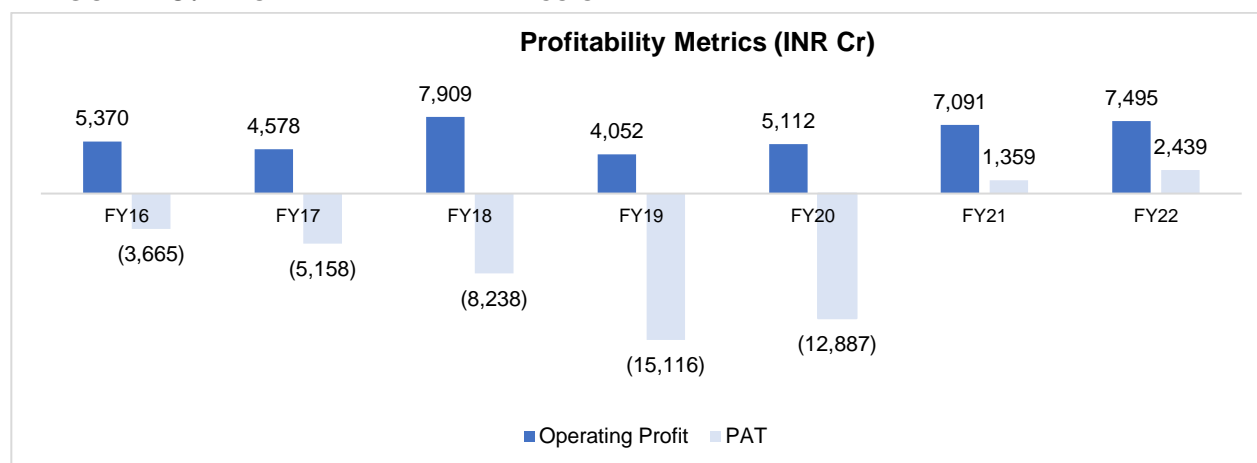
Particulars, INR Crore	SMA-0	SMA-1	SMA-2	Total
Mar-21	2,298	2,466	1,621	6,385
Jun-21	2,700	1,940	2,367	7,007
Sep-21	2,319	1,759	946	5,024
Dec-21	2,290	1,582	821	4,693
Mar-22	2,285	1,580	640	4,505

Source: IDBI Bank Analyst Presentations

2.20 Operating Performance

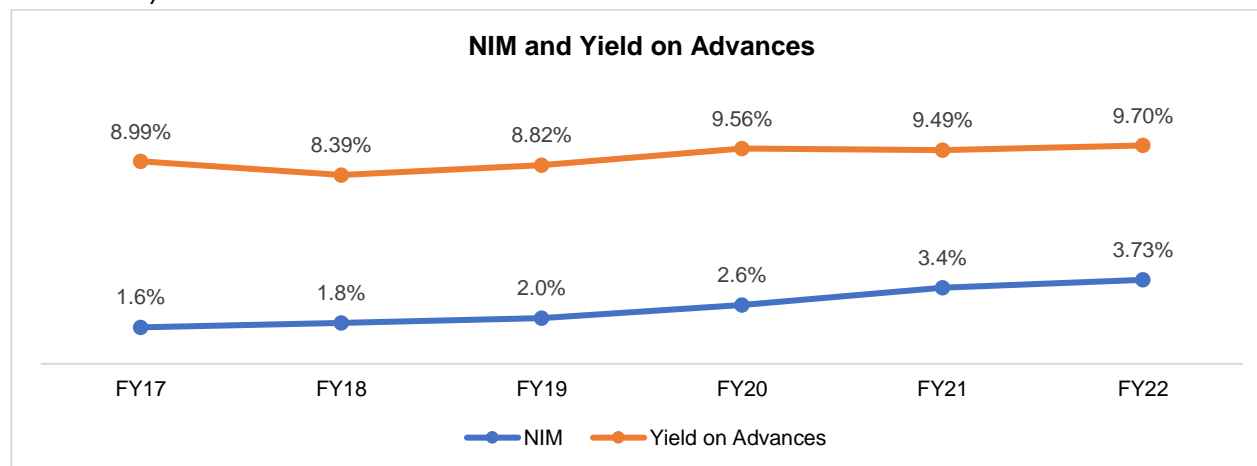
IDBI Bank turned profitable in FY21 backed by consistent improvement in Net Interest Margin (“NIM”) and reduction in Gross and Net NPAs. Profitability was further boosted as Cost to Income^{xiv} ratio fell to c. 45.9% (forty five decimal nine percent) in FY22 compared to c. 46.2% (forty six decimal two percent) in FY21.

^{xv} **FIGURE 16: PROFITABILITY METRICS OF IDBI BANK**



Source: IDBI Bank Analyst Presentations

FIGURE 17 : NIM AND YIELD ON ADVANCES TREND FOR IDBI BANK



^{xvi} Source: IDBI Bank Analyst Presentations

2.21 Financial Performance

An abstract of the audited financial statements of IDBI Bank for the last six (6) years is presented below:

TABLE 11 : STATEMENT OF ASSETS & LIABILITIES OF IDBI BANK (STANDALONE AND CONSOLIDATED)

INR Crore, Standalone						
Particulars	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
CAPITAL AND LIABILITIES						
Capital	10,752	10,752	10,381	7,736	3,084	2,059

Reserves and surplus	30,910	26,059	23,644	29,875	18,126	20,505
Deposits	233,134	230,852	222,424	227,372	247,932	268,538
Borrowings	14,345	15,908	36,749	45,288	63,186	56,364
Other Liabilities and Provisions	12,278	14,193	6,731	10,013	17,759	14,409
TOTAL	301,419	297,764	299,928	320,284	350,086	361,874
ASSETS						
Cash and balances with RBI	27,795	13,013	10,539	12,730	13,164	13,347
Balances with banks and money at call and short notice	7,915	22,209	19,892	8,503	20,522	19,337
Investments	82,988	81,023	81,780	93,073	91,606	92,934
Advances	136,772	128,150	129,842	146,790	171,740	190,826
Fixed Assets	9,937	7,827	8,129	8,231	6,771	7,349
Other Assets	36,012	45,542	49,746	50,957	46,283	38,081
TOTAL	301,419	297,764	299,928	320,284	350,086	361,874
Contingent Liabilities	332,181	220,710	117,113	140,854	198,016	185,982
Bills for Collection	10,707	9,648	9,871	9,635	9,301	15,949

INR Crore, Consolidated						
Particulars	31- Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
CAPITAL AND LIABILITIES						
Capital	10,752	10,752	10,381	7,736	3,084	2,059
Reserves and surplus	31,819	26,876	24,455	30,610	18,824	21,203
Minority Interest	128	113	104	97	86	71
Deposits	232,850	230,660	222,214	227,190	247,777	268,216
Borrowings	14,345	15,908	36,749	45,288	63,186	56,364
Other Liabilities and Provisions	12,462	14,343	6,797	10,190	17,953	14,575
TOTAL	302,356	298,653	300,699	321,111	350,909	362,488
ASSETS						
Cash and balances with RBI	27,796	13,013	10,539	12,732	13,169	13,350
Balances with banks and money at call and short notice	8,005	22,295	19,956	8,572	20,612	19,383
Investments	83,475	81,471	81,996	93,328	91,848	93,075
Advances	136,775	128,152	129,845	146,790	171,740	190,826
Fixed Assets	9,987	7,873	8,207	8,310	6,853	7,433

Other Assets	36,318	45,849	50,156	51,379	46,687	38,422
TOTAL	302,356	298,653	300,699	321,111	350,909	362,488
Contingent Liabilities	332,227	220,743	117,160	140,905	198,046	186,090
Bills for Collection	10,707	9,648	9,871	9,635	9,301	15,949

Source: IDBI Bank Annual Reports

TABLE 12 : STATEMENT OF PROFIT AND LOSS OF IDBI BANK (STANDALONE AND CONSOLIDATED)

INR Standalone						
Particulars	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
INCOME						
Interest earned	18,295	19,938	20,825	22,071	23,027	27,791
Other Income	4,690	4,559	4,470	3,300	7,014	4,008
Total	22,985	24,497	25,295	25,372	30,040	31,799
EXPENDITURE						
Interest expended	9,133	11,414	13,847	16,166	17,386	22,040
Operating expenses	6,357	6,048	6,336	5,154	4,745	5,141
Provisions and contingencies	5,056	5,676	17,999	19,168	16,147	9,777
Total	20,546	23,137	38,183	40,488	38,278	36,957
PROFIT						
Net Profit for the year	2,439	1,359	(12,887)	(15,116)	(8,238)	(5,158)
Profit brought forward	(45,396)	(45,586)	(32,513)	(17,164)	(8,492)	(2,827)
Total	(42,957)	(44,227)	(45,400)	(32,280)	(16,730)	(7,985)
APPROPRIATIONS						
Transfer to / (from) Statutory Reserve	610	340	-	0	(545)	0
Transfer to Capital Reserve	157	285	186	233	978	507
Investment Fluctuation Reserve (IFR)	-	545	-	-	-	-
Balance carried over to balance sheet	(43,724)	(45,396)	(45,586)	(32,513)	(17,164)	(8,492)
Total	(42,957)	(44,227)	(45,400)	(32,280)	(16,730)	(7,985)

INR Crore, Consolidated						
Particulars	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
INCOME						
Interest earned	18,319	19,962	20,854	22,102	23,046	27,805
Other Income	4,919	4,782	4,631	3,535	7,248	4,207
Total	23,238	24,744	25,485	25,637	30,294	32,013
EXPENDITURE						
Interest expended	9,125	11,408	13,841	16,162	17,376	22,019
Operating expenses	6,503	6,172	6,447	5,258	4,892	5,243
Provisions and contingencies	5,093	5,716	18,045	19,229	16,183	9,820
Total	20,721	23,295	38,333	40,650	38,451	37,082
PROFIT						
Net Profit for the year	2,518	1,449	(12,847)	(15,013)	(8,157)	(5,069)
Add: Share of Profit in Associate	39	83	28	43	41	73
Less: Minority Interest	23	18	16	17	17	19
Group Profit	2,534	1,514	(12,835)	(14,987)	(8,132)	(5,016)
Profit brought forward	(45,159)	(45,410)	(32,372)	(17,149)	(8,571)	(3,030)
Total	(42,626)	(43,896)	(45,207)	(32,135)	(16,704)	(8,046)
APPROPRIATIONS						
Transfer to Statutory Reserve	610	340	-	-	-	-
Transfer to Capital Reserve	157	285	186	233	978	507
Transfer to General Reserve	3	2	4	2	2	4
Transfer/Writeback from Statutory Reserves	-	-	-	-	(545)	-
Interim/Final Dividend	-	-	-	1	5	-
Tax on Proposed/Interim/Final dividend	-	-	14	0	4	1

Investment Fluctuation Reserve (IFR)	-	545	-	-	-	-
Balance carried over to balance sheet	(43,396)	(45,068)	(45,410)	(32,372)	(17,149)	(8,560)

Source: IDBI Bank Annual Reports

2.22 Risk Management

Risk management systems and processes are continuously upgraded to ensure refinement in risk management practices by focusing on business dynamics, banking innovations and regulatory changes. While the Risk Management Committee of the Board of Directors is responsible for overall risk management, day-to-day activities are conducted at various levels based on the risk governance structure.

The IDBI Bank has implemented Integrated Risk Management Architecture comprising software solutions, viz. Risk Assessment Module, Capital Assessment Model and Comprehensive Operational Risk Evaluator for more robust and technologically advanced risk management system. IRMA helps to identify and measure credit and operational risks, which, in turn, facilitates formulation of suitable risk management strategies. Further, the IDBI Bank has a well-established Oracle Financial Services Analytical Application for its Asset & Liability Management, Fund Transfer Pricing, Profitability Management and Loan Risk Management requirements.

2.22.1 Implementation of Basel Norms

In adherence to the Pillar 1 guidelines of the RBI under Basel III framework, IDBI Bank computes regulatory capital requirement for credit, market, and operational risks on a quarterly basis. In addition, the IDBI Bank also keeps a close watch on the movement of Capital to Risk Weighted Asset Ratio at a monthly periodicity.

The CRAR and Tier 1 capital plus Capital Conservation Buffer (CCB) Ratio improved to 19.06% (nineteen decimal zero six percent) and 16.68% (sixteen decimal six eight percent), respectively, as at end-March 2022 from 15.59% (fifteen decimal five nine percent) and 13.06% (thirteen decimal zero six percent), respectively, as at March 2021. A snapshot of the Risk Ratios of the IDBI Bank is given below:

TABLE 13: RISK RATIO PARAMETERS

Particulars, INR Crore	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
CET 1+ CCB	25,787	20,572	16,736	16,340	16,392

Additional Tier 1	-	-	49	413	684
Tier 1 Capital	25,787	20,572	16,785	16,753	17,076
Tier 2 Capital	3,672	3,981	4,344	4,497	5,915
Total Capital	29,459	24,553	21,128	21,250	22,991
RWA	154,559	157,471	158,746	183,457	220,864
-Credit Risk	122,452	128,419	130,480	147,300	180,271
-Market Risk	12,150	11,330	11,580	19,371	23,664
-Operational Risk	19,957	17,722	16,686	16,785	16,929
CET 1+ CCB Ratio (%)	16.68	13.06	10.54	8.91	7.42
Tier 1 Ratio (%)	16.68	13.06	10.57	9.13	7.73
Tier 2 Ratio (%)	2.38	2.53	2.74	2.45	2.68
CRAR (%)	19.06	15.59	13.31	11.58	10.41

[^]IDBI Bank created Investment Fluctuation Reserve (IFR) (in terms of RBI circular dated April 2, 2018)–INR 545 crore in FY2021 by way of appropriation to P&L. IFR has been included in Tier-2 capital which otherwise is a part of profit and would have been taken to CET-1 capital and same would have been high to that extent.

**CET1: Common Equity Tier 1; CCB: Capital Conservation Buffer*

Source: IDBI Bank Analyst Presentation

IDBI Bank has a Board-approved policy on Internal Capital Adequacy Assessment Process in line with the Pillar 2 norms of the Basel III framework. This policy enables the IDBI Bank to internally assess and quantify those risks which are not covered under Pillar 1 as well as to develop appropriate strategies to manage and mitigate risks under normal and stressed conditions. The IDBI Bank has also put in place a comprehensive stress testing framework in line with the RBI guidelines. Stress testing framework enables the IDBI Bank to assess its performance under exceptional but plausible events and facilitates appropriate proactive strategies to meet unforeseen contingencies. The framework also includes scenario analysis and reverse stress testing.

2.22.2 Liquidity Management

The Asset Liability Management Committee (“ALCO”) of IDBI Bank monitors and manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis and management is conducted through co-ordination amongst various ALCO support groups in functional areas such as Balance Sheet Management, Treasury Front-office, Budget and Planning etc. ALCO directives and ALM actions are implemented by concerned business groups and verticals. As per regulatory guidelines, Liquidity Coverage Ratio of the IDBI Bank is computed on a daily basis from January 1, 2017. The average LCR

of the IDBI Bank stood at 141.70% (one hundred forty-one decimal seven zero percent) for the quarter ended March 31, 2022.

2.22.3 Market Risk

Market risk management in IDBI Bank operates in line with the policy framework defined in the Market Risk & Derivative Policy and Investment Policy of the IDBI Bank. These policies, in general, outline appropriate levels of risk appetite and implementation mechanisms for measurement, reporting and escalation of risks and exceptions.

With the implementation of Integrated Treasury Management System, market risk management efficacy of IDBI Bank covering monitoring and reporting, has been further strengthened. All prescribed limits and all procedures are monitored closely by the independent Treasury Mid-office. The Treasury Mid-office has initiated carrying out internal rating of non-SLR Bonds through development of in-house internal rating-based model in order to create a robust non-SLR bond portfolio.

2.22.4 Credit Risk

Credit risk management system in IDBI Bank includes the Risk Assessment Model (“RAM”) for credit rating of proposals and Capital Assessment Model (“CAM”) for automation of capital adequacy assessment. In addition to RAM/ score based internal rating, the IDBI Bank has developed quantified risk scoring matrix for risk-categorization of high-value Corporate and MSME loans. The credit policy document is reviewed in line with changing business objectives and economic environment and forms the guiding tool for business verticals.

2.22.5 Operational Risk

IDBI Bank has an Operational Risk Management (“ORM”) Framework which includes an organizational set-up comprising the Board of Directors, the Risk Management Committee of the Board, the Operational Risk Management Committee (“ORMC”), the ORM section in Risk Management department and nodal officers of various functions/ departments.

The operating procedures for operational risk are guided by the Board-approved Operational Risk Management Policy which aims at identifying, monitoring, measuring, and managing operational risks associated with banking activities. The IDBI Bank also has robust internal systems and procedures for mitigation of inherent risks spread across various business activities/ operations. It manages operational risks through Key Risk Indicators and Risk Control Self-Assessment exercises and periodically updates these outcomes to the ORMC and the RMC of the Board. Operational risk loss events from across the IDBI Bank are collated and presented to the ORMC along with the root cause analysis. The operational risk loss data is also submitted to the RBI on a quarterly basis.

2.22.6 Information Technology Risk

IDBI Bank has taken a number of steps to improve its IT risk management and control. It has set up a state-of-the-art Security Operation Centre (“SOC”) at its Data Centre at Navi Mumbai and at Disaster Recovery (“DR”) site at Chennai to ensure availability of banking services. The 24x7 SOC is a Command Centre for countering cyber threats and ensuring compliance with the IDBI Bank’s Information Security Policy and Cyber Security Policy besides fulfilling the IDBI Bank’s objective of providing safe and secure banking to its esteemed customers. Further, through the SOC, IDBI Bank centrally monitors security devices like firewalls, routers, Intrusion Detection System (“IDS”) devices/ Intrusion Prevention System (“IPS”) devices, Privileged Identity Management (“PIMT”), antivirus, phishing/ malware attempts and takes corrective actions. The IDBI Bank regularly conducts Vulnerability Assessment & Penetration Testing (“VAPT”) of external applications viz. Finacle E-Banking Application (“FEBA”), mobile banking, mail messaging etc.

With a distinct Cyber Security Policy and Cyber Crisis Management Plan several information security solutions have been implemented like Privileged Identity Access Management, Next-Generation - Firewall Solution, Mobile Device Management, Honeypot Solution, Patch Management Solution, Active Directory, Web/ Mail Gateways, Endpoint and USB encryption, Data Leakage Prevention solution, Advanced Persistent Threat, Network Access Control, Web Application Firewall etc. to protect customer data, prevent external attacks as well as strengthen internal controls.

IDBI Bank has consequently made significant progress in implementing the RBI’s recommendations pertaining to Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds and the RBI’s Cyber Security Framework for banks. IDBI Bank has put in place an appropriate organizational framework, as recommended in the guidelines, which includes an exclusive Information Security Group headed by Chief Information Security Officer who reports to the Chief Risk Officer of the IDBI Bank.

2.23 Credit Rating

IDBI Bank obtains credit ratings from reputed Credit Rating Agencies. Below are the latest available ratings for the IDBI Bank’s borrowings:

TABLE 14 : CREDIT RATINGS FOR IDBI BANK

Rated Instruments	CRISIL	ICRA	India Ratings	CARE
Fixed Deposits	CRISIL AA-/ Stable	[ICRA] A+/ Stable	IND A+/ Stable	-

Certificate of Deposits	CRISIL A1+	[ICRA] A1+	IND A1+	CARE A1+
Long Term Rupee Bond (Senior and Lower Tier II Bonds)	CRISIL A+/ Stable	[ICRA] A+/ Stable	IND A+/ Stable*	-
Hybrid Upper Tier II Bonds	CRISIL A-/ Stable	-	-	-
Hybrid – IPDI (Basel II)	CRISIL A-/ Stable	-	-	-
Tier II Bonds (Basel III)	CRISIL A+/ Stable	[ICRA] A+/ Stable	IND A+/ Stable	CARE A+/ Stable

**Only Senior Tier II Bonds has been rated.*

Source: IDBI Bank

2.24 Human Resources

As on March 31, 2022, IDBI Bank had total staff strength of 17,430. The category-wise break up of employees is as follows:

TABLE 15 : HUMAN RESOURCE CAPITAL FOR IDBI BANK

Class	Total
Clerical	437
Executives	1,018
Officers*	15,477
Subordinates	498
Total	17,430

**The Officers count includes MD & CEO, DMD (2), Contract employees (Head Data Analytics, Chief Technology Officer, Executive Director & Head IT, Head DB & EPD, Deputy CTO (Digital), Chief Data Officer, Head Program Management & IT(Compliance), Principal Legal Counsel, Consultant Physician, Chief Customer Service Officer, Bank Medical Officer (3)).*

Source: IDBI Bank Annual Report

2.25 Value Proposition

Purchasing the offered stake in IDBI Bank is a unique opportunity to acquire management control in a scheduled commercial bank, with a strong asset and liability profile. IDBI Bank, comprising 5 subsidiaries, and 4 associate companies, has operations across various business

lines in the banking sector covering the length and breadth of the country via its banking network. Select key features of the opportunity are as follows:

Growing economy: India is one of the fastest growing economies in the world. Since economic growth and soundness and resilience of the banking sector are positively correlated, the high economic growth in near and medium term will be value accretive for IDBI Bank.

Diversified loan portfolio: While IDBI Bank has achieved a healthy balance of retail and corporate portfolio, its business strategy of re-orienting itself as a retail-centric bank by way of augmenting its retail asset book with increased focus on Structured Retail Assets (“SRA”), Agri and MSME loan portfolio, and continued expansion in CASA deposits will drive profitability. While the IDBI Bank will continue to place emphasis on growing the share of the retail and small & medium-sized enterprises, it may also explore avenues to grow the corporate credit book, especially in mid-size units, in a risk-calibrated manner.

Banking network: IDBI Bank provides a wide array of services to its customers across India with branches spread across metros and urban, semi-urban and rural locations. Apart from providing customers access to banking services via its branches, the IDBI Bank also leverages digital channels to add to its overall business growth and profitability

Strong levels of provisioning: Adequate provisions were made in conformity with extant regulatory guidelines and as a prudential approach, IDBI Bank has increased Provision Coverage Ratio (“PCR”) to 97.63% (ninety seven decimal six three percent) as on March 31, 2022. With the large corporate legacy book already delinquent and fully provided for, slippages ahead are expected to ease further strengthening the IDBI Bank’s turnaround. There is further a strong potential of recovery in already provided accounts.

Banking license: In context of IDBI Bank, the requirement of a specific banking license, as per the Banking Regulation Act, 1949, was dispensed by virtue of Section 3 (2) of the Repeal Act. In order to bring in the requisite clarity, the proviso (a) to Section 3(2) of the Repeal Act has been amended by the Finance Act, 2021, which specifically clarifies that IDBI Bank shall be deemed to have obtained the license under Section 22 of the Banking Regulation Act, 1949

3 An Overview of the Indian Banking Industry

3.1 Indian Banking Sector

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, c. 1,485 urban cooperative banks and c. 96,000 rural cooperative banks in addition to cooperative credit institutions. The bi-annual Financial

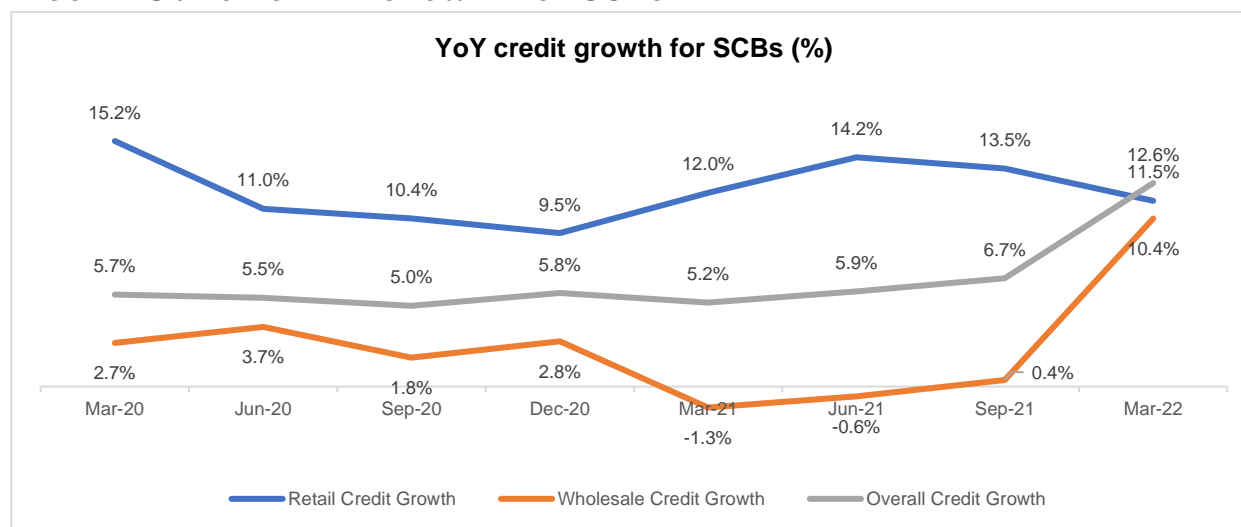
Stability Report published by the RBI highlights the situation of the Banking sector which faces an unprecedented challenge of managing disruptions caused by the Covid-19 pandemic.

Credit Growth:

As the Indian economy wades out of COVID-19 waves, annual growth in bank credit of scheduled commercial banks (“SCBs”) reached 13.1 per cent in early June 2022, a rate last recorded in March 2019. The credit growth is spearheaded by a growth in wholesale credit (comprising gross loans and advances of the banking sector wherein aggregate funded exposure of the obligor is INR 5 crore or more) which moved to double- digit growth trajectory from a declining profile a year ago.

As per RBI’s Financial Stability Report, June 2022 profiling of bank credit indicates that most of the revival was in the second half of 2021-22, and it has continued during the current financial year so far. Within the banking sector, private sector banks (“PVBs”) continue to outpace their counterparts in the public sector in credit growth, both wholesale and retail.

FIGURE 18 : YoY CREDIT GROWTH FOR SCBs



Source: RBI’s Financial Stability Report

3.2 Performance across the Banking sector:

After reaching a high of 11.9% (eleven decimal nine percent) in March 2021, aggregate deposit growth (y-o-y) moderated gradually through 2021-22 reaching 9.9% (nine decimal nine percent) in March 2022. Growth in CASA deposits also moderated during this period, primarily on account of public sector banks (PSBs). However, CASA deposit growth exceeded the growth of term deposits for all categories of banks during the COVID-19 pandemic, partly reflecting households’ preference for liquidity in the face of higher uncertainty.

TABLE 16: FINANCIAL PERFORMANCE OF SCBs

Particulars	Mar-19			Mar-20			Mar-21			Mar-22		
(%)	PS B	PV B	SC B	PS B	PV B	SC B	PS B	PV B	SC B	PS B	PV B	SC B
Financial Performance												
- Credit Growth (Y-o-Y)	9.6	21	13.2	3	11.3	5.9	3.5	9.7	5.4	9.1	15	11.5
- Deposit Growth (Y-o-Y)	6.5	17.5	9.9	6.9	11.1	8.6	10.1	15.9	11.9	8.1	13.3	9.9
Ratios												
- Return on Equity	-13	10.8	-1.5	-3.5	6.7	2	4.3	10.7	7.7	7.9	12.2	9.7
- Return on Asset	-0.9	1.2	-0.1	-0.2	0.7	0.2	0.3	1.2	0.7	0.5	1.4	0.9
- GNPA Ratio	12.6	3.7	9.3	11.3	4.2	8.5	9.5	4.8	7.5	7.6	3.7	5.9
- Provision Coverage Ratio	60.8	57	60.6	64.8	67.5	65.4	68.4	70	68.9	69.5	74.7	70.9
- CRAR	12.2	16.3	14.3	13.1	16.7	14.8	13.8	18.4	16	14.6	18.8	16.7

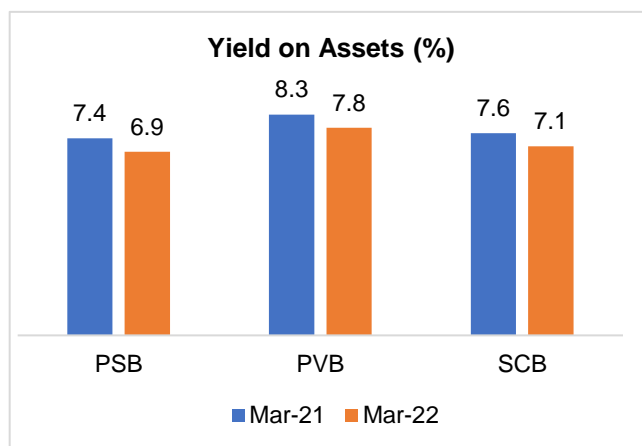
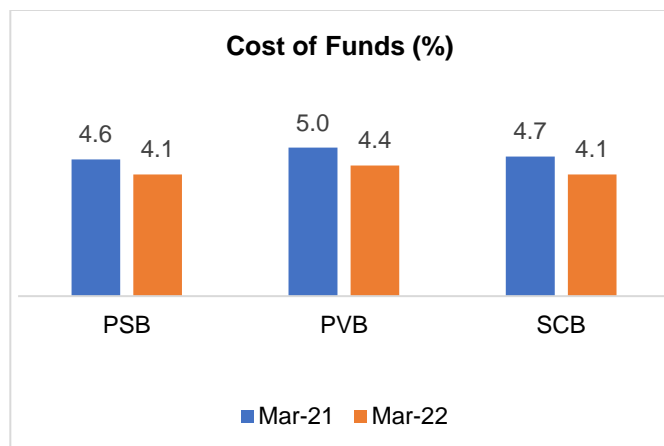
Source: RBI's Financial Stability Reports

Capital Adequacy

Capital raising and earnings retention by banks supported capital augmentation. The CRAR of scheduled commercial banks has been on the rise since March 2020, improving further to 16.7% (sixteen decimal seven percent) in March 2022. The CRAR of PVBs and FBs remained above 18% (eighteen percent).

After declining continuously for the last two years in tune with easy monetary and liquidity conditions, the cost of funds and yield on assets for SCBs settled at 4.1% (four decimal one percent) and 7.1% (seven decimal one percent), respectively, which were 10 bps lower than their levels in the previous half-year.

FIGURE 19: TREND IN COST OF FUNDS AND YIELD ON ASSETS



Source: RBI's Financial Stability Report

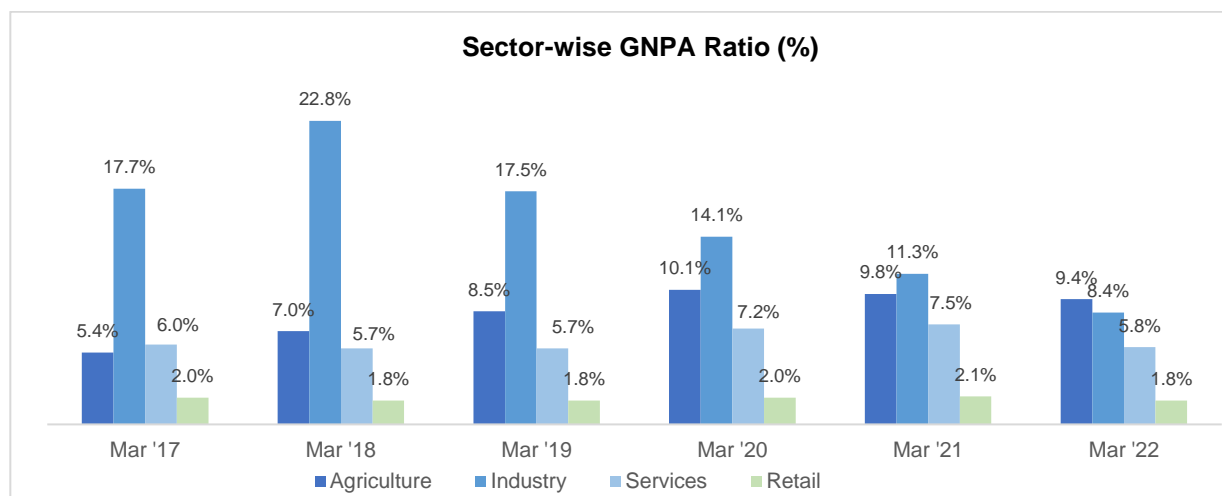
Asset Quality:

Asset Quality of SCBs continues to improve, with GNPA ratio declining from 7.4% (seven decimal four percent) in March 2021 to a six-year low of 5.9% (five decimal nine percent) in March 2022. NNPA ratio also fell by 70 bps during 2021-22 and stood at 1.7% (one decimal seven percent) on March 2022. PCR improved to 70.9% (seventy decimal nine percent) in March 2022 from 67.6% (sixty seven decimal six percent) a year ago. Slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the period, declined across bank groups during 2021-22.

Sectoral Asset Quality

SCBs asset quality improved across all major sectors. There was a broad-based improvement in the GNPA ratio in respect of the industrial sector, though it remained elevated for gems and jewellery and construction sub-sectors.

FIGURE 20 : SECTOR-WISE GNPA RATIO



Source: RBI's Financial Stability Report

FinTech Developments

The financial technology (FinTech) industry has undergone tremendous growth over the past few years. The global FinTech market size was valued at USD 111 billion in 2020, and is projected to reach USD 698 billion by 2030, growing at a CAGR of 20.3% (twenty decimal three percent). The Indian FinTech industry, which is amongst the fastest growing FinTech markets in the world, was valued at USD 50-60 billion in 2020 and is projected to reach USD 150 billion by 2025. India has the highest FinTech adoption rate globally (87%) receiving funding of US\$ 8.53 billion (in 278 deals) during 2021-22. FinTech innovations are ubiquitous, especially in retail and wholesale payments, financial market infrastructures, investment management, insurance, credit provision and equity capital raising and may lead to material changes in the financial landscape.

3.3 Regulatory Framework

The banking sector in India comprises inter alia of scheduled commercial banks (i.e., commercial banks offering universal banking services, including both government-owned banks and private banks, and branches or subsidiaries of foreign banks), cooperative banks, regional rural banks (“RRB”), small finance banks and payments banks.

Indian banking sector is regulated primarily by the Banking Regulation Act 1949 (“BR Act”). Taxation statutes such as the Income Tax Act, labor laws and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, are also applicable. Additionally, the RBI, India’s central bank, issues various circulars, directions, guidelines, notifications, and policies to regulate the banking sector. In addition, the FEMA read along with the extant FDI policy of GoI regulates cross-border exchange transactions by Indian entities, including banks. IDBI Bank is listed on Stock Exchanges in India and therefore, it stands to be also governed by various regulations of the SEBI.

Some key legislations/regulations for banking companies in India include, but not limited to the following, including any amendments thereto:

- (a)** Reserve Bank of India Act, 1934 (“RBI Act”):
- (b)** Banking Regulation Act, 1949 (“BR Act”):
- (c)** Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 (the “Repeal Act”)
- (d)** Foreign Exchange Management Act, 1999 (“FEMA”)
- (e)** Deposits Insurance and Credit Guarantee Corporation Act, 1961 (“DICGC Act”):

- (f)** Banking Ombudsman Scheme, 2006 (the ‘Scheme’)
- (g)** Bankers’ Books Evidence Act, 1891;
- (h)** Prevention of Money Laundering Act, 2002 (“PMLA”)
- (i)** The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”):
- (j)** The Recovery of Debts and Bankruptcy Act, 1993 (“RDB Act”)
- (k)** Insolvency and Bankruptcy Code, 2016 (“IBC”):
- (l)** RBI’s Pre-Packaged Insolvency for MSMEs:
- (m)** Master Regulations and Guidelines of the SEBI
- (n)** RBI’s Prudential framework for resolution of stressed assets
- (o)** RBI’s Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (“IRAC Norms”):
- (p)** RBI directions/guidelines/regulations for Licensing of New Banks and Ownership in Banks(each as amended/supplemented from time to time):

In addition to the indicative list of statutes and regulations as outlined above, the following directions/guidelines/regulations of RBI (each as amended/supplemented from time to time) may, *inter alia*, also be relevant for the purpose of the Transaction:

- Master Direction – Ownership in Private Sector Banks, Directions, 2016;
- Prior approval for acquisition of shares or voting rights in private sector banks: Directions, November 2015;
- Master Direction – Amalgamation of Private Sector Banks, Directions, 2016;
- Guidelines for Licensing of New Banks in the Private Sector, February 22, 2013;
- Guidelines for ‘on tap’ Licensing of Universal Banks in the Private Sector August 1, 2016.

All IPs are expected to seek their specific advice and conduct their independent assessment in relation to the extant conditions/guidelines/laws that apply on the ownership and control of private banks.

PART B – INVITATION FOR EXPRESSION OF INTEREST ('Invitation for EoI')

4. General Instructions

- 4.1** The Expression of Interest, conforming to the conditions of this PIM/Invitation for Expression of Interest shall be submitted along with all Annexures duly filled in, in original and all the supporting documents ('**EoI(s)**'), on or before the scheduled date and time as specified under clause 1.4 of this PIM. The completed forms, Annexures along with all the supporting documents of the EoI, submitted by the Successful Bidder, shall be considered as part of the definitive agreements for the Transaction.
- 4.2** The IPs, if they so desire, may submit the complete EoI in electronic form via email at **in-fmidbibankquery@kpmg.com** with all the requisite documents in PDF format by the EoI Due Date. The PDF files should be password protected and the password should be communicated via separate email at **in-fmidbibankquery@kpmg.com**. IPs submitting EoI by email shall also be required to submit the EoI in a physical copy not later than the date and time as specified in Table 2 under clause 1.4 above. All the documents submitted in the electronic form may be either scanned version of documents with physical signatures or signed digitally using a valid digital signature certificate.
- 4.3** The timelines of the Transaction, as aforesaid, may be changed at the exclusive discretion of GoI and the detailed dates and schedule for subsequent activities for the consummation of the Transaction shall be provided in RFP.
- 4.4** It is clarified that the GoI (*or any other instrumentalities thereof*), LIC, IDBI Bank and the TA shall bear no responsibility for non-receipt of EoIs/any other correspondence sent by post/e-mail/courier/fax by the IPs or for non-receipt of documents sent by post/courier. Pursuant to the submission of EoIs, IPs/QIPs should note that all correspondence, enquiries, and clarifications in relation to the Transaction should be routed and addressed only to the TA. Neither GoI (*or any other instrumentalities thereof*)/ LIC/IDBI Bank shall respond to any query from the IPs/QIPs.
- 4.5** All the EoI(s) shall be valid for 180 (one hundred and eighty) days from the date of opening of the EoI and can be further extended by another 180 (one hundred and eighty) days on intimation to the IPs/QIPs at the discretion of the TA in consultation with GoI.
- 4.6** PIM/Invitation for EoI is available for downloading from websites of DIPAM at www.dipam.gov.in, IDBI Bank at www.idbibank.in, the LIC at www.licindia.in, the TA

at <https://home.kpmg/in/en/home/services/advisory/one-merger-acquisition-m-and-a.html> and the DFS at www.financialservices.gov.in

- 4.7** No IP, whether a sole entity or a Consortium, shall submit more than one EoI. An entity submitting EoI individually or as a member of Consortium shall not be entitled to submit another EoI either individually or as a member of any other Consortium, as the case may be.
- 4.8** The IPs, whether a sole entity or a Consortium, are expected to carry out their own investigations and other examination in relation to the Transaction before submitting the EoIs.
- 4.9** Notwithstanding anything to the contrary contained in this PIM/Invitation for EoI, the detailed terms specified in the definitive agreements shall have the overriding effect; provided, however, that any conditions or obligations imposed on the IP/member of Consortium hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- 4.10** All financial statements or data to be derived therefrom and based on the evaluation of Financial Criteria referred hereinbelow shall mean on a consolidated basis and where consolidated financial statements are not required to be prepared by the entity, such financial statements or data derived therefrom shall mean on a standalone basis.
- 4.11** Any condition or qualification or any other stipulation contained in the EoI shall render the EoI liable to rejection as a non-responsive EoI.
- 4.12** The EoI and all related correspondence and documents in relation to the EoI shall be in English language.
- 4.13** The documents including this PIM/Invitation for EoI and all attached documents are and shall remain or become the properties of GoI and are transmitted to the IPs solely for the purpose of preparation and the submission of an EoI in accordance herewith. IPs are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their EoI.
- 4.14** EoIs shall be opened only after the specified date of submission of EoIs.
- 4.15** EoIs shall be submitted during the working hours (Monday to Friday 10:00 am IST to 5.00 pm IST) on or before scheduled date & time.
- 4.16** The IPs/QIPs shall bear all costs associated with the preparation and submission of the EoI and all costs associated with conducting the due diligence. The TA/GoI

/LIC/IDBI Bank shall not under any circumstances, be responsible or liable for any such costs, whether direct, incidental, or consequential and no cost incurred by the IPs/QIPs in this shall be borne by TA/GoI / LIC/IDBI Bank.

- 4.17 Enquiry:** GoI (*or any other instrumentalities thereof*)/LIC /IDBI Bank/TA reserves the right, in their sole discretion, not to respond to any questions raised or provide clarifications sought, if considered inappropriate or prejudicial to do so or even otherwise. Nothing in this section shall be taken or read as compelling or requiring the GoI (*or any other instrumentalities thereof*)/LIC /IDBI Bank/TA to respond to any question or provide any clarification. No extension of any time and date referred to in this PIM/Invitation for EoI shall be granted on the basis or grounds that GoI (*or any other instrumentalities thereof*)/IDBI Bank/TA has not responded to any question or provided any clarification.
- 4.18 Governing Law/Jurisdiction:** The PIM/Invitation for EoI/Transaction and all matters related thereto shall be governed by the laws of India. All disputes arising out of the PIM/Invitation for EoI/Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi, India.
- 4.19 Amendment to PIM and Invitation for EoI:** At any time prior to the EoI Due Date, GoI may, for any reason, whether at its own initiative or in response to clarifications requested by any IPs, modify the PIM/Invitation for EoI by the issuance of addendum / corrigendum. Any addendum / corrigendum / clarification issued shall be uploaded on websites of DIPAM at www.dipam.gov.in, IDBI Bank at www.idbibank.in, the LIC at www.licindia.in, the TA at <https://home.kpmg/in> and the DFS at www.financialservices.gov.in. In order to afford the IPs a reasonable time for taking an addendum into account, or for any other reason, GoI may, in their sole discretion, extend the EoI Due Date.
- 4.20** Any additional information supplied subsequent to the EoI Due Date, unless the same has been expressly sought for by GoI /TA, shall be disregarded.
- 4.21** Notwithstanding anything contained in this PIM/Invitation for EoI, the GoI / TA reserves the right to reject any or all EoIs on the grounds of national interest, national security, public interest, RBI's 'Fit & Proper' assessment or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection. It is clarified that the GoI / LIC/ TA / RBI shall not, in manner whatsoever, be held accountable or liable for reason of rejection of any EoIs.
- 4.22** The TA/GoI /LIC/IDBI Bank shall not be liable for any omission, mistake, or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the PIM/Invitation for EoI or the bidding process, including

any error or mistake therein or in any information or data given by the TA.

- 4.23** The TA/GoI /LIC/IDBI Bank reserves the right to verify all statements, information and documents submitted by the IPs/ members of Consortium in response to the PIM/Invitation for EoI, or the bidding process and the IPs/ members of Consortium shall, when so required by the GoI /TA, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GoI / TA shall not relieve the IPs/ members of Consortium of its obligations or liabilities hereunder nor will it affect any rights of the GoI thereunder.
- 4.24** The IPs/ members of Consortium may note that the files containing information about IDBI Bank can be in various formats including without limitation, doc, xls, ppt, pdf, jpg, jpeg, zip etc. and it shall be the responsibility of the IPs/members of Consortium to have suitable facilities at their end to download the uploaded files in the Data Room (DR).
- 4.25** The IPs/ members of Consortium shall independently evaluate and ensure that they are permitted to participate in the Transaction pursuant to the applicable laws and to the extent they propose to participate.
- 4.26** Unless otherwise stipulated under this PIM/Invitation for EoI, only IPs/ members of Consortium which are permitted under applicable laws to participate (to the extent of their proposed participation) in the Transaction shall be permitted to submit their EoIs. In case of an EoI submitted by a Consortium, the Lead Member of 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, against any cost, loss or damages incurred/suffered by the TA/GoI /LIC/IDBI Bank and or their respective consultants, agents, officials, advisors, and employees in connection with the Transaction. It is clarified that the liability of the non-Lead Members shall be limited to extent of their proportional contribution in the shareholding of the Consortium at the time of the submission or changes, if any, of the bids at the RFP Stage. It is further clarified that there is no limitation on the liability of the Lead Member.

5. Transaction Process

The following activities envisaged hereunder shall be carried out post submission of EoI as part of the Transaction process:

- (a) **Shortlisting of Qualified Interested Parties (QIPs):** The EoIs submitted by IPs shall be evaluated as per the Eligibility Criteria and the Disqualification Conditions prescribed in this PIM/Invitation for EoI. The decision regarding, shortlisting shall be communicated to the shortlisted IPs in due course.
- (b) **Fit & Proper assessment:** In addition to the Eligibility Criteria and the Disqualification Conditions specified under this PIM/Invitation for EoI and after being shortlisted basis the same, the IPs shall also be subject to a 'Fit and Proper' assessment by RBI at the EoI stage. Only those IPs who satisfy the 'Fit and Proper' assessment by RBI as per the extant guidelines and requirements of RBI, shall be eligible for issuance of the RFP. In addition to the 'Fit & Proper' assessment by RBI at the EoI stage, it is clarified that 'Successful Bidder' would also be subject to the 'Fit & Proper' assessment by RBI.
- (c) **Security Clearances:** The GoI, through MHA, shall also undertake necessary security clearance of such shortlisted IPs, who have qualified the Eligibility Criteria and the Disqualification Conditions specified under this PIM/Invitation for EoI, as per the details and requirements communicated to such IPs, before the DR access for due diligence of IDBI Bank is given to the QIPs.
- (d) **Issuance of the RFP:** The RFP shall be issued only to the QIPs and will be shared with the QIPs only via the Data Room ("DR").
- (e) **Access to DR and Due-diligence:** The QIPs may carry out due-diligence based on information shared in the DR. Any queries or requests for further information shall, at the discretion of TA/GoI /LIC/IDBI Bank, be entertained depending on the nature of information requested.
- (f) **Submission of Financial Bids:** The QIPs shall be required to undergo a bidding process in accordance with the terms of the RFP and submit the financial bid in terms thereof.
- (g) **Setting up of Reserve Price:** The GoI shall set up the reserve price for the

Transaction after the receipt of the financial bids under the RFP, but prior to opening of the financial bids. The reserve price for the Transaction shall be confidential and shall not be disclosed to the QIPs.

- (h) **Bid Evaluation and Government Approval:** GoI shall evaluate the financial bids and approve the successful bidder for the Transaction (“**Successful Bidder**”). On being adjudged as the Successful Bidder, the RBI shall undertake the final assessment of the Successful Bidder on the basis of its ‘Fit & Proper’ assessment and the Successful Bidder will be under an obligation to submit and comply with all the requirements and conditions (and provide all information) as may be indicated by RBI at the time of undertaking the final assessment of the ‘Fit & Proper’ assessment by RBI.
- (i) **Execution of Share Purchase Agreement:** A share purchase agreement and such other definitive documents, as may be required, (“**SPA**”) shall be executed with the Successful Bidder.
- (j) **Approvals of statutory authorities:** All requisite approvals from statutory/regulatory authorities to be obtained by the Successful Bidder as a condition precedent to the consummation of the Transaction, including approvals required for change in control of subsidiaries/JVs/associates of IDBI Bank.
- (k) **Open Offer:** The Successful Bidder is required to make an open offer to public shareholders of IDBI Bank. The Successful Bidder will not be allowed to make the open offer conditional on any minimum level of acceptance. The Successful Bidder will be required to put in escrow, in cash, the entire consideration payable under the open offer assuming full acceptance of the open offer.
- (l) **Payment of Consideration and Transfer of Shares:** The details relating to payment of consideration and transfer of shares will be mentioned in the RFP and will be subject to obtaining all the relevant approvals from statutory/regulatory authorities (including, *inter-alia*, from RBI, SEBI, Competition Commission of India), the payment of consideration and the transfer of shares will be consummated in accordance with Regulation 22(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations**”) and other SEBI guidelines (each as amended/supplemented from time to time).

6. Open Offer Guidelines

IDBI Bank is listed on stock exchanges in India. SEBI is the regulatory body for stock exchanges in India. The acquisition of majority stake by the Successful Bidder in IDBI Bank would need to comply with the Takeover Regulations, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and all other regulations as may be applicable. Accordingly, the Successful Bidder will be required to acquire additional stake from other shareholders *via* open offer as per the Takeover Regulations. Some key aspects of the Takeover Regulations are:

Threshold

- Acquisition of an aggregate of 25% (twenty five percent) or more shares or voting rights in a listed entity would trigger an open offer.
- Acquisition of 'control' would trigger an open offer.

Timeline

The parties to the SPA can complete the share sale/purchase after the expiry of 21 (twenty-one) working days from the detailed public statement (which must be given within 5 (five) days of the public announcement ("PA")). The payment to public shareholders (who tender in the open offer) will be completed within 10 (ten) working days of the expiry of the tendering period.

Escrow

An acquirer needs to put in place an escrow arrangement as prescribed in the Takeover Regulations. The acquirer shall need to put in escrow the entire amount of open offer tender for consummating the Transaction contemplated under the SPA in accordance with Regulation 22(2) of the Takeover Regulations. The arrangement is required to be put in place prior to PA; escrow arrangement would form a key execution step and requires careful planning and preparation.

Corporate governance

The Committee of independent directors of IDBI Bank to consider & give its reasoned recommendations on the open offer. The recommendation to be published at least 2 (two) working days before the commencement of the tendering period. Further, the Successful Bidder must comply with all the applicable laws, including the Takeover Regulations during the entire process.

The above section 6 (Open Offer Guidelines) is merely a basic synopsis of extant Takeover Regulations and should not be construed as an exhaustive description of all the SEBI's guidelines/regulations applicable for the Transaction, and the IPs shall be required to conduct their independent assessment in order to abide by the guidelines/regulations applicable at the time of the open offer.

7. RBI Regulations and Other Requirements

- 7.1** With respect to Transaction, the IPs should take note and ensure compliance of the RBI's Master Directions on Ownership in Private Sector Banks, 2016 (*RBI/DBR/2015-16/24/ Master Direction DBR. PSBD. No. 97/16.13.100/2015-16 Dated May 12, 2016*), as amended from time to time, and the decisions of RBI on the recommendations of the Internal Working Group (IWG), constituted by RBI, to 'Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks', vide RBI's press release dated November 26, 2021.

The IPs are hereby informed that, pursuant to RBI's inherent powers under the aforementioned directions/guidelines/regulations, RBI has agreed to consider the strategic disinvestment of such equity stake in IDBI Bank to the extent as mentioned under clause 1.2 of this PIM/Invitation for EoI, subject to compliance of RBI conditions as amended/supplemented from time to time, and other conditions as specified under this PIM//Invitation for EoI.

Notwithstanding the shareholding that may be permitted by the RBI from time to time, the voting rights shall be limited to the level prescribed by RBI as per the provisions of sub-section 2 of Section 12 of Banking Regulation Act, 1949, as amended/supplemented from time to time. 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.

Provisions of Banking Regulation Act, 1949 qua appointment of directors by shareholders:

The composition of the Board of the IDBI Bank shall comply with the Banking Regulation Act, 1949 (as amended/supplemented from time to time) and the instructions issued by RBI from time to time in this regard.

7.2 Lock-in

- (a)** The Successful Bidder, whether a sole entity or a Consortium, is required to hold and lock-in, either directly or through an Investment Vehicle/NOFHC (as the case may be), at least 40% (forty percent) of the paid up and voting equity share capital of IDBI Bank, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.
- (b)** In the event of IDBI Bank raising further voting equity capital during the first 5 (five) years from the date of acquisition of stake by the Successful Bidder in IDBI Bank, the Successful Bidder/ Investment Vehicle/NOFHC (as the case

may be), should continue to hold 40% (forty percent) of the enhanced voting equity capital of IDBI Bank for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.

- (c) In case of a Consortium being the Successful Bidder and it directly acquires the paid-up voting equity share capital of IDBI Bank, the lock-in requirement for each of the members of the Consortium (including the Lead Member) in IDBI Bank shall be 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, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank. For further understanding, please see *Illustration (i)* below.
- (d) Where the Consortium being the Successful Bidder incorporates an Investment Vehicle (either at its own discretion) or an NOFHC (pursuant to a requirement from RBI under the extant RBI directions/guidelines/regulations (as amended from time to time), the Investment Vehicle or the NOFHC shall hold and lock-in atleast 40% (forty percent) of the paid-up voting equity share capital of IDBI Bank, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.

In case Successful Bidder (whether a sole entity or a Consortium) incorporates an Investment Vehicle (either at its own discretion) or a NOFHC (pursuant to a requirement from RBI under the extant RBI directions/guidelines/regulations, each as amended from time to time), such Successful Bidder (whether a sole entity or a Consortium) shall be required to hold no less than 51% (fifty per cent) of the total voting equity shares of the Investment Vehicle or NOFHC, as the case may be, in accordance with the extant RBI directions/guidelines/regulations, each as amended from time to time.

Where the shareholders of the Investment Vehicle/NOFHC are members of the Consortium, the lock-in requirement for each of the members of the Consortium (including the Lead Member) in the Investment Vehicle/NOFHC shall be in proportion to their respective shareholding in the Investment Vehicle/NOFHC such that such Consortium Members continue to hold atleast 51% (fifty one percent) of the paid-up voting equity share capital of the Investment Vehicle/NOFHC, in accordance with the extant RBI directions/guidelines/regulations (each as amended from time to time), from the date of acquisition of stake in IDBI Bank. For further understanding, please see *Illustration (ii)* below.

Illustration:

- (i) *Where a Consortium constitutes 3 (three) members having participating interest in the proportion of 40:30:30 in the Consortium, they shall respectively acquire 24% (Lead Member), 18% (Consortium Member) and 18% (Consortium Member) of the paid up and voting equity share capital of IDBI Bank (assuming the Transaction size of 60% stake in IDBI Bank). Accordingly, the members of the Consortium shall respectively be required to hold and lock-in atleast 16% (40% participating interest of 40% equity stake), 12% (30% participating interest of 40% equity stake), and 12% (30% participating interest of 40% equity stake), at all times for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.*
- (ii) *Where a Consortium constitutes 3 (three) members having shareholding interest in the proportion of 40:30:30 in the Investment Vehicle/NOFHC, then Investment Vehicle/NOFHC shall hold and lock-in atleast 40% (forty percent) of the paid-up voting equity share capital of IDBI Bank, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank. With respect to the shareholding of the Consortium members in the Investment Vehicle/NOFHC, the members of the Consortium shall respectively be required to hold and lock-in atleast 20.4% (40% shareholding of 51% equity stake of IV/NOFHC), 15.3 % (30% shareholding of 51% equity stake of IV/NOFHC), and 15.3% 40% shareholding of 51% equity stake of IV/NOFHC), in accordance with the extant RBI directions/guidelines/regulations, each as amended from time to time.*

7.3 Promoter Holding and Dilution

Subject to compliance with the applicable laws and regulations, the Successful Bidder will be required to reduce/dilute its shareholding in accordance with the glide-path to be submitted by the QIPs at the RFP stage to align its shareholding in accordance with the '*Master Directions on Ownership in Private Sector Banks, 2016*'.

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 limit in long run. Accordingly, the QIPs will be required to submit a 'glide-path' to align its shareholding with the extant RBI directions/guidelines/regulations, each as amended from time to time.

7.4 Group Entities and NOFHC

Non-Operative Financial Holding Company (“**NOFHC**”) is mandatory only in cases where the promoting entities/converting entities have other group entities. In the event the Successful Bidder has group entities and if required by RBI, the Successful Bidder has to establish NOFHC as is required for persons granted banking license under the ‘Guidelines for ‘On tap’ Licensing of Universal Banks in the Private Sector’ on August 1, 2016’ (as amended from time to time).

7.5 Other Requirements

Other than the regulatory lock-in period of 5 (five) years as per the extant RBI directions/guidelines/regulations (each as amended from time to time) and as prescribed under clause 7.2 above, the Successful Bidder would be required to undertake certain obligations relating to certain matters, such as, requirement to adhere to the glide-path in relation to reduction in its shareholding in IDBI Bank pursuant to the ‘*Master Directions on Ownership in Private Sector Banks, 2016*’ (as amended from time to time) requirement to meet the minimum public shareholding (“**MPS**”) in accordance with the SEBI Regulations irrespective of whether the shares held by GoI are re-classified as public shareholding in IDBI Bank, employee protection, asset stripping, business continuity, lock-in of the shares acquired in IDBI Bank, and/or shareholding of members of Consortium.

These conditions, and those relating to the respective responsibilities and liabilities of the Successful Bidder and the members of Consortium (if any), shall be set out in detail in the RFP / SPA, as the case may be.

For abundant clarity it is hereby clarified that the above section (RBI Regulations & Other Requirements) is merely a basic synopsis of a few of the extant RBI directions/guidelines/regulations and should not be construed as an exhaustive description of all the RBI’s directions/guidelines/regulations applicable for the Transaction, and the IPs shall be required to conduct their independent assessment in order to abide by the applicable directions/guidelines/regulations/conditions of RBI and other regulators. All IPs are required to seek their specific advice and conduct their independent assessment in relation to the extant directions/conditions/guidelines/laws and regulations that apply on the ownership and control of private banks.

7.6 Existing and Continuing Obligations

In addition, the Successful Bidder shall ensure due compliance and satisfaction of all the conditions/directions/guidelines/regulations stipulated by RBI, as amended/supplemented from time to time, in relation to the consummation of the Transaction.

8. FDI Policy

As per the extant Consolidated FDI policy, the aggregate foreign investment in a private bank from all sources is allowed up to a maximum of 74% (seventy four percent) through the 'approval route', and 49% (forty nine percent) under the 'automatic route'. At all times, at least 26% (twenty-six per cent) of the paid-up capital of the bank is required to be held by residents, except in regard to a wholly owned subsidiary of a foreign bank. The price at which the equity shares of IDBI Bank can be transferred to a person resident outside India shall not be less than the price worked out in accordance with the SEBI guidelines.

The Constitution Criteria (*defined below*) of the IPs shall also be subject to the origin country of the IPs in the context of Press Note 3 date 17th April 2020 issued by Department for Promotion of Industry and Internal Trade (“**DPIIT**”) and shall be subject to approval of the GoI and such other stipulations as may be notified from time to time by the GoI.

All IPs are required to seek their specific advice in relation to pricing restrictions applicable on IPs who are persons resident outside India.

9. Information for Interested Parties

9.1 Eligibility Criteria

This section deals with eligibility criteria for IPs which comprises of **(i)** Constitution criteria; and **(ii)** Financial Criteria, besides being in compliance with RBI's 'Fit & Proper' assessment and the extant directions/guidelines/regulations of RBI, SEBI, GoI and other applicable laws, each as amended from time to time (the “**Eligibility Criteria**”).

9.1.1 Constitution Criteria

The IPs are allowed to submit their EoIs and participate in the bidding process for the Transaction, either individually or as a part of the Consortium, which are:

- (a) Private-sector Banking companies** (as defined under the Banking Regulations Act, 1949) which are listed; or
- (b) the Foreign banks;** or
- (c) Non-banking Financial Companies,** registered with RBI (NBFCs); or
- (d) An entity which is registered with SEBI as an Alternative Investment Fund (AIF)** under the extant SEBI regulations; or
- (e) a fund/investment vehicle incorporated outside India,**

subject to the RBI's directions/guidelines/regulations (as amended from time to time) and approvals/directions of RBI, the 'Fit & Proper' assessment by RBI, and after obtaining all statutory approvals from GoI/DPIIT/RBI etc. by themselves, are eligible to bid either as a sole IP or as part of a Consortium.

It is clarified that as per the extant Foreign Exchange Management Act (Non-Debt Instruments) Rules, 2019, a 'Foreign bank' may operate in India through **only one** of the following 3 (three) channels:

- (i)** branches;
- (ii)** a wholly-owned subsidiary; or
- (iii)** a subsidiary with aggregate foreign investment of upto a maximum of 74% (seventy-four percent) in a private bank.

It is hereby clarified that large industrial/corporate houses and individuals (natural persons) shall not be permitted to participate in this bidding process for the Transaction, either on its own or as a part of a Consortium.

For the purposes of this PIM/Invitation for EoI, the expression '**large industrial/corporate houses**' shall mean an industrial/corporate group with assets of INR 5,000 crore or more with the non-financial business of the group accounting for 40% (forty per cent) or more in terms of total assets / in terms of gross income, will be treated as a large industrial house. In taking a view on whether the IP, either as promoters or investors, belong to a large industrial house or to a company connected to a large industrial house, the decision of the RBI will be final.

The aforesaid requirements shall collectively be referred to as the "**Constitution Criteria**".

It is clarified that the Constitution Criteria of the IPs shall also be subject to the origin country of the IPs in the context of Press Note 3 dated April 17, 2020 issued by DPIIT and shall be subject to approval of GoI and such other stipulations as may be notified from time to time.

Notwithstanding anything stated above in this clause 9.1.1, it is clarified that:

- (i) the selection of QIPs and the amount of equity stake that such entities would be permitted to acquire over and above the thresholds specified under clause 7 above, will be at the sole discretion of RBI and subject to such conditions as may be imposed by RBI, along with the QIPs clearing the 'Fit & Proper' assessment by RBI; and
- (ii) large industrial/corporate houses will not be permitted to participate in this bidding process for the Transaction, either on its own or as a part of a Consortium;
and
- (iii) natural persons/individuals shall not be permitted to participate in the bidding process for the Transaction, either on its own or as a part of a Consortium.

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*' dated February 22,

2013 and 'Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector' on August 1, 2016 (as amended from time to time), towards consummation of the Transaction.

Unless otherwise required by RBI, in the event the Successful Bidder is a Consortium, the Consortium may, at its discretion, incorporate an investment vehicle, either in India or overseas (the '**Investment Vehicle**') for the purposes of consummation of the Transaction. It is clarified that the Investment Vehicle, so incorporated by the Successful Bidder, would be subject to the GoI's Security clearance, the assessment by RBI on its 'Fit & Proper' assessment.

9.1.2 Financial Criteria

For submitting the EoI and for being considered for the RFP Stage of the Transaction, the IPs shall satisfy the following financial Eligibility Criteria (the "**Financial Criteria**"):

- (a) **Net Worth***: A minimum Net Worth of INR 22,500 crore (Rupees Twenty Two thousand Five hundred crore) [or USD 2.85 billion assuming 1USD = INR 79.00] as per latest audited financial statement.

The Net Worth criteria may be satisfied either by the IP or by the entity into which the accounts of the IP are consolidated. The net worth shall be assessed on the basis of independent Chartered Accountant's / Statutory Auditor's certificate not older than 3 (three) months from the date of issuance/publication of the PIM/Invitation for EoI.

**Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation. For Limited Liability Partnerships (LLPs), Net Worth shall mean aggregate value of the partner contribution and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of the revaluation of assets, write back of depreciation and amalgamation. In case of a fund, the net worth shall be considered as 0.25 (zero decimal two five) times of assets under*

management or 100% (one hundred percent) of ‘available capital for investment’.

The expression ‘available capital for investment’ shall in case of funds, mean on the basis of minimum investible funds (i.e., immediately available funds for investment and callable capital) subject to the limits of investment in a single investee entity in the relevant jurisdiction for a Foreign Investment Fund, or the maximum permissible investment limit for an AIF (as per SEBI (Alternative Investment Funds Regulations, 2012), as applicable.

The calculation of Net Worth shall be based on the latest audited financial statements of an IP (and/or its parent entities, as the case maybe) which shall not be as of a date earlier than March 31, 2022 (for Indian IPs or their Indian Consortium members) and December 31, 2021 (for foreign IPs or their foreign Consortium members). In case the latest audited annual accounts of an IP (and/or its parent entities, as the case maybe) are not available or if the IP is not required to audit its financial statements, then the IP shall submit a certificate from its statutory auditor (and/or of its parent entities, as the case maybe)/independent chartered accountant certifying the Net Worth as of a date not earlier than March 31, 2022 or December 31, 2021, as the case may be, along with the methodology used for calculating such Net Worth.

In respect of funds (domestic or incorporated outside India), a certificate from Statutory Auditor/independent chartered accountant certifying assets under management or the available capital for investment shall be submitted. Where the financial statements are expressed in a currency other than USD, the eligible amount as described above shall be computed by taking the equivalent USD at the exchange rates (reference rate as published by Financial Benchmarks India Private Limited or any other authentic data source) prevailing on July 31, 2022.

- (b) Profit & Loss:** An IP, which is required to prepare a profit & loss account, must have reported profits (profit after tax) in at least 3 (three) out of the last 5 (five) financial years. In the event that the IP is a sole bidder and has come into existence as a result of a merger/ demerger/ amalgamation of 2 (two) or more entities, the sum of the profit after tax of such entities should be positive in 3 (three) out of the last 5 (five) financial years. If the IP is a Consortium, the lead member must have profits (after tax) in at least 3 (three) out of the last 5 (five) financial years.

9.2 Consortium Requirements

An IP may submit its EoI as a sole bidder or as a part of the consortium. In case of consortium, there should be 1 (one) Lead Member and the consortium must satisfy the following conditions:

- (a) The maximum number of members, including the lead member, in a consortium should be 4 (four).
- (b) In a consortium, each consortium member (including the Lead Member) must have a minimum Net Worth which is atleast equal to their respective shareholding percentage/participating interest in the Consortium assuming a conversion rate of 1USD = INR 79.00 and aggregate Net Worth of each consortium member should meet the Net Worth requirements stipulated under clause 9.1.2 to qualify the Constitution criteria.

The Consortium should appoint one of its members as its lead member (the “**Lead Member**”). The Lead Member of Consortium should have a minimum shareholding percentage/participating interest of 40% (forty percent) in the Consortium. No member of Consortium, who is not a Lead Member, should have a contribution less than 10% (ten percent) shareholding percentage/participating interest. It is clarified that each consortium member (including the Lead Member) must have a minimum Net Worth which is atleast equal to their respective shareholding percentage/participating interest in the Consortium, with the Lead Member minimum equity contribution being 40% (forty percent) and other Consortium member minimum equity contribution being 10% (ten percent), in the Consortium.

A member of Consortium and its Associate Companies, other than the Lead Member, should not have a shareholding, in the aggregate, equal to or greater than the Lead Member.

- (c) The Net Worth of the members of the Consortium should satisfy the minimum Net Worth criteria in proportion to its participating interest in the Consortium. The combined / cumulative Net Worth of the Consortium should meet the minimum Net Worth criteria mentioned in clause 9.1.2 above, calculated as follows:

Net Worth of the Consortium = [(Shareholding percentage/participative interest of the Lead Member in the Consortium × Net Worth of the Lead Member) + (Shareholding percentage/participative interest of the Member 2 in the

Consortium × Net Worth of the Member 2) + (Shareholding percentage/participative interest of the Member 3 in the Consortium × Net Worth of the Member 3) + (Shareholding percentage/participative interest of the Member 4 in the Consortium × Net Worth of the Member 4)]

- (d) The Net Worth of the Lead Member and the other Consortium Member should satisfy the minimum Net Worth criteria as per clause 9.1.2 in proportion to its participating interest/shareholding percentage in the Consortium and shall be tested as follows:

Lead Member:

[(Net worth of Lead Member)] should be greater than or equal to [(minimum NetWorth as per clause 9.1.2) × (%age shareholding of Lead Member in the consortium)].

Consortium Member:

[(Net worth of the Consortium Member)] should be greater than or equal to [(minimum Net Worth as per clause 9.1.2) × (%age shareholding of Consortium Member in the consortium)].

It is clarified that all members of the Consortium (including the Lead Member) shall have a minimum net worth which is at least equal to their respective shareholding percentage/participating interest in the consortium as percentage of the minimum Net Worth criteria mentioned in the clause 9.1.2.

For example: If a member of Consortium has 10% (ten percent) shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to: Rs 2,250 crore (i.e., 10% (ten percent) of INR 22,500 crore). If a member of Consortium has 40% (forty percent) shareholding in the consortium, it is required to have a minimum Net worth which is at least equal to: Rs 9,000 crore (i.e., 40% (forty percent) of INR 22,500 crore).

- (e) In case a Consortium is shortlisted in EoI process and subsequently selected as the Successful Bidder, it may, unless required by RBI to incorporate a NOFHC, incorporate an Investment Vehicle at its discretion. It is clarified that the Investment Vehicle/NOFHC, so incorporated by the Successful Bidder, would be subject to the GoI's Security clearance, the assessment by RBI on its 'Fit & Proper' assessment.

The shareholding of the members of Consortium in the Investment Vehicle shall be same as the participating interest of the members in the Consortium. The Lead Member shall be the largest shareholder of such Investment Vehicle with a minimum 40% (forty percent) shareholding.

It is clarified that in case any member of Consortium has other group entities, such consortium on being adjudged as the Successful Bidder will, if required by extant RBI directions/guidelines/regulations, establish a NOFHC in accordance with the '*Guidelines for Licensing of New Banks in the Private Sector*' dated February 22, 2013 and '*Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector*' on August 1, 2016 (each as amended from time to time), towards consummation of the Transaction.

The requirements towards shareholding and lock-in of the equity stake of the Consortium members in the IDBI Bank and/or the Investment Vehicle/NOFHC is prescribed under clause 7.2 of this PIM.

- (f)** The Lead Member of Consortium shall be jointly and severally responsible and liable for the Consortium to fulfill all of its obligations in respect of the EOI and, on being adjudged as the Successful Bidder, to consummate the Transaction. It is clarified that the liability of the non-Lead Members shall be limited to extent of their proportional contribution in the shareholding of the Consortium at the time of the EoI submission or changes, if any, of the bids at RFP stage. It is further clarified that there is no limitation on the liability of the Lead Member.
- (g)** The Lead Member cannot be changed during the course of the bidding process/Transaction.
- (h)** A member of Consortium cannot participate simultaneously as a part of another consortium or as a sole bidder.
- (i)** Any change in the Consortium shall not be permitted during the bidding process; save and except in case of such change in the Consortium being in compliance of the following conditions:

 - (i)** Change may include 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);
 - (ii)** A one-time change to the Consortium may be permitted up to period of 60 (sixty) days from the IPs being shortlisted and declared as a

QIP or such other extended period as may be permitted at the exclusive discretion of the GoI. This shall include permitting of 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) In case where 2 (two) sole bidders have been qualified based on the EoI submitted by each of the sole bidders, the formation of a Consortium by the sole bidders shall not be permitted. Similarly, in case two consortiums are qualified based on the EoI submitted, then consolidation into a single Consortium shall not be permitted.
- (iv) The IPs shall have to apply for such change in the Consortium to the TA. The GoI may grant approval to such a change, subject to the new proposed consortium member meeting the Eligibility Criteria and the Disqualification Conditions and the following:
 - (1) The change shall be permitted only once per Consortium;
 - (2) No change in Lead Member shall be allowed;
 - (3) Migration from one Consortium to another shall not be permitted.

9.3 Instructions for Submission of EoI

The IPs seeking to acquire stakes in public sector enterprises through the process of disinvestment issued by DIPAM are requested to refer to the guidelines for qualification of bidders as more particularly set out in the Annexures.

- (a) This PIM/Invitation for EoI along with annexures will be uploaded on the following website(s):

www.idbibank.in
www.dipam.gov.in
www.licindia.in
www.financialservices.gov.in
<https://home.kpmg/in>

Following the receipt of PIM/Invitation for EoI, the IPs are required to respond in the format as detailed in this PIM/Invitation for EoI.

- (b) The modalities related to facilities visits and due diligence will be communicated only to the QIPs in due course after shortlisting of the IPs as per this PIM/Invitation for EoI.

- (c)** The IPs/QIPs shall carry out their own due diligence, surveys, investigations, examination, independent assessment, and appraisal of IDBI Bank (along with its subsidiaries, associates, and joint ventures) and the Transaction before submitting the EoI. The GoI/LIC/IDBI Bank/TA or their respective consultants, agents, officials, advisors, and employees make no representations, in relation thereto, and shall not be liable in any manner whatsoever. The IPs/QIPs shall bear all costs associated with the due diligence, preparation, and submission of the EoI. IDBI Bank, GoI, LIC and/or TA shall not, under any circumstances be responsible, or liable for any such costs, whether direct, incidental, or consequential.
- (d)** The IPs shall have satisfied themselves of their queries before participating in the Transaction. GoI, LIC, TA and IDBI Bank reserve the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this PIM/Invitation for EoI shall be taken or read as compelling or requiring the GoI, LIC, TA and/or IDBI Bank to respond to any question or to provide any clarification. No extension of any time and date referred to in this PIM/Invitation for EoI shall be granted on the basis or grounds that the GoI, LIC or TA or IDBI Bank have not responded to any question / provided any clarification.
- (e)** The details regarding the Transaction process post short-listing based on the EoIs submitted will be subsequently shared with the QIPs in the RFP.
- (f)** The EoIs are liable to be rejected by GoI/TA if the IPs fail to meet the Eligibility Criteria and/or are disqualified in accordance with the Disqualification Conditions in this PIM/Invitation for EoI or if the IPs equity structure is not in accordance with the RBI's directions/guidelines/regulations (as amended from time to time) or for any other reason deemed fit in the sole opinion of the GoI, or even without communicating any reason whatsoever.
- (g)** In case an IP is satisfying the Eligibility Criteria based on the Net Worth of the entity into which the accounts of the IP are consolidated, the Eligibility Criteria and Disqualification Conditions shall also be applicable to such entity apart from the IP, and such entity shall also provide all the declarations in the formats required as part of EoI.
- (h)** GoI reserves the right to withdraw, cancel, defer, from the Transaction, to accept or reject any or all EoIs at any stage of the Transaction and/modify the process or any part thereof or to vary any terms at any time without communicating any reason whatsoever. In such an event, no financial

obligation whatsoever shall accrue to GoI, LIC, IDBI Bank, the TA or any of their respective officers, employees, advisors, or agents.

- (i) At any time prior to the EoI Due Date, GoI may, for any reason, whether at its own initiative or in response to clarifications requested by any IP, modify the Invitation for EoI by the issuance of addendum.
- (j) The GoI reserves the right to additionally seek any documents, information, indemnities, warranties, representations, or performance obligations from the IPs/QIPs or any of their related entities to GoI's sole satisfaction without any liability to the TA, GoI, LIC and IDBI Bank.
- (k) The IP/QIPs shall provide all the information sought in this Invitation for EoI or as requested during the bidding process. The TA may evaluate only those EoIs that are received in the required formats and complete in all respects. The EoI shall be typed and signed in indelible blue ink by the authorized signatory of the IPs. The IPs shall submit the EoI by mentioning the page number on each document and to be submitted in sequence specified in clause 10 below. The EoI and all related correspondence and documents in relation to the EoI shall be in English language. All the alterations, omissions, additions, or any other amendments made to the EoI shall be initialed by the person(s) signing the EoI.

9.4 Merger/Amalgamation facilitation

- (a) The amalgamation of 2 (two) banking companies is governed by the provisions of the Banking Regulation Act, 1949, as amended from time to time.
- (b) The amalgamation process of an NBFC and a banking company is governed by the provisions of the Companies Act, 2013. The operational directions for amalgamation involving a banking company are prescribed under the Master Directions on 'Amalgamation of Private Sector Banks' dated April 21, 2016, as amended from time to time.

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.

10. Documents comprising the EoI

- 10.1** The IP shall submit the EoI in hard bound in 2 (two) copies – one original and one duplicate. The IP shall also submit a copy of complete EoI in electronic form (soft copy) in a pen drive. The EoI must be signed by a duly authorized representative of the IP. The IP shall also be required to submit a Power of Attorney (in the form enclosed in **Annexure VI**) authorizing the signatory of the EoI to commit the IP.
- 10.2** The IPs, if they so desire, may submit the complete EoI in electronic form via email at **in-fmidbibankquery@kpmg.com** with all the requisite documents in PDF format by the EoI Due Date. The PDF files should be password protected and the password should be communicated via separate email at **in-fmidbibankquery@kpmg.com**. The IPs submitting EoI by email shall also be required to submit the EoI in a physical copy along with soft copy in a pen drive not later than the date and time as specified in Table 2 under clause 1.4 of this PIM/Invitation for EoI. All the documents submitted in the electronic form may be either scanned version of documents with physical signatures or signed digitally using a valid digital signature certificate.

Explanation – For the avoidance of doubt, it is clarified that the Power of Attorney cannot be digitally signed, even if the EoI is submitted in an electronic form, which must be physically signed, witnessed, notarized and legalized/apostilled (as required), as per the procedure specified in the PIM/Invitation for EoI. Such signed Power of Attorney may then be scanned and e-mailed. EoIs submitted electronically shall only be evaluated upon receiving the hard copies on or before the date and time as specified in Table 2 under clause 1.4 of this PIM/Invitation for EoI. Pursuant to the submission of EoI, IPs should note that all correspondence, enquiries, and clarifications in relation to the Transaction should be routed and addressed only to the TA. Neither GoI (or any other instrumentalities thereof) nor LIC nor IDBI Bank shall respond to any query from the IPs. Submission of the aforesaid documents by any other means including any other electronic means and/or facsimile will not be accepted.

- 10.3** The contents of EoI shall be as under:

Sr. No.	Documents
1.	Annexure I (A)- Expression of Interest from Sole IP
2.	Annexure I (B)- Expression of Interest from Consortium
3.	Form A to Annexure I(A) / I(B)

Sr. No.	Documents
4.	Annexure II (A)- Authorization from IP submitting as a Sole IP
5.	Annexure II (B)- Authorization from IP submitting as a Consortium
6.	Annexure III- Affidavit for Certification of Documents
7.	Annexure IV- Declaration
8.	Annexure V- Deed of Confidentiality Undertaking
9.	Annexure VI – Power of Attorney for the Lead Member of the Consortium
10.	Annexure VII- Consortium Agreement
11.	Annexure VIII – Formats for application of Security Clearance
12.	Annexure IX – Declaration/ disclosure on order/ pending investigation /proceedings by any Court/ regulatory authority/SFIO/ NCLT/ NCLAT
A.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that IP/each member of Consortium is eligible to participate in the proposed sale in terms of its Memorandum and Articles of Association/(name of Document of Constitution as may be applicable). (Specific provision may be reproduced in certificate).
B.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IP/each member of Consortium] is eligible to participate in the proposed sale and is not disqualified in terms of the Disqualification Conditions set out under this PIM/Invitation for EoI.
C.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for shareholding pattern and compliance with the RBI guidelines (as amended from time to time) with respect to the equity structure of the IPs.
D.	Statutory auditor's certificate certifying the Net Worth, as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the latest audited annual accounts of an IP are not available then the IP shall submit a certificate from its statutory auditor certifying the Net Worth along with the methodology used for calculating such Net Worth.
E.	A certified true copy of Memorandum of association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business for the Sole IP and each member of Consortium.

10.4 Fit & Proper Assessment

- (a) In addition to the EoI documents, the IP shall also be required to submit information and documents relating to 'Fit & Proper' assessment by RBI, an illustrative criteria for determination which may be referred to under the RBI's Master Directions on 'Prior Approval for Acquisition of Shares or Voting Rights in Private Sector Banks' dated November 19, 2015, as amended from time to time ("**F&P Assessment Documents**"), in hard and soft copies along with the submission of the EoI in a separate sealed envelope. In case the IP is a Consortium, the IP shall submit F&P Assessment Documents for each member of the Consortium in accordance with the requirements and stipulations specified under the RBI's "Master Directions on Prior Approval for Acquisition of Shares and Voting Rights in Private Sector Banks: Directions, 2015 dated November 19, 2015", as amended from time to time.
- (b) It is clarified that the sealed envelopes containing F&P Assessment Documents shall be shared by the TA with DIPAM which shall directly submit the same to the RBI, without opening the same and the IPs shall be under an obligation to appropriately respond to any further clarification / documentation that RBI may require in this respect. The process for submission of F&P Assessment Documents shall be as follows:
 - (i) the TA will share the 3 (three) envelopes received from the IPs after initial shortlisting as per the Eligibility Criteria in a single sealed envelope to DIPAM, without specifying any identification of the IPs and superscribed as "***Private and Confidential – F&P Assessment Documents for strategic disinvestment along with transfer of management control of IDBI Bank Limited***";
 - (ii) DIPAM shall forward the said single sealed envelope received from the TA to RBI for undertaking the 'Fit & Proper' assessment;
 - (iii) The TA shall assign a specific code to each of such IPs, such that their identification is masked from DIPAM during the 'Fit & Proper' assessment by RBI.
- (c) Any failure to submit the complete information / documents for the 'Fit & Proper' assessment by RBI or failure to appropriately reply to further information / documents requisitions by RBI in a timely manner shall result in dis-qualification of such IP.
- (d) It is further clarified that the IPs are not permitted to share the F&P

Assessment Documents via email.

- (e) It is further clarified that any change/modification in the respect of the facts or contents mentioned under the F&P Assessment Documents, till the consummation of the Transaction, shall be forthwith brought to the notice of TA/DIPAM and all documents in respect of such change/modification shall be submitted by such IPs for re-assessment of such F&P Assessment Documents and 'Fit and Proper' assessment by RBI.

10.5 Security Clearance

- (a) In addition to the EoI documents and F&P Assessment Documents, the IP shall also be required to submit information and documents relating to screening by GoI for security clearance, the list, mechanism, and other requisite details thereof, which is enclosed herewith as **Annexure VIII** hereto ("**Security Clearance Documents**") in hard and soft copies along with the submission of the EoI and F&P Assessment Documents, in a separate sealed envelope. In case the IP is a Consortium, the IP shall submit Security Clearance Documents for each member of the Consortium in accordance with the requirements and stipulations specified by GoI.
- (b) It is clarified that the sealed envelopes containing Security Clearance Documents shall be shared by the TA with DIPAM which shall directly submit the same to the MHA, without opening the same and the IPs shall be under an obligation to appropriately respond to any further clarification / documentation that MHA may require in this respect. The process for submission of Security Clearance Documents shall be as follows:
 - (i) the TA will share the 3 (three) envelopes received from the IPs after initial shortlisting as per the Eligibility Criteria in a single sealed envelope to DIPAM, without specifying any identification of the IPs and superscribed as "***Private and Confidential - Security Clearance Documents for strategic disinvestment along with transfer of management control of IDBI Bank Limited***";
 - (ii) DIPAM shall forward the said single sealed envelope received from the TA to MHA for undertaking the Security clearance screening;
 - (iii) The TA shall assign a specific code to each of such IPs, such that their identification is masked from DIPAM during the Security clearance screening.

- (c) Any failure to submit the complete information / documents for the Security clearance screening by GoI/MHA or failure to appropriately reply to further information / documents requisitions by GoI/MHA in a timely manner shall result in dis-qualification of such IP.
- (d) It is further clarified that the IPs are not permitted to share the Security Clearance Documents via email.
- (e) It is further clarified that any change/modification in the respect of the facts or contents mentioned under the Security Clearance Documents, till the consummation of the Transaction, shall be forthwith brought to the notice of TA/DIPAM and all documents in respect of such change/modification shall be submitted by such IPs for re-assessment of such Security Clearance Documents by GoI/MHA.

10.6 Submission of EoI

- (i) Two sets of all the documents listed in this PIM/Invitation for EoI should be submitted on or before the EoI Due Date to the TA in 2 (two) separate sealed envelopes in the following manner:
 - **Envelope 1:** Envelope 1 should contain all the originals of the signed documents (enlisted above) and should be sealed and duly superscribed as “***Private and Confidential – Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited - Original***”.
 - **Envelope 2:** Envelope 2 should contain a copy of all the original signed documents (enlisted above) and should be sealed and duly superscribed as “***Private and Confidential – Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited - Copy***”.

Both the envelopes shall clearly indicate the name, address, and contact details (Email & Phone number) of the IP. In addition, the EoI Due Date should be indicated on the right-hand top corner of all the 3 (three) envelopes forming part of the EoI submission.

- **Envelope 3:** Envelope 1 and Envelope 2 along with encrypted and password protected pen drive containing the electronic/scanned copy of documents contained therein shall then be placed in a third envelope,

which shall be sealed and duly superscribed as “***Private and Confidential – Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited – Electronic Copy***” and shall clearly indicate the name and address and contact details (Email & Phone number) of the IP. The password should be communicated via separate email at **in-fmidbibankquery@kpmg.com**.

- (ii) The envelope shall be addressed to the following and shall be submitted at the address below:

Mr. Hitesh Sachdeva
KPMG India Private Limited,
Building No. 10B, 8th Floor,
DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India

- (iii) If the envelope is not sealed and marked as prescribed above, the GoI / TA assumes no responsibility for the misplacement or premature opening of the contents of the EoI submitted and consequent losses, if any, suffered by the IPs. Any submission made shall be rejected if it is not marked as per the instructions mentioned in this PIM/Invitation for EoI.
- (iv) EoI submitted by fax or telex shall not be entertained and shall be summarily rejected. The IPs submitting EoI by email shall also be required to submit the EoI in a physical and electronic copy not later than the date and time as specified in Table 2 under clause 1.4 of this PIM/Invitation for EoI.
- (v) All enquiries related to the Transaction should be addressed to the representative of TA mentioned above.

10.7 Submission of F&P Assessment Documents

- (i) 2 (two) sets of all the documents listed in the RBI’s Master Directions on ‘Prior Approval for Acquisition of Shares and Voting Rights in Private Sector Banks Directions, 2015 dated November 19, 2015, as amended from time to time, along with an application to RBI to acquire more than 5% (five percent) or more of the paid-up share capital or voting rights in a banking company in terms of the RBI’s directions - ‘*Prior Approval for Acquisition of Shares or Voting Rights in Private Sector Banks: Directions, 2015*’ (as amended from time to time) should be submitted on or before the EoI Due Date to the TA in 2 (two) separate sealed envelopes in the following manner:

- **Envelope 1:** Envelope 1 should contain all the originally signed documents (enlisted above) and should be sealed and duly superscribed as “***Private and Confidential – F&P Assessment Documents in relation to the Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited - Original***”.
- **Envelope 2:** Envelope 2 should contain a copy of all the originally signed documents (as listed above) and should be sealed and duly superscribed as “***Private and Confidential – F&P Assessment Documents in relation to the Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited - Copy***”.

Both the envelopes shall clearly indicate the name and address and contact details (Email & Phone number) of the IP. In addition, the EoI Due Date should be indicated on the right hand top corner of the envelope.

- **Envelope 3:** Envelope 1 and Envelope 2 along with pen drive containing the electronic/scanned copy of documents contained therein shall then be placed in a third envelope, which shall be sealed and duly superscribed as “***Private and Confidential – F&P Assessment Documents in relation to the Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited***” and shall clearly indicate the name and address of the IP.
- (ii) The envelope shall be addressed to the following and shall be submitted at the address below:

Mr. Hitesh Sachdeva
KPMG India Private Limited,
 Building No. 10B, 8th Floor,
 DLF Cyber City, Phase II,
 Gurugram, Haryana - 122 002, India

- (iii) If the envelope is not sealed and marked as instructed above, the GoI / RBI / TA assumes no responsibility for the misplacement or premature opening of the contents of the EoI submitted and consequent losses, if any, suffered by

IPs. Any submission made shall be rejected if it is not marked as per the instructions mentioned in this PIM/Invitation for EoI.

- (iv) The F&P Assessment Documents submitted by fax, telex or email shall not be entertained and shall be summarily rejected. Notwithstanding, the RBI can also independently seek any clarification/information/documents directly from the IPs/Successful Bidder through email communication, as it may deem fit, for 'Fit & Proper' assessment by RBI.
- (v) The F&P Assessment Documents of only those IPs shall be submitted to RBI who have been shortlisted on the Eligibility Criteria and the Consortium Requirements, as mentioned under Clause 9.1 and Clause 9.2 respectively of this PIM/Invitation to EoI.
- (vi) It is further clarified that as per the extant RBI directions/guidelines/regulations (as amended from time to time), the RBI can seek any inputs from the Board of IDBI Bank for 'Fit & Proper' assessment by RBI.

10.8 Submission of Security Clearance Documents

- (i) 2 (two) sets of all the documents listed in **Annexure VIII** hereto should be submitted on or before the EoI Due Date to the TA in 2 (two) separate sealed envelopes in the following manner:
 - **Envelope 1:** Envelope 1 should contain all the originally signed documents (enlisted above) and should be sealed and duly superscribed as ***“Private and Confidential – Security Clearance Documents in relation to the Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited - Original”***.
 - **Envelope 2:** Envelope 2 should contain a copy of all the originally signed documents (as listed above) and should be sealed and duly superscribed as ***“Private and Confidential – Security Clearance Documents in relation to the Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited - Copy”***.

Both the envelopes shall clearly indicate the name and address and contact details (Email & Phone number) of the IP. In addition, the EoI Due Date should be indicated on the right hand top corner of the

envelope.

- **Envelope 3:** Envelope 1 and Envelope 2 along with pen drive containing the electronic/scanned copy of documents contained therein shall then be placed in a third envelope, which shall be sealed and duly superscribed as “***Private and Confidential – Security Clearance Documents in relation to the Expression of Interest for the strategic disinvestment along with transfer of management control of IDBI Bank Limited***” and shall clearly indicate the name and address of the IP.
- (ii) The envelope shall be addressed to the following and shall be submitted at the address below:
- Mr. Hitesh Sachdeva
KPMG India Private Limited,
Building No. 10B, 8th Floor,
DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India
- (iii) If the envelope is not sealed and marked as instructed above, the GoI / MHA/ TA assumes no responsibility for the misplacement or premature opening of the contents of the EoI submitted and consequent losses, if any, suffered by IPs. Any submission made shall be rejected if it is not marked as per the instructions mentioned in this PIM/Invitation for EoI.
- (iv) The Security Clearance Documents submitted by fax, telex or email shall not be entertained and shall be summarily rejected.
- (v) The Security Clearance Documents of only those IPs shall be submitted to the GoI / MHA who have been shortlisted to have met the Eligibility Criteria and the Consortium Requirements, as mentioned under Clause 9.1 and Clause 9.2 respectively of this PIM/Invitation to EoI.

11. Disqualification

Without prejudice, an IP may be disqualified and its EoI shall be dropped from further consideration for any (but not limited to) of the reasons listed below (the **“Disqualification Conditions”**):

11.1 Without prejudice to any other rights or remedies available to GoI including the right to disqualify any IP at its sole discretion with or without assigning any reason, the GoI reserves the right to disqualify any IP / member of Consortium and exclude its EoI from further consideration, even after shortlisting, for any reason, including without limitation those listed below:

- (i)** Misrepresentation/false statement is made by an IP / any member of Consortium and/or Affiliate** (only in case IP is taking benefit of financial strength of such Affiliate), at any stage in the bidding process, whether in the EoI, bid submitted pursuant to RFP (including in supporting documentation or otherwise in any part of the bidding process) and whether written or oral.
- (ii)** If the EoI submitted by the IP / any member of Consortium is in any respect inconsistent with, or demonstrates any failure to comply with, the provisions of the PIM/Invitation for EoI, including the EoI being conditional (any condition or qualification or any other stipulation inserted by the IP in the EoI) in any respect.
- (iii)** Failure by IP/ any member of Consortium and /or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) to provide necessary and sufficient information required to be provided in the EoI in accordance with this PIM/Invitation for EoI, even after a request for additional information has been made to IP.
- (iv)** Failure by IP / any member of Consortium and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) to provide, within the time specified by the TA, the additional documents sought by the TA for evaluation of the EoI (even if such documents are sought after the EoI Deadline).
- (v)** Submission of more than (1) one EoI by any IP, whether directly or indirectly either as sole bidder or a member of Consortium, in which case, all such EoIs shall be rejected.

- (vi)** If two IPs or more, either individually or as a member of a Consortium, are taking the benefit of financial strength of the same Affiliate for the purpose of participating in the Transaction, in which case, all such EoIs shall be rejected.
- (vii)** The IPs or members of Consortium not satisfying the eligibility and other requisite qualification criteria specified in this PIM/Invitation for EoI and hence not being eligible.
- (viii)** 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 ownership is by the Central 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.
- (ix)** Failure by the IP to comply with any reasonable requests of the GoI in relation to the Transaction.
- (x)** If it is discovered at any stage that an IP, any of the members of Consortium and / or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) did not possess requisite corporate authorizations or that any part of the information provided in the EOI was not complete or accurate in any respect.
- (xi)** Any information regarding or in connection with the IP and/or any member of Consortium which becomes known that is detrimental to the national security and/or public interest and/or national interest and/or Transaction and/or the interests of IDBI Bank and/or GoI/LIC.
- (xii)** If at any stage of the process, the IP / any member of Consortium, as applicable, or its directors/ promoters is denied security clearance, or their security clearance is revoked by the GoI.
- (xiii)** Initiation or existence of any legal proceedings, by or against the IPs and/or any member of Consortium and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) in respect of IDBI Bank and/or its joint ventures or subsidiaries, which may be prejudiced by the participation of the IPs / members of Consortium in the bidding process or the Transaction.
- (xiv)** If any IP, member of Consortium and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ member of Consortium / Affiliate, its Controlling Shareholder(s)/partners (in

case IP / member of Consortium or Affiliate includes an LLP) / entities controlled by the IPs or members of Consortium / directors / key managerial persons /equivalent persons are:

- (a) debarred from accessing or operating in the capital markets or restrained from buying, selling, or dealing in securities by any Governmental Authority; or
 - (b) appearing in the RBI list of wilful defaulters/NPAs or any such list by a competent authority in their respective jurisdiction; or
 - (c) not cleared as per the GoI's extant guidelines in respect of security and political clearances.
- (xv) IP and/or any member of Consortium and / or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) are:
 - (a) Erstwhile Overseas Corporate Bodies (OCBs)* which are incorporated outside India and are under the adverse notice of RBI;
 - (b) Prohibited or restricted from investing in the Companies on the basis of status / sector in which the Companies operate or under the Foreign Exchange Management Act, 1999 or under the extant provisions of the FDI Policy. It being clarified that sectors where government approval is required will not be considered as 'restricted' from investing.

**“OCBs” or “Overseas Corporate Bodies” shall mean a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held directly or indirectly by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulation Act, 1999.*

- (xvi) IPs or any member of Consortium and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) who are found involved in corrupt practices, unfair means or illegal activities or found to canvass, influence, or attempt to influence in any manner the qualification or Bidding

Process, during any stage of Bid Process or during pre-contract or post-contract stage, including without limitation, by offering bribes or other illegal gratification, shall be disqualified from the bidding process at any stage and shall be subject to due process of law.

(xvii) IPs / any member of Consortium shall not have any conflict of interest (“**Conflict of Interest**”) that affects the bidding process. Any IP found to have a Conflict of Interest shall be disqualified. IPs shall be deemed to have a Conflict of Interest affecting the bidding process, if:

(a) IP / any member of the Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP / any member of the Consortium/ Affiliate, its Controlling Shareholder(s)/partners (in case IP / any member of the Consortium or Affiliate includes an LLP) or their respective Associates and any other IP or any member of the Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP / any member of the Consortium / Affiliate, its Controlling Shareholder(s)/partners (in case IP / any member of the Consortium or Affiliate includes an LLP) or their respective Associates have common controlling shareholders or any other controlling interest (controlling shareholding for the purposes of this clause shall be the shareholder(s) having a shareholding (direct or indirect) of more than 20% (twenty percent) of the paid up and voting equity share capital of such IP/ any member of the Consortium, or its Associate or its Controlling Shareholder(s) /partners (in case the IP / any member of the Consortium or Affiliate includes a LLP) or their respective Associates as the case may be);

Provided that this disqualification shall not apply in cases where the ownership is by a bank, insurance company, pension fund or a public financial institution as defined in section 2(72) of the Companies Act, 2013. For the purposes of this clause, indirect shareholding or participative interest held through one or more intermediate persons shall be computed as follows:

(1) Where any intermediary (for example ‘Entity B’) is Controlled by a person (for example ‘Entity A’) through management control or otherwise, the entire shareholding or participative interest held by such controlled intermediary i.e. ‘Entity B’ in any other person for example ‘Entity C’ shall be taken into account for

computing the shareholding or participative interest of such controlling person i.e. 'Entity A' in 'Entity C'; and

- (2) Where a person i.e. 'Entity A' does not exercise Control over an intermediary i.e. 'Entity B', which has shareholding or participative interest in another entity i.e. 'Entity C', the computation of indirect shareholding of such person in 'Entity B' shall be undertaken on a proportionate basis; provided, however, that no such shareholding or participative interest shall be reckoned under this sub-clause, if the shareholding or participative interest of such person in the intermediary, i.e. 'Entity B', is less than 20% (twenty percent) of the subscribed and paid up equity shareholding of such intermediary or equivalent interest

For the purposes of the above sub-clause, "**Control**" shall have the meaning set forth in Section 2(27) of the Companies Act, 2013; and "**participative interest**" held through one or more intermediate persons shall be computed as follows

- (1) A constituent of such IP / any member of Consortium is also a constituent of another IP/ member of Consortium; or
- (2) Such IP / member of Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ member of Consortium / Affiliate, its Controlling Shareholder(s)/partners (in case IP / member of Consortium or Affiliate includes an LLP) or their respective Associates receives or has received/provided any direct or indirect subsidy, grant or concessional loan from/to any other IP / member of Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ member of Consortium / Affiliate, its Controlling Shareholder(s)/partners (in case IP / member of Consortium or Affiliate includes an LLP) or their respective Associates; or
- (3) Such IP/ member of Consortium has the same Authorised Signatory for purposes of the EoI as any other IP; or
- (4) Such IP / member of Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ member of Consortium / Affiliate, its

Controlling Shareholder(s)/partners (in case IP / member of Consortium or Affiliate includes an LLP) or their respective Associates has a relationship with another IP / member of Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ member of Consortium / Affiliate, its Controlling Shareholder(s)/partners (in case IP / member of Consortium or Affiliate includes an LLP) or their respective Associates, directly or through third party/ parties, that puts either or both of them in a position to have access to each other's information about, or to influence the EoI of either or each other; or

- (5)** Such IP / member of Consortium or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ member of Consortium / Affiliate, its Controlling Shareholder(s)/partners (in case IP / member of Consortium or Affiliate includes an LLP) or their respective Associates has/have participated as a consultant or advisor to the Admin Ministry/CPSE/GoI /TA for the Transaction. Provided that the provisions set out in clause 11.2(xxiii) (a), 11.2(xxiii) (c) and 11.2(xxiii) (d) shall not apply to IPs / members of Consortium which are government entities.

(xviii) If the IP / any member of Consortium or its Controlling Shareholder(s)/partners (in case IP / any member of Consortium or Affiliate includes an LLP) or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/ any member of Consortium /Affiliate, its Controlling Shareholder(s)/partners (in case IP/ any member of Consortium or Affiliate includes an LLP) /entities controlled by the IPs/directors / key managerial persons / equivalent persons is convicted by any court of law, indicted, or has any adverse order been passed against it by a regulatory authority/ NCLT/ NCLAT, as per the details and requirements submitted by the QIPs pursuant to **Annexure IX** before the DR access for due diligence of IDBI Bank is given to the QIPs, which would cast a doubt on its ability to manage the Companies when it is disinvested or which related to a grave offence that outrages the moral sense of the community.

(xix) In regard to matters relating to the security and integrity of the country, any charge sheet by an agency of the Govt./ conviction by a Court of Law for an offence committed by the IP or any member of the Consortium and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP / any member of the Consortium /Affiliate, its Controlling

Shareholder(s)/partners (in case IP or any member of the Consortium or Affiliate includes an LLP) or entities controlled by the IPs/directors / key managerial persons / equivalent persons. The decision in regard to the relationship with the Associate or shareholders or members would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.

- (xx)** If at any time it is discovered that an IP or any member of the Consortium and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) is/are subjected to winding up/insolvency/liquidation proceedings, striking off proceedings under section 248 of the Companies Act, 2013, or other proceedings of a similar nature.
- (xxi)** Ability of a company to be a going concern as per auditors' report in subsequent years.
- (xxii)** Report of Auditor under section 143(12) of the Companies Act, 2013, to the Central Government or to the audit committee about fraud committed by the company or its directors/promoters
- (xxiii)** Default, if any committed by a company in the matters of repayment of debentures/ deposits/ under section 71, 73-76 of the Companies Act, 2013.
- (xxiv)** Convictions of directors, promoters, designated partners, and proceedings before any Court under section 447 of the Companies Act, 2013 / section 30 of LLP Act, 2008.
- (xxv)** If the IP fails to clear the 'Fit & Proper' assessment by RBI or fails to provide any information as may be sought by RBI in relation to such assessment by RBI; and/or
- (xxvi)** If the IP fails to clear or comply with the requirements under Press Note-3 dated April 17, 2020 issued by DPIIT or does not qualify the security clearance undertaken by GoI.

In respect of the Disqualification Conditions mentioned under this Clause 11 or otherwise under the PIM/Invitation for EoI, it is hereby clarified that:

- (1)** Notwithstanding anything contained in this PIM, the GoI reserves the right to reject any EoI and to annul the Bidding Process and reject all EoIs at any time without any notice or liability or any obligation for such acceptance, rejection

or annulment, including on grounds of national integrity, national security and national interest, or without assigning any reasons therefore. In the event that the GoI rejects or annuls all the EoIs, it may, in its discretion, invite all eligible IPs to submit fresh EoI hereunder;

For the purpose of this clause 11, the expressions “**Affiliate**” means, in relation to any IP, a person who controls, is controlled by, or is under the common control with such IP and whose financial strength is used by IP for qualification as per provisions of the PIM. As used in this definition, the expression “control” means either of the following:

- (a) in relation to a person, who is a company or corporation, directly or indirectly ownership of more than 50% (fifty percent) of the voting rights; or
- (b) in relation to a person, who is not a company or corporation, directly or indirectly, the power to direct the management and policies of such person;

in each case by virtue of their shareholding or management rights or shareholders agreement or voting agreements or any other contractual arrangement.

“**person**” has the meaning ascribed to it under Section 2(31) of the Income Tax Act, 1961. It is clarified that two or more IPs cannot use financial strength of the same Affiliate.

11.2 General Restrictions

IPs should not have been subjected to any punishment or punitive action for any criminal act, must not have been convicted by a court of law or have any adverse order passed against it by any other regulatory authority in any matter involving a grave offence and which casts a doubt on its ability to participate in the Transaction. Further, such entities or their Associate Companies should not have any charge sheet filed against them by any agency of GoI or any court of law, which involves a matter concerning security and integrity of India. The mere fact that an appeal against any such order mentioned above is pending in any court of law or any regulatory authority will not dilute the disqualification. Additionally, the IPs and their Associate Companies should not be party to any existing material disputes or legal proceedings by or against IDBI Bank, any of its subsidiaries, and/or any of its joint ventures. Where a bid is submitted by a Consortium, the foregoing will apply to each member of Consortium.

For the purposes hereof, “Associate Companies” or “Associates” shall in relation to any person / entity mean any other person / entity which is controlled by, controlling

or under common control with the former. Control and its derivative shall have the same meaning as specified under the Companies Act, 2013, provided that any person / entity which owns 50% (fifty percent) or more of the equity shares of any other person / entity shall be deemed to be in control of the latter.

- 11.3** If any information or disqualification is discovered or becomes known after the IP has been qualified for second stage of the transaction, which information / disqualification would have entitled the GoI to reject the EoI of the relevant IP, the GoI reserves the right to reject the IP at the time such information or disqualification becomes known to / discovered by the GoI /TA. Where such party is a member of a Consortium, GoI may disqualify the entire Consortium, even if the information/disqualification pertained/applied to only one member of Consortium.
- 11.4** Where an IP is a Consortium, the (in)eligibility and (dis)qualification criteria in this section applies to all members of the IP. Thus, for the avoidance of doubt, if any of the members of Consortium is ineligible or disqualified, all the members of Consortium and the IP itself will automatically stand disqualified and considered ineligible.
- 11.5** An IP and each member of Consortium must be eligible and qualified, as per criteria mentioned in this PIM/Invitation for EoI, on the date of submission of the EoI and must continue to be eligible and qualified throughout until the consummation of the Transaction. IP shall have the obligation to immediately notify the TA on its becoming ineligible at any time during the process. In the event of any IP or member of Consortium becoming ineligible or disqualified, such IP shall not be permitted to continue to participate in the process.
- 11.6** The determination by the GoI that any one or more of the events specified in this clause 11 has occurred shall be final and conclusive. In addition to the eligibility of the IP being a sole bidder, each of the members of Consortium and the Consortium as a whole must be eligible, as per criteria mentioned in this PIM/Invitation for EoI, on the date of submission of the EoI and must continue to be eligible at and prior to the closing of the Transaction. The IP shall be required to provide a declaration to certify its continuous eligibility as per the terms of the RFP and/or definitive documents.
- 11.7** Any breach of Confidentiality Undertaking executed by the IP (including any member of a Consortium) inter alia will result in disqualification.
- 11.8** If the IP and/or any member of Consortium and / or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) does not satisfy any of the requirements as may be issued by the GoI/TA by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any additional conditions of

disqualifications the EoI submitted by such IP shall be disqualified.

11.9 Any failure on part of the IPs/QIPs to disclose any information or documents submitted at the time of EOI may lead to disqualification.

11.10 Integrity Pact Clause

If an IP and/or any member of Consortium is found involved in corrupt practices, unfair means, or illegal activities during any stage of its bid or during pre-contract or post-contract stage, the IP / any member of Consortium shall be disqualified, at the sole discretion of GoI.

11.11 Approvals

The IP shall be responsible for obtaining all the applicable approvals to complete the Transaction within a specified time limit. For the purpose of this Transaction, the IP shall ascertain the applicability and implication of all laws pertaining to the Transaction and shall ensure compliance with all the applicable laws.

11.12 Late EoIs

The submission of any EoI after the prescribed date and time under clause 1.4 of this PIM, unless extended by GoI at its discretion, will not be considered and the EoI will be summarily rejected.

11.13 Substitution/ Withdrawal of EoI

The IP may substitute or withdraw its EoI after submission prior to the EoI Due Date. No EoI can be substituted or withdrawn by the IP on or after the EoI Due Date, save and to the extent as permitted in terms of this PIM/Invitation to EoI [including under clause 9.2 (i) above].

11.14 Evaluation of EoI

The TA will subsequently examine and evaluate all the EoIs in accordance with the provisions of this PIM/Invitation for EoI.

11.15 Rejection of EoI

(i) Notwithstanding anything contained in this PIM/Invitation for EoI, the GoI reserves the right to reject any or all EoIs on any grounds including, the grounds of national interest, national security, public interest, or any other

grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.

- (ii) The GoI may also annul the EoI process and/or reject all EoIs at any time without any liability or any obligation for such acceptance, rejection, or annulment, and without communicating any reasons thereof. In the event that the GoI rejects or annuls any or all the EoIs, it may, in its discretion, invite fresh EoIs hereunder.
- (iii) The GoI reserves the right not to proceed with the EoI process at any time, without notice or liability, and to reject any or all the EoI without communicating any reasons.

11.16 Confidentiality

Any information relating to the examination, clarification, evaluation, and recommendation for the IPs/QIPs shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the GoI in relation to, or matters arising out of, or concerning the EoI process. The TA and the IP/QIPs will treat all information, submitted as part of the EoI, in confidence and will require all those who have access to such material to treat the same in confidence to the same extent as the IP itself is bound. The TA shall not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or to enforce or assert any right or privilege of the statutory entity and/ or the GoI or as may be required by law or in connection with any legal process.

Neither the IP nor any member of Consortium shall make any public announcement about their participation in the Transaction without prior written permission from GoI. However, in the event any IP and/or member of Consortium is required to make any disclosure to comply with the requirements of applicable law or the regulations of any stock exchange, they shall limit such announcement only to the extent strictly required and shall give prior written intimation to the GoI and TA.

11.17 Other Conditions

- (i) All financial statements or data to be derived therefrom referred herein shall mean on a consolidated basis and where consolidated financial statements are not required to be prepared by the entity, such financial statements or data derived therefrom shall mean on a standalone basis.

- (ii) The detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IP hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- (iii) The documents including this PIM/Invitation for EoI and all attached documents are and shall remain or become the properties of the GoI and are transmitted to the IPs solely for the purpose of preparation and the submission of an EoI in accordance herewith. IPs shall not use such documents/information for any purpose other than for preparation and submission of their EoI.
- (iv) A draft of the Deed of Confidentiality Undertaking (“**CU**”) has been provided in **Annexure V**. The QIPs shall be required to execute the CU before they can get access to DR and the RFP.
- (v) The QIPs shall provide certificates, undertakings, Earnest Money Deposit (“**EMD**”) or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in Stage II (RFP Stage) as may be informed by the GoI.
- (vi) Unless otherwise specified, a certified true copy (duly verified by a notary) of the supporting documents shall be submitted.
- (vii) The GoI, LIC, IDBI Bank, and the TA shall not be liable for any omission, mistake, or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the PIM/Invitation for EoI including any error or mistake therein or in any information or data given by the TA.
- (viii) The GoI and the TA reserve the right to verify all statements, information and documents submitted by the IP in response to the EoI and the IP shall, when so required by the GoI/TA, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GoI/TA shall not relieve the IP of its obligations or liabilities hereunder nor will it affect any rights of the GoI/TA thereunder.
- (ix) The Transaction will be subject to applicable statutory and regulatory restrictions and approval requirements.

11.18 Security Clearance

Necessary security clearance will be taken as per the details and requirements communicated to the IPs before the DR access is given to the QIPs. The relevant formats/required documents are attached herewith as **Annexure VIII** hereto. Any further requirements, in addition to as mentioned in this PIM/Invitation for EoI, in respect of such security clearance will be shared with the IPs at the appropriate stage in the bidding process.

11.19 Governing Law/ Jurisdiction

The interested parties acknowledge that this PIM/Invitation for EoI is not a legally binding document. Any and all disputes relating to, arising out of, or in connection with, the terms of this PIM/Invitation for EoI and/or the Transaction shall be governed by the laws of India. The courts at New Delhi shall have the exclusive jurisdiction.

ANNEXURE I – EXPRESSION OF INTEREST

Annexure I (A) - Expression of Interest Letter from Sole IP

(On the letterhead of the IP submitting the EoI)

To,
Mr. Hitesh Sachdeva
KPMG India Private Limited,
Building No. 10B, 8th Floor,
DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 30.48 % (THIRTY DECIMAL FOUR EIGHT PERCENT) EQUITY CAPITAL HELD BY THE GOVERNMENT OF INDIA AND 30.24% (THIRTY DECIMAL TWO FOUR PERCENT) EQUITY CAPITAL HELD BY LIFE INSURANCE CORPORATION OF INDIA, AGGREGATING TO 60.72% (SIXTY DECIMAL SEVEN TWO PERCENT) EQUITY CAPITAL IN IDBI BANK LIMITED AND TRANSFER OF MANAGEMENT CONTROL IN IDBI BANK LIMITED

Sir,

This is with reference to the Preliminary Information Memorandum and Invitation for EoI dated [●] (“**PIM**”) inviting Expression of Interest (“**EoI**”) for strategic disinvestment by the (i) Government of India (“**GoI**”) of such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India (“**LIC**”) of such number of shares representing 30.24 % (thirty decimal two four percent), aggregating to 60.72% (sixty decimal seven two percent) of the equity share capital of IDBI Bank Limited (“**IDBI Bank**”), a banking company registered under the Companies Act, 1956 having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India, along with the transfer of management control in IDBI Bank (“**Transaction**”).

We have read and fully understood the contents and requirements of the PIM and are desirous of participating in the Transaction. The capitalized terms used herein but not defined shall have the meaning ascribed to them in the PIM/Invitation for EoI.

Accordingly, for this purpose we address you as follows:

1. We [●] (insert name of interested party) having our registered office at [●] (insert registered address of interested party) propose to submit our EoI as a sole **“Interested Party”/ “IP”**.
2. We are interested in bidding for the Transaction and acquisition of GoI's and LIC's equity stake in the IDBI Bank.
3. We understand the instructions of the PIM/Invitation for EoI and confirm that we satisfy the Eligibility Criteria and are not disqualified under any of the Disqualification Conditions detailed in the PIM/Invitation for EoI.
4. We confirm and represent that we have the requisite corporate authorization to submit this EoI.
5. We undertake to provide such information as may be sought by TA in relation to our EoI or by the RBI in relation to the 'Fit & Proper' assessment or by the MHA in relation to the Security Clearance. We further undertake that any change/modification in the respect of the facts or contents mentioned under the F&P Assessment Documents or Security Clearance Documents till final selection shall be forthwith brought to the notice of TA/GoI and all documents in respect of such change/modification shall be submitted by us for re-assessment of such F&P Assessment Documents or Security Clearance Documents and 'Fit & Proper' assessment by RBI or MHA, as the case may be.
6. We undertake to comply with and remain compliant with the RBI conditions/directions/guidelines/regulations applicable to the Transaction, each as amended/supplemented from time to time.
7. We undertake that in the event we are the Successful Bidder and incorporate a separate Investment Vehicle, either at our discretion or if required by RBI, for acquiring the equity stake in the IDBI Bank, we (as the Parent of the Investment Vehicle) shall be required to irrevocably and unconditionally guarantee to the GoI that the said Investment Vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Transaction. We acknowledge that GoI will have rights of enforcement as against the Investment Vehicle mentioned above under the parent guarantee for breach of undertakings and representations made to the GoI under the EoI.
8. We certify that there are no existing material dispute(s) or legal proceeding(s) by or against us and/ or our Associates Companies in respect of IDBI Bank and/or its joint ventures or subsidiaries or associates.

9. With respect to the said Transaction, we undertake and confirm:
- (i) that, we are not disqualified as per the Disqualification Conditions outlined under this PIM/Invitation for EOI; and
 - (ii) to provide all information, evidence and any additional documents as may be required by GoI, LIC, IDBI Bank or TA post issuance of RFP.
10. We further certify that neither have we been convicted or indicted by any court of law nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the IDBI Bank following the consummation of the Transaction, or which relates to a grave offence that outrages the moral sense of the community.
11. We further certify that in regard to matters relating to security and integrity of India, neither has any charge sheet been issued/filed by any agency of the GoI against us or any of our Associate Companies nor have we been convicted by a court of law for any offence committed by us or by any of our Associate Companies.
12. We further certify that no investigation by a regulatory authority# is pending either against us or against any of our Associate Companies, or against any of our directors, chief executive officer (“CEO”), or other key managerial personnel (“KMP”).
13. In the event any of the grounds of disqualification or the Disqualification Conditions in terms of the PIM/Invitation for EoI or any extant RBI directions/guidelines/regulations (including the conditions relating to RBI’s Fit & Proper assessment), as amended from time to time, become applicable to us during the pendency of the process of the Transaction, owing to changes in facts or circumstances, we undertake to immediately intimate the TA and the GoI.
14. We confirm that we are not a Government Company under the Companies Act 2013.
15. We certify that in terms of the PIM/Invitation for EoI, our Net worth as on [●] is INR [●] /USD [●] (USD [●]/INR [●] in words) assuming 1USD = INR 79.00.
16. We shall be glad to receive further communication on the subject.

For and on behalf of: (Name of the IP)
[●] (Signature of Authorized Signatory)
[●] (Name of Authorized Signatory)
[●] (Designation of Authorized Signatory)

Enclosure:

1. Authorization from IP submitting as Sole IP
2. Request for Qualification
3. Affidavit for Certification of Documents
4. Declaration
5. Deed of Confidentiality Undertaking

#The investigation by regulatory authority shall be limited to the following: (a) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of the Disqualification Conditions specified under the PIM/Invitation for EoI; and (b) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of the Eligibility Criteria and/or Disqualification Conditions prescribed in the PIM/Invitation for EoI.

**Annexure I (B) – Expression of Interest Letter from Consortium IP
(On the letterhead of the Lead Member submitting the EoI)**

To,

Mr. Hitesh Sachdeva
KPMG India Private Limited,
Building No. 10B, 8th Floor,
DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 30.48% (THIRTY DECIMAL FOUR EIGHT PERCENT) EQUITY CAPITAL HELD BY THE GOVERNMENT OF INDIA AND 30.24% (THIRTY DECIMAL TWO FOUR PERCENT) EQUITY CAPITAL HELD BY LIFE INSURANCE CORPORATION OF INDIA, AGGREGATING TO 60.72% (SIXTY DECIMAL SEVEN TWO PERCENT) EQUITY CAPITAL IN IDBI BANK LIMITED AND TRANSFER OF MANAGEMENT CONTROL IN IDBI BANK LIMITED

Sir,

This is with reference to the Preliminary Information Memorandum and Invitation for EoI dated [●] (“**PIM**”) inviting Expression of Interest (“**EoI**”) for strategic disinvestment by the (i) Government of India (“**GoI**”) of such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India (“**LIC**”) of such number of shares representing 30.24 % (thirty decimal two four percent), aggregating to 60.72% (sixty decimal seven two percent) of the equity share capital of IDBI Bank Limited (“**IDBI Bank**”), a banking company registered under the Companies Act, 1956 having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India, along with the transfer of management control in IDBI Bank (“**Transaction**”).

This communication has been issued by us in our capacity as the Lead Member (*as defined* below) for and on behalf of the Consortium (*as defined* below). All statements below are made for and on behalf of members of Consortium. Hence, all references to “we” and “us” refers to each member of Consortium.

We have read and fully understood the contents and requirements of the **PIM** and are desirous of participating in the Transaction. The capitalized terms used herein but

not defined shall have the meaning ascribed to them in the PIM/Invitation for EoI.

Accordingly, for this purpose, we address you as follows:

1. We have formed a consortium comprising of [●] members as follows (“**Consortium**”) and the same is in compliance with the extant RBI directions/guidelines/regulations (as amended from time to time), including the Master Directions on ‘Ownership in Private Sector Banks, Directions issued in 2016 and in accordance with the requirements specified under the PIM/Invitation for EoI:
 - 1.1 [●] holding [●] % ([●] percent) shareholding in the Consortium;
 - 1.2 [●] holding [●] % ([●] percent) shareholding in the Consortium;
 - 1.3 [●] holding [●] % ([●] percent) shareholding in the Consortium; and
 - 1.4 [●] holding [●] % ([●] percent) shareholding in the Consortium
2. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
3. We undertake to provide such information as may be sought by TA in relation to our EoI or by the RBI in relation to the ‘Fit and Proper’ assessment or by the MHA in relation to the Security Clearance. We further undertake that any change/modification in the respect of the facts or contents mentioned under the F&P Assessment Documents or Security Clearance Documents till final selection shall be forthwith brought to the notice of TA/GoI and all documents in respect of such change/modification shall be submitted by us for re-assessment of such F&P Assessment Documents or Security Clearance Documents and ‘Fit & Proper’ assessment by RBI or MHA, as the case may be.
4. We undertake to comply with and remain compliant with the RBI conditions/directions/guidelines/regulations applicable to the Transaction, each as amended/supplemented from time to time.
5. We undertake that in the event we are selected as the Successful Bidder and, either at our discretion or as required by RBI, make the investment through an Investment Vehicle then
 - (i) the Lead Member of Consortium shall jointly and severally; and
 - (ii) the other members of the Consortium shall, to the extent of their shareholding percentage/participating interest in the Consortium,

irrevocably and unconditionally guarantee to the GoI and LIC that such Investment Vehicle shall, at all times, fully and faithfully perform and discharge all its obligations under the definitive agreements or other materials prepared in connection with the Transaction. We acknowledge that GoI and LIC will have rights of enforcement as against the Investment Vehicle mentioned above and also against the members of Consortium for breach of undertakings and representations made to the GoI under the EoI including under **Annexure VII (“Consortium Agreement”)**.

6. We are interested in bidding for the Transaction and acquisition of GoI’s and LIC’s equity stake in the IDBI Bank.
7. We understand the instructions under the PIM/Invitation for EoI and confirm that we satisfy the Eligibility Criteria and are not disqualified under any of Disqualification Conditions detailed in the PIM/Invitation for EoI.
8. We confirm and represent that we have the requisite corporate authorization to submit this EoI.
9. We certify that there are no existing material dispute(s) or legal proceeding(s) by or against us and/ or our Associates Companies in respect of IDBI Bank and/or its joint ventures or its subsidiaries or its associates.
10. We further certify that neither have we been convicted or indicted by any court of law, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the company following the consummation of the Transaction, or which relates to a grave offence that outrages the moral sense of the community.
11. We further certify that in regard to matters relating to security and integrity of India, neither has any charge sheet been issued/filed by any agency of the GoI against us or any of our Associate Companies nor have we been convicted by a court of law for any offence committed by us or by any of our Associate Companies.
12. We further certify that no investigation by a regulatory authority[#] is pending either against us or against our Associate Companies, or against any of our directors, chief executive officer (“CEO”) or other key managerial personnel (“KMP”).
13. In the event any of the grounds of disqualification or Disqualification Conditions, in terms of the PIM/Invitation for EoI or the extant RBI

directions/guidelines/regulations (including the conditions relating to RBI's 'Fit & Proper' assessment), each as amended from time to time, becomes applicable to us during the pendency of the process of the Transaction, owing to changes in facts or circumstances, we undertake to immediately intimate the TA and the GoI.

14. We certify that in terms of the EoI, each member of the Consortium has a minimum Net Worth which is atleast equivalent to their respective shareholding percentage/participating interest in the Consortium and the collective Net Worth of the Consortium as on [●] is INR [●] /USD [●] (USD [●]/INR [●] in words) assuming 1USD = INR 79.00.
15. We shall be glad to receive further communication on the subject.

Thank you.

Yours sincerely,

For and on behalf of: (Name of the Lead Member)

[●] (Signature of Authorized Signatory)

[●] (Name of Authorized Signatory)

[●] (Designation of Authorized Signatory)

Enclosure:

1. Authorisation from IP submitting as a Consortium
2. Request for Qualification
3. Affidavit for Certification of Documents
4. Declaration
5. Deed of Confidentiality Undertaking
6. Consortium Agreement
7. Power of Attorney for the Lead Member of the Consortium

#The investigation by regulatory authority shall be limited to the following: (a) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of the Disqualification Conditions specified under the PIM/Invitation for EoI; and (b) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of the Eligibility Criteria and Disqualification Conditions prescribed in the PIM/Invitation for EoI.

Form A to the Expression of Interest Letter

**(On the letterhead of the IP submitting the EoI. To be submitted by
IP/each member of the consortium)**

To,

Mr. Hitesh Sachdeva

KPMG India Private Limited,

Building No. 10B, 8th Floor,

DLF Cyber City, Phase II,

Gurugram, Haryana - 122 002, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 30.48 % (THIRTY DECIMAL FOUR EIGHT PERCENT) EQUITY CAPITAL HELD BY THE GOVERNMENT OF INDIA AND 30.24% (THIRTY DECIMAL TWO FOUR PERCENT) EQUITY CAPITAL HELD BY LIFE INSURANCE CORPORATION OF INDIA, AGGREGATING TO 60.72% (SIXTY DECIMAL SEVEN TWO PERCENT) EQUITY CAPITAL IN IDBI BANK LIMITED AND TRANSFER OF MANAGEMENT CONTROL IN IDBI BANK LIMITED

Sir,

S. No.	Particulars	Details
1.	Name of the IP/ member of Consortium.	
2.	Constitution <ul style="list-style-type: none">i. An entity which is registered with SEBI as an Alternative Investment Fund (AIF) under the extant SEBI regulations;ii. Private-sector Banking Companies as defined under the Banking Regulations Act, 1949), which are listed;iii. Foreign Banks, operating in India through either (i) branches; or (ii) wholly owned subsidiary; or (ii) a subsidiary with aggregate foreign investment of upto a maximum of 74% (seventy-four percent) in a private bank;iv. Non-banking Financial Companies (NBFCs),	

S. No.	Particulars	Details
	registered with RBI; v. a fund/investment vehicle incorporated outside India.	
3.	<p>Executive Summary and Management Organization: providing brief description of the Interested Party (IPs) and (where appropriate) of member in the Consortium, containing details like ownership structure, identity of the natural persons who are the Ultimate Beneficial Owners (“Ultimate Beneficial Owner” means the natural person or persons who are the ultimate beneficial owners of the shares and who ultimately own, control or influence and includes a person who exercises ultimate effective control over a legal person or arrangement), (as per SEBI Circular No. CIR/MIRSD/2/2013 dated January 24, 2013), the place of effective management of business of the IPs/ member of Consortium (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made), (as per Central Board of Direct Taxes Guideline F. No. 142/11/2015-TPL dated January 24, 2017) etc. write up on business history and growth, business areas / activities, respective revenue details, the Place of Effective Management of business of the IPs/ member of Consortium etc. It shall include a brief commentary on the capability of the IPs / member of Consortium, as demonstrated, inter alia, in its past track record, to run its own business.</p> <p>Also, an overview of IP’s/ member of Consortium’s senior management and organization structure certified by the Company Secretary/ any other officer in charge of secretarial/legal affairs.</p>	
4.	If the IP is a foreign company/fund, specify list of statutory approvals from GoI/ RBI/ DPIIT applied for/ obtained/ awaited, if any.	
5.	Memorandum and Articles of Association/Document of Constitution, as may be applicable to the IP / member of Consortium.	

S. No.	Particulars	Details
6.	A certificate duly signed by Company Secretary of the company/ any other officer in charge of legal affairs, stating that IP is eligible to participate in the Transaction in terms of its [Memorandum and Articles of Association/[●] (name of Document of Constitution as may be applicable)]. (Specific provision may be reproduced in certificate).	
7.	A certificate duly signed by Company Secretary of the Company/ any other officer in charge of legal affairs, stating that IP does not attract disqualification as specified under the Disqualification Conditions specified under the PIM/Invitation for EoI.	
8.	A certificate for list of Board of Directors and key management personnel duly signed by the respective Company Secretary of the company or any other officer in-charge of secretarial/legal affairs of IP/ member of Consortium and also counter signed by its authorized signatory	
9.	Basis of eligibility for participation in the process (please mention basis and attach supporting documents).	
10.	Details of shareholding pattern of the IP including the details establishing ultimate beneficial owner of the IP as of the date of submission of the Expression of Interest (“EoI”).	
11.	<p>Latest Audited Annual Reports (as of a date not earlier than March 31, 2022/December 31, 2021) depending on the Financial Year cycle being followed by the IPs.</p> <p>Note: In case audited annual reports are not available, the statutory auditor should certify the Net Worth and the methodology of calculating the Net Worth.</p> <p>Provided that, in the event such IP/ any member of Consortium is an unlisted entity, and does not have the audited financial statements as mentioned above, the latest available unaudited/ provisional financial statements (no later than March 31, 2022 / December 31, 2021) may be given as certified by its statutory auditor; in case such entity is a listed entity, and its audited financial statements are not available for the immediately preceding financial year, the information contained in latest quarterly limited review report (no later than March 31, 2022</p>	

S. No.	Particulars	Details																
	<p>/ December 31, 2021) is to be submitted. However, the audited financial statements of such entities shall be submitted, as and when prepared as per the statutory requirements and timelines of the relevant countries where it is incorporated.</p> <p>All financial statements/ annual reports/net worth certificates submitted should be certified by authorized signatory.</p>																	
12.	<p>Certificate for fulfilment of Financial Criteria: Please provide an independent chartered accountant/statutory auditor certificate certifying the following:</p> <p>1. Net Worth for IPs/ member of Consortium as specified in the Eligibility Criteria section of the PIM/Invitation for EoI;</p> <p>2. PAT (prior to any dividend pay-out) for preceding five (5) financial years from the date of publication of this PIM/Invitation for EoI, for the IPs/Lead Member of Consortium, as specified in the Eligibility Criteria section of the PIM/Invitation for EoI in the following format (if applicable for the IPs/Lead Member of Consortium as per the PIM/Invitation for EoI)</p> <table><tr><th>No.</th><th>Financial Year ending</th><th>Duration of Financial Year (in months)</th><th>PAT (in INR Cr.)</th></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td></tr></table> <p>The certificate for fulfilment of Financial Criteria should clearly mention the following:</p> <ul style="list-style-type: none">▪ The date of Net Worth calculation and financial year ending date for respective financial years for which PAT has been submitted▪ That the Net Worth and PAT calculation has been done in accordance with the stipulations under the Eligibility Criteria section of the PIM/Invitation for EoI.	No.	Financial Year ending	Duration of Financial Year (in months)	PAT (in INR Cr.)													
No.	Financial Year ending	Duration of Financial Year (in months)	PAT (in INR Cr.)															

S. No.	Particulars	Details
	<ul style="list-style-type: none"> ▪ In case the IPs/ members of Consortium are not required to prepare consolidated financial statements as a part of statutory requirements, the same should be mentioned in the certificate (in such a case, the standalone financial statements are to be used for assessment. However, the same would be accepted only if the certificate for fulfilment of Financial Criteria clearly mentions the non-requirement for preparation of consolidated financial statements) ▪ The certificate should clearly mention that the issuing authority is statutory auditor or independent chartered accountant (as applicable), for the IPs/members of Consortium. ▪ It should clearly specify the cross holdings among members of Consortium, if any. ▪ The financial statements on the basis of which the Financial Criteria have been assessed correspond to accounting periods completed (each of not less than 12 months duration) and are not based on partial periods. 	
13.	International Operations/ Joint Ventures/ Alliances: Brief note of IPs'/ member of Consortium's international operations, joint ventures, alliances, (whether international or domestic), including incorporation details, registered office, nature and size of such operations, equity ownership/ effective management and control (as applicable).	
14.	Professional Advisors: IPs/ members of Consortium to provide names and addresses of those companies and professional firms, if any, who are (or will be) advising the IPs/Consortium/member of Consortium for the Transaction, together with the names of the principal individual advisors at those companies and / or firms, as the case may be.	
15.	Outstanding Litigation/ Contingent Liability: (a) IPs/ members of Consortium (including the Ultimate Beneficial Owner, promoters, persons in control, thereof) must provide with the EoI a statement of those pending litigations that, if decided against the IPs/members of Consortium/ultimate beneficial owner /promoters/	

S. No.	Particulars	Details
	<p>persons in control shall disqualify the IPs/members of Consortium in terms of the prescribed Eligibility Criteria and extant GoI instructions on disinvestment;</p> <p>(b)IPs/ members of Consortium (including the Ultimate Beneficial Owner, promoters, persons in control, thereof) to provide details of all contingent liabilities that, if materialized, that have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the IPs/ member of Consortium, or other similar business combination or sale</p>	
16.	Foreign Direct Investment (FDI) Restrictions: If the IPs/ any member of Consortium is a foreign entity/ overseas corporate body, specify list of statutory approvals from the Government of India/ the Reserve Bank of India/ relevant ministry/ any other Government agency, specifying whether the same is applied for/ to be obtained/ awaited, if applicable.	
17.	Equity contribution of member in the Consortium (if applicable).	
18.	Nature of business/products dealt with.	
19.	A profile containing information on company/associate's area of operations, capability of the IP, as demonstrated in its past track record, to run its own business.	
20.	List of board of directors along with an overview of the IP's senior management and organization structure including effective place of management of business of IP as on EoI submission date certified by the Company Secretary of the IP.	
21.	Summary of the roles and responsibilities of the directors and key management personnel of the IP certified by the Company Secretary of the IP.	
22.	The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IP, together with the names of the principal individual advisors at those companies and / or firms, as the case may be.	
23.	Date & Place of incorporation.	
24.	Date of commencement of business.	

S. No.	Particulars	Details
25.	Full address including phone No., fax No., email address and web address	
	Registered Office	
	Head Office	
	Branches	
26.	Details of contact persons	
	Name	
	Designation	
	Company	
	Address	
	Telephone (fixed and cell)	
	Email	
	Fax	
27.	Statutory Auditor's certificate certifying the Net Worth as on date of the latest audited annual reports, along with methodology for calculation of Net Worth.	
28.	Please provide details of all contingent liabilities that, if materialized, would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the Company, or other similar business combination or sale.	
29.	A statement showing pending litigations that, if decided against the IP, shall disqualify the IP in terms of prescribed Eligibility Criteria, Disqualification Conditions and extant Government instructions on disinvestment.	
30.	An affidavit certifying the correctness of documents submitted in the EoI.	

Sincerely

Authorized Signatory For and on behalf of the (IP/Consortium)

Note:

- Please follow the order adopted in the format provided.
- If the IP/ any member of Consortium is unable to respond to a particular question/request or submit any document as per stated requirement, the

relevant question/request or request for submission of document, must nonetheless be set out as per the Format, with the words “No response given” mentioned against it, stating reasons for the same.

ANNEXURE II – AUTHORISATION FROM IPs

Annexure II(A) – Authorisation from IP Submitting as Sole IP

(On the letterhead of the IP)

Mr. Hitesh Sachdeva
KPMG India Private Limited,
Building No. 10B, 8th Floor,
DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 30.48 % (THIRTY DECIMAL FOUR EIGHT PERCENT) EQUITY CAPITAL HELD BY THE GOVERNMENT OF INDIA AND 30.24 % (THIRTY DECIMAL TWO FOUR PERCENT) EQUITY CAPITAL HELD BY LIFE INSURANCE CORPORATION OF INDIA, AGGREGATING TO 60.72% (SIXTY DECIMAL SEVEN TWO PERCENT) EQUITY CAPITAL IN IDBI BANK LIMITED AND TRANSFER OF MANAGEMENT CONTROL IN IDBI BANK LIMITED

Sir,

This is with reference to the Preliminary Information Memorandum and Invitation for EoI dated [●] (“**PIM**”) inviting Expression of Interest (“**EoI**”) for strategic disinvestment by the (i) Government of India (“**GoI**”) of such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India (“**LIC**”) of such number of shares representing 30.24 % (thirty decimal two four percent), aggregating to 60.72% (sixty decimal seven two percent) of the equity share capital of IDBI Bank Limited (“**IDBI Bank**”), a banking company registered under the Companies Act, 1956 having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India, along with the transfer of management control in IDBI Bank (“**Transaction**”).

1. We have read and fully understood the contents and requirements of the PIM and are desirous of participating in the Transaction.
2. [●] (insert name and designation of individual) (“**Representative**”) has been duly authorized to submit the EoI for and on behalf of [●] (insert name of IP)

and to act as our representative for all matters related thereto.

3. The Representative is vested with the requisite power and authority to furnish this letter and Form A along with all the documents to be submitted pursuant to the PIM/Invitation for EoI and authenticate the same.
4. The certified extract of the resolution of our Board of Directors dated [•] approving our participation in the Transaction and giving the necessary authority to the Representative in connection therewith is enclosed.

(In case of entities having PAN and TAN registration in India)

Our PAN number is [•]. Our TAN number is [•].

(In case of entities not having PAN and TAN registration in India)

- Name, Email-ID, contact number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number (“**TIN**”) in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country

Sincerely

For and on behalf of: (Name of the Interested Party)

Designation: [•]

Enclosure: Certified extract of the resolution of the Board of Directors dated [•]

**Annexure II (B) – Authorisation from IP Submitting as Consortium of
IPs
(On the letterhead of the Lead Member of the Consortium)**

Mr. Hitesh Sachdeva
KPMG India Private Limited,
Building No. 10B, 8th Floor,
DLF Cyber City, Phase II,
Gurugram, Haryana - 122 002, India

Reference No. _____

Date _____

Sub: GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 30.48 % (THIRTY DECIMAL FOUR EIGHT PERCENT) EQUITY CAPITAL HELD BY THE GOVERNMENT OF INDIA AND 30.24 % (THIRTY DECIMAL TWO FOUR PERCENT) EQUITY CAPITAL HELD BY LIFE INSURANCE CORPORATION, AGGREGATING TO 60.72% (SIXTY DECIMAL SEVEN TWO PERCENT) EQUITY CAPITAL IN IDBI BANK LIMITED AND TRANSFER OF MANAGEMENT CONTROL IN IDBI BANK LIMITED

Sir,

This is with reference to the Preliminary Information Memorandum and Invitation for EoI dated [●] (“**PIM**”) inviting Expression of Interest (“**EoI**”) for strategic disinvestment by the (i) Government of India (“**GoI**”) of such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India (“**LIC**”) of such number of shares representing 30.24% (thirty decimal two four percent) of the equity share capital of IDBI Bank Limited (“**IDBI Bank**”), a banking company registered under the Companies Act, 1956 having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India, along with the transfer of management control in IDBI Bank (“**Transaction**”).

1. We have read and fully understood the contents and requirements of the **PIM** and are desirous of participating in the Transaction.
2. [●] (insert name and designation of individual) (“**Representative**”) has been duly authorized to submit the EoI for and on behalf of [●] (insert name of the Consortium) and to act as our Representative for all matters related thereto.
3. The Representative is vested with the requisite power and authority to furnish

this letter and **Form A** along with all the documents to be submitted pursuant to the PIM/Invitation for EoI and authenticate the same.

4. The certified extract of the resolution of our Board of Directors dated [●] approving our participation in the Transaction and giving the necessary authority to the Representative in connection therewith is enclosed.

- Name, Email-ID, contact number
- Address in the country of residence
- Country of tax residency
- Tax Identification Number (“**TIN**”) in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country

Sincerely

For and on behalf of: (name of the Lead Member of Consortium), acting as the Lead Member of the (name of the Consortium)

Name: [●]

Designation: [●]

Enclosure: Certified extract of the resolution of the Board of Directors dated [●]

ANNEXURE III – AFFIDAVIT FOR CERTIFICATION OF DOCUMENTS

(To be duly executed and adequate stamp duty to be paid by the IP/ Members of Consortium with respect to this document. To be given by the Representative (as defined in **Annexure II**)

AFFIDAVIT

I, [name] aged [age] years, resident of [address] working as [designation], being an authorized signatory on behalf of [name of the Interested Party] (“**Interested Party**” / “**IP**”) hereby state on solemn affirmation and oath as under:

1. I am the [designation of the deponent] of the Interested Party. I am conversant with the facts and circumstances surrounding the subject of this affidavit [and have been authorized to depose to the same pursuant to the power of attorney dated [•] issued pursuant to [particulars of corporate approval]. I am filing this affidavit to place on record, verification of facts and documents in connection with the bidding process concerning strategic disinvestment of IDBI Bank Limited through sale of GoI’s and LIC’s equity stake along with transfer of management control in IDBI Bank (the “**Transaction**”),
2. I state that I have reviewed the contents of the Preliminary Information Memorandum dated [•] and the Expression of Interest dated [•] (“**EoI**”) and the requirements of each of them in relation to the Transaction and also the terms and conditions thereof.
3. I state that all documents and information submitted with the EoI of [insert name of the IP] has been personally verified and has also been verified by the concerned authority within [insert name of the IP]. [Insert separate paragraphs for each information/ document physically submitted with the TA, in a chronological sequence].
4. I state that each of the documents submitted is true, correct and complete in all respects. Nothing has been concealed in the information submitted as mentioned above, and no information submitted is misleading in any respect.
5. I understand that in case of any untrue, incomplete, misleading or incorrect information is submitted, the EoI submitted by [insert name of the IP] shall be liable to be disqualified.
6. I state that, in the event in any of the grounds for disqualification or the Disqualification Conditions becomes applicable to us in terms of the PIM/Invitation

for EoI or the extant RBI directions/guidelines/regulations (including the conditions relating to RBI's Fit & Proper assessment), each as amended from time to time, during the pendency of the process of Transaction, we shall promptly inform the TA and GoI.

7. I state that, in the event of any change in the information or documents submitted by [insert name of the IP] (including any documents and information submitted for 'Fit and Proper' assessment by RBI), we shall immediately notify the TA and GoI along with copies of all the relevant documents.
8. This Affidavit has been provided by me for and on behalf of [insert name of the IP] for the purpose of confirming the correctness, completeness, and validity of all documents and information submitted by [insert name of the IP] in relation to the Transaction.

Solemnly affirmed and verified on this [day] day of [month] [year] at [place].

Before me [particulars of notarization]

Name, Designation & Address & Signature of Deponent.

ANNEXURE IV – DECLARATION

**(On the letterhead of the sole IP /each member of the Consortium
submitting the EoI)**

DECLARATION

- 1.** We solemnly declare that neither we nor any of our director(s), CEO, principal officers, and other key managerial personnel are convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence.

‘Grave offence’ for this purpose shall include
 - a) SEBI / RBI orders which directly relate to “Fraud” as defined under the provisions of the SEBI Act, 1992 / RBI Act, 1934 and any of the regulations made thereunder, each as amended from time to time;
 - b) SEBI orders which cast a doubt on the ability of the IP to hold the stake in IDBI Bank;
 - c) Any conviction by a court of law;
 - d) Where SEBI has issued an order of prosecution against the IP, disqualification will arise only on conviction by court of law.
- 2.** We certify that there are no existing material dispute(s) or legal proceeding(s) by or against us and/or our Associates Companies in respect of IDBI Bank and/or its joint ventures or its subsidiaries or its associates.
- 3.** We further declare that neither we nor any of our Associate Companies have been issued a charge-sheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
- 4.** We further declare that neither we nor any of our Associate Companies, our director(s), CEO, or other key managerial personnel are under any investigation pending before any regulatory authority or other authority.
- 5.** We declare that true, correct, and complete information as required is provided in the EoI and Form A, all related documents, including all annexures thereto.

Yours sincerely,

For and on behalf of: (name of the Interested Party/member of Consortium)

Signature: (Authorized Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Place:

Date:

Note: In case any IP is unable to give above undertaking in view of any conviction, indictment, order, or investigation as above, full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/ investigating agency, status/outcome etc. with supporting/ relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

ANNEXURE V – DEED OF CONFIDENTIALITY UNDERTAKING

[NOTE: *The Deed of Confidentiality Undertaking is to be executed on a non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution by the Interested Party. In case of consortium, the Deed of Confidentiality Undertaking is to be executed by the lead party and each member of the consortium. This deed must be submitted in three original copies.*]

This DEED OF CONFIDENTIALITY UNDERTAKING (“**Undertaking**”) is made on this the [●] day of [●], 20[●]

BY:

[●], a company incorporated under the laws of [●], with its registered office at [●] (hereinafter referred to as the “**Interested Party**” or “**IP**”)

(In case of a Consortium, the term “IP” means collectively the Lead Member of Consortium and other members of Consortium, unless the context otherwise requires reference to only the Lead Member or members(s) of Consortium)

IN FAVOUR OF:

The President of India, represented by and acting through Ministry of Finance, Government of India;

And

[TA] [*Details to be included*]

And

IDBI Bank Limited [*Details to be included*]

WHEREAS

- A. The IP has submitted an expression of interest dated [●] (“**EoI**”) pursuant to the Preliminary Information Memorandum and Invitation for EoI dated [●] (“**PIM**”) for participation in the for sale by the (i) Government of India (“**GoI**”) of such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India (“**LIC**”) of such number of shares representing 30.24 % (thirty decimal two four percent), aggregating to 60.72% (sixty decimal seven two percent) of the equity share capital of IDBI Bank Limited (“**Stake**”), by way of

transfer of management control (such proposed transaction hereinafter referred to as the “**Transaction**”);

- B. The IP has, in compliance with the terms of the PIM/Invitation for EoI, agreed to submit this undertaking in the format specified by TA; and
- C. In the context of the IP’s interest in the Transaction, the Disclosing Party (as defined herein below) may disclose Confidential Information (as defined herein below) to the Receiving Party (as defined herein below) to enable the IP to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IP hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein.

- 1. In this Undertaking (including the recitals) the following words shall have the respective meaning given to them below:

“**Confidential Information**” means and includes any and all information, documents and materials whether written, or otherwise, and in any form or media, concerning the business, operations, prospects, finances, or other affairs of IDBI Bank, its affiliates, associates, joint ventures, or subsidiaries (which includes, without limitation, any information delivered or disclosed to the Receiving Party in connection with the due diligence investigation, product specifications, data, know-how, compositions, designs, sketches, photographs, graphs, drawings, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials), and any confidential information memorandum, bid document, draft of transaction document or other documents and materials and/or information relating to IDBI Bank (howsoever such information is documented) and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute “Confidential Information” for purposes of this Undertaking:

- (a) Information which the Receiving Party can prove by written records was already

in its possession on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;

- (b) Information which is obtained by the Receiving Party from a third Person who is not prohibited from disclosing the information to the Receiving Party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of IDBI Bank on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive, and binding.

“Disclosing Party” means GoI, LIC, IDBI Bank, TA and/or their respective Representatives and advisors.

“Governmental Authority” means any governmental or regulatory authority, government department in India or other rule or regulation-making entity having jurisdiction on behalf of the Republic of India or any political subdivision thereof.

“Person” shall mean any individual, company, firm, association, trust, or any other organization or entity, including any governmental or political subdivision, ministry, department, or agency thereof.

“Receiving Party” means the IP, its affiliates, and their respective Representatives whether jointly or severally.

“Representative(s)” of any Person includes the directors, officers, employees, agents, consultants, advisors, or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

“Transaction” shall have the meaning ascribed to such term in Recital A hereof.

2. Any Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential and the Receiving Party shall not, without GoI’s and/or IDBI Bank’s prior written consent or as expressly permitted herein, disclose in any manner whatsoever, in whole or in part, to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information in good faith only to

evaluate the Transaction and to decide whether or not the IP wishes to proceed with the Transaction, and the Receiving Party will not use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party, including for any commercial or business purposes.

4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, the IP by execution of this Undertaking agrees, that all of the Confidential Information shall be held and treated by the Receiving Party in confidence. The IP agrees (A) to disclose Confidential Information only to those of its Representatives who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Representative of the IP will be informed and advised by the IP of the confidential nature of such information and the obligations of this Undertaking and (B) the IP shall satisfy itself that each such Representatives of the IP will hold and treat the Confidential Information in confidence and act in accordance therewith.
5. At GoI's, or IDBI Bank's or TA's request, the IP shall procure from its Representatives a written confidentiality agreement or undertaking substantially in the form of this Undertaking with confidentiality and other obligations no less restrictive than those contained herein, and the Representative of the IP shall undertake to treat the Confidential Information in accordance with the terms of this Undertaking. Notwithstanding any such agreement or undertaking, the IP agrees that it shall continue to be responsible and liable for any breach of this Undertaking by it or any of its Representatives and shall indemnify and hold GoI, IDBI Bank and TA harmless (including in accordance with Clause 14 of this Undertaking) from any breach of this Undertaking.
6. The IP recognizes and acknowledges the competitive value and confidential nature of the Confidential Information and the resultant damage to GoI or IDBI Bank if the Confidential Information is disclosed or allowed to be disclosed to an unauthorized party or used for any purpose other than evaluating the Transaction. The IP acknowledges and agrees that it is imperative that all Confidential Information remains confidential.
7. In the event that a consortium member, is required to be changed, the IP shall inform the DIPAM and take prior permission of DIPAM and upon receipt of such confirmation, the IP agrees that it shall ensure that within seven (7) days it will take a written undertaking identical in form and content as this Undertaking from the new consortium member in favor of GoI (*or any other instrumentalities thereof*), IDBI Bank and TA and deliver the same to each of them through TA.
8. Except as otherwise provided in this Undertaking, in the event of change of an IP

(in case of consortium), the IP who is no longer a member of the consortium hereby agrees to be bound by the terms of this Undertaking for a period of five (5) years from the date it ceases to be a member of the consortium of IP.

- 9.** On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable laws. Without limiting the generality of the preceding sentence, the IP (and its Representative(s)) shall not trade in securities/ shares of the IDBI Bank whilst in the possession of Confidential Information, in contravention of any applicable laws including the SEBI (Prohibition of Insider Trading) Regulations.
- 10.** If the Receiving Party is requested or becomes legally compelled (including by oral or written questions, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a regulatory body to make any disclosure that is prohibited or otherwise constrained by this Undertaking, the Receiving Party will by written notice seek prior written permission from TA, IDBI Bank and GoI of such request before such disclosure is made so that TA and/or IDBI and/or GoI may seek an appropriate protective order or other appropriate remedy and which permission shall be granted within seven (7) days from the receipt of such written request from Receiving Party. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the IPs counsel reasonably acceptable to TA, IDBI Bank and GoI, the IP is legally compelled or is otherwise required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
- 11.** The confidentiality obligations contained in this Undertaking may be amended, modified or superseded upon the Bidder, being selected by GoI in consultation with TA as the successful bidder for the purposes of acquiring the Stake in IDBI, by executing a definitive transaction document for the acquisition of the Stake in IDBI Bank, but shall be without prejudice to any of TA's, IDBI Bank's and/or GoI's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.
- 12.** In case the IP decides (for any reason whatsoever) not to proceed with the Transaction or if TA, or GoI disqualify the IP from further participation in the Transaction or upon not emerging as the Successful Bidder and consequently not being selected as the purchaser or otherwise not executing the definitive

transaction document, the provisions of this Undertaking shall still survive for a period of five (5) years from the date any of the aforesaid occurs.

- 13.** The IP agrees and acknowledges that GoI reserves the right, in its sole discretion not to proceed with the Transaction and/or to modify the process of the Transaction in any part, at any time without prior notice to the IP and/or to reject any or all proposals made by the IP with regard to the Transaction. Further, GoI may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the IP in connection with its evaluation of the Transaction. The IP agrees that after any such termination by GoI or after the decision to not proceed with the Transaction, the IP will (a) promptly deliver to the concerned Disclosing Party or at the option of that Disclosing Party, destroy all documents or other materials in any form or media, furnished by such Disclosing Party to the Receiving Party constituting Confidential Information, together with all copies, extracts and summaries thereof in the possession or under the control of the Receiving Party, (b) will delete from the Receiving Party's computer systems all files, data or programs constituting Confidential Information and (c) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material. Any such destruction pursuant to the foregoing must be confirmed by the IP in writing to TA, IDBI Bank and GoI (such confirmation must include a list of the destroyed and deleted materials). The IP acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information shall not release the Receiving Party from its obligations under this Undertaking. The Receiving Party and its Representatives may however retain such Confidential Information that (i) the Receiving Party or its Representatives are required to retain by any applicable law, rule, or regulation or by any competent judicial, governmental, supervisory or regulatory body; or (ii) is retained in the computer archival system of the Receiving Party or its Representatives; provided that the Confidential Information will be destroyed in accordance with the regular ongoing records retention process of the Receiving Party or its Representatives and, provided further, that the Receiving Party and its Representatives will be bound by the obligations of Confidentiality undertaken in this CU with respect to such Confidential Information
- 14.** GoI reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party, at any time. Without limiting the scope of the preceding sentence, nothing in this Undertaking (i) requires either the IP or GoI to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires LIC and/or GoI to enter into an agreement or an

understanding or prohibits LIC and/or GoI from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.

- 15.** The Receiving Party shall not deal (except in the ordinary course of the business) with any officer, director, or employee of IDBI Bank regarding the business, operations, prospects, or finances of IDBI Bank, without TA's and/or GoI's express written consent, unless otherwise agreed to in an executed transaction document entered into in connection with the IP's purchase of the Stake in IDBI Bank. It is understood that TA will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by TA in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to TA. However, if the Receiving Party is called upon by GoI for some discussion, the Receiving Party will inform TA with respect to such meetings.
- 16.** The IP understands, acknowledges, and agrees that GoI and IDBI Bank retain the right to determine, in its sole discretion, the information, properties and personnel of IDBI Bank, that they wish to make available to the Receiving Party and the Disclosing Party does not make any representations or warranties, express or implied, as to the accuracy or completeness of the Confidential Information and shall have no liability to the Receiving Party resulting from their use of the Confidential Information. The IP also agrees that if it determines to proceed with the Transaction, its determination will be based solely on the terms of a definitive transaction document and on its own investigation, analysis, and assessment of its investment and the Transaction. Moreover, unless and until such a definitive written transaction document is entered into, neither GoI nor the IP is under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed agreement.
- 17.** The IP agrees to indemnify and hold TA, IDBI Bank and GoI harmless from any and all damages (other than remote and indirect damages), loss, cost or liability (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by the Receiving Party of the Confidential Information or other violation of this Undertaking by the IP and/or any Receiving Party. In addition, the IP acknowledges that any of the foregoing acts or violation will cause the Disclosing Party irreparable harm for which an award of money, damages (whether pursuant to the foregoing sentence or otherwise) may be inadequate. The IP therefore agrees that, in the event of any breach or threatened breach of this Undertaking, TA, IDBI Bank and/or GoI will

also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to TA, IDBI Bank and/or GoI.

- 18.** The IP agrees that no failure or delay by GoI, IDBI Bank and/or TA in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power, or privilege hereto.
- 19.** The IP understands, acknowledges, and agrees that TA, IDBI Bank and GoI are beneficiaries under this Undertaking. The IP further agrees that TA, IDBI Bank and GoI will be entitled to enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking. In case of a Consortium, it is agreed that the Lead Member shall be liable for a breach of this Undertaking by any member of Consortium.
- 20.** The terms of this Undertaking may be varied only with each Party's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
- 21.** This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
- 22.** The Parties shall make good faith efforts to resolve any disputes arising in connection with the confidentiality obligations contained herein through negotiation. In case no settlement can be reached within thirty (30) days of one of the party's receipt of a written notice of dispute from the other party, such disputes shall be finally settled in accordance with the Arbitration and Conciliation Act, 1996 or any modification or re- enactment thereof, which may be in force in India. The venue of arbitration shall be New Delhi and the Arbitration shall be conducted in English language only.
- 23.** All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by postage prepaid, registered mail or courier under certificate of posting or facsimile as follows:

If notice is to GoI:
Attn: [Name]
[Designation]

Department of Investment and Public Asset Management, Ministry of
Finance, Government of India
Room No.520, 5th Floor, Block No. 14 CGO Complex, Lodhi Road, New
Delhi - 110003

If notice is to TA:
Attn: [Name]
[Address]

If notice is to IDBI Bank:
Attn: [Name]
[Address]

If the notice is to the Bidder: Attn:
(Name and Address)
(Fax:)

Any of the parties to this Undertaking, i.e. IP or GoI, IDBI Bank or TA may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of 7 (seven) days after posting, if transmitted by postage prepaid, registered mail or courier under certificate of posting or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the IP on the date and year first hereinabove written.

(Name of Sole Bidder)

By: _ Name: _

Designation:

Witnessed by:

Name: _

Address:

(Name of Lead Consortium Member)

By: _ Name: _

Designation:

Witnessed by:

Name: _

Address:

(Name of Consortium Member)

By: _ Name: _

Designation:

Witnessed by:

Name: _____

Address: _____

ANNEXURE VI
POWER OF ATTORNEY FOR LEAD MEMBER OF THE CONSORTIUM

Power of Attorney for signing of EoI

To all to whom these presents shall come, we [●] (Name of the entity) having our registered office at [●] (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name) [●] son/daughter/wife of [●] presently residing at [●], who is presently employed with (us/the Lead Member of our Consortium) and holding the position of [●], as our true and lawful attorney (hereinafter referred to as the “**Attorney**”) to do, execute, and perform in our name and on our behalf all such acts, agreements (with or without any amendments or modifications), deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for the strategic disinvestment of the shares held by Government of India (“**GoI**”) and Life Insurance Corporation of India (“**LIC**”) in IDBI Bank Limited (“**IDBI Bank**”) along with the transfer of management control in IDBI Bank (the “**Transaction**”), including but not limited to, signing and submission of the EoI, request for qualification, affidavits, applications and other documents and writings, as may be required from time to time, participate in pre-bid and other conferences and providing information/ responses to GoI/TA and generally dealing with TA/IDBI Bank/GoI in all matters in connection therewith or relating thereto or arising out of the foregoing.

AND we hereby agree to ratify and confirm, and do hereby ratify and confirm, all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney; and we do hereby confirm that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same ourselves.

All the terms used herein but not defined shall have the meaning ascribed to such terms in the PIM/Invitation for EoI dated [●] inviting expressions of interest for the Transaction.

IN WITNESS WHEREOF WE, THE ABOVE-NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS [●] DAY OF [●]

[●]

[•]

(Signature, name, designation, and address) In the presence of:

- 1.
- 2.

Accepted

Name, Title, and Address of the Attorney) (To be duly notarized/ apostilled as relevant)

Notes:

1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized. The Non-Judicial Stamp Paper and notarization shall be at the place where the POA is being executed. Stamp Duty to be paid shall be as per the requirement of applicable law including the stamping requirements in the state where it is being executed. For e.g.: the stamp duty payable on a POA in Delhi is INR 50.
2. The IP should submit for verification, the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favor of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the IP.
3. For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by IPs from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.

ANNEXURE VII
FORMAT FOR CONSORTIUM AGREEMENT

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and notarized)

(To be submitted by the Lead Member of Consortium on behalf of itself and other members of Consortium submitting the EoI)

This Consortium Agreement ("**Agreement**") executed on this [●] day of [●] Two thousand [●] between

1. M/s [●] [**insert name of Lead Member**], a limited liability partnership or Fund or a Banking Company or a NBFC incorporated under the laws of [●] and having its Registered/Principal Office at [●] (hereinafter called the "**Member-1**", which expression shall include its successors, executors and permitted assigns);
2. M/s [●], a limited liability partnership or Company or Fund incorporated under the laws of [●] and having its Registered Office at [●] (hereinafter called the "**Member-2**", which expression shall include its successors, executors and permitted assigns);
3. M/s [●], a limited liability partnership or Company or Fund incorporated under the laws of [●] and having its Registered Office at [●] (hereinafter called the "**Member-3**", which expression shall include its successors, executors and permitted assigns); and
4. M/s [●], a limited liability partnership or Company or Fund incorporated under the laws of [●] and having its Registered Office at [●] (hereinafter called the "**Member-4**", which expression shall include its successors, executors and permitted assigns),

for the purpose of submitting the response to the Preliminary Information Memorandum and Invitation for EoI dated [●] ("**PIM**") inviting Expression of Interest for strategic disinvestment of 30.48 % (thirty decimal four eight percent) equity shareholding of the Government of India and 30.24 % (thirty decimal two four percent) equity shareholding of Life Insurance Corporation of India in IDBI Bank Limited ("**IDBI Bank**") along with the transfer of management control in IDBI Bank, which is equivalent to 60.72% (sixty decimal seven two percent) of the total paid up equity share capital of IDBI Bank ("**Transaction**").

WHEREAS each member individually shall be referred to as the "**Member**" and all of the members shall be collectively referred to as the "**Members**" in this Agreement.

WHEREAS the Instructions for submitting EoI as per PIM/Invitation for EoI stipulates that in case EoI is being submitted by a Consortium of bidders, the Members of Consortium will have to submit a legally enforceable Consortium Agreement in a format specified by GoI.

All the terms used in capitals in this Agreement but not defined herein shall have the meaning as ascribed thereto under the PIM/Invitation for EoI.

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

In consideration of the above premises and agreements all the Members in this Consortium do hereby mutually agree as follows:

1. We, the Members of Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s [●]), shall act as the Lead Member as defined in the PIM/Invitation for EoI for self and agent for and on behalf of Member-2, M/s [●], Member-3 M/s [●] Member-4 M/s [●] and to submit the EoI;
2. We have formed Consortium comprising of [●] members as follows:
 1. [●] (Insert name)/ [●] % ([●] percent) of Shareholding in the Consortium (the **'Lead Member'**)
 2. [●] (Insert name)/ [●] % ([●] percent) of Shareholding in the Consortium
 3. [●] (Insert name)/ [●] % ([●] percent) of Shareholding in the Consortium
 4. [●] (Insert name)/ [●] % ([●] percent) of Shareholding in the Consortium

We acknowledge and agree that the Lead Member of Consortium shall have a minimum equity contribution of 40% (forty percent) in the Consortium and no member of the Consortium, who is not a Lead Member, should have a contribution less than 10% (ten percent).

We further acknowledge and undertake that on being adjudged as the Successful Bidder,

- (i) we, may either at our discretion or if required by RBI, shall incorporate an investment vehicle, either in India or overseas (the **'Investment Vehicle'**) for the purposes of consummation of the Transaction having the shareholding equivalent to the participating interest of each of the members in the Consortium; and
- (ii) the Investment Vehicle, so incorporated by the Successful Bidder, would be subject to the GoI's Security clearance, the assessment by RBI on its 'Fit & Proper' assessment; and
- (iii) we shall not enter into or execute any shareholders'/joint venture agreement for exercise of any special rights by any member of the Consortium, at the board or shareholders' level, in the functioning and operations of IDBI Bank. The

functioning and operations of IDBI Bank shall be governed and managed by the board of IDBI Bank in accordance with the extant RBI directions/guidelines/regulations, each as amended from time to time; and

- (iv)** we shall be subject to the final assessment of 'Fit & Proper' assessment by RBI. Further, we shall ensure that:
 - (A)** a member and its Associate Companies, other than the Lead Member, should not have a shareholding, in the aggregate, equal to or greater than the Lead Member in the Investment Vehicle/Consortium; and
 - (B)** the shareholding requirements and the lock-in contribution of each member of the Consortium (including the Lead Member), whether or not held through an Investment Vehicle/NOFHC, shall be in accordance with the requirements of the PIM/Invitation for EoI, i.e.
 - (a)** The Successful Bidder, being a Consortium, is required to hold and lock-in, either directly or through an Investment Vehicle/NOFHC (as the case may be), at least 40% (forty percent) of the paid up and voting equity share capital of IDBI Bank, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.
 - (b)** In the event of IDBI Bank raising further voting equity capital during the first 5 (five years) from the date of acquisition of stake by the Successful Bidder in IDBI Bank, the Successful Bidder should, either directly or through an Investment Vehicle/NOFHC (as the case may be), continue to hold 40% (forty percent) of the enhanced voting equity capital of IDBI Bank for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.
 - (c)** In case of a Consortium being the Successful Bidder, the lock-in requirement for each of the members of the Consortium (including the Lead Member) shall be in proportion to their respective equity holding in IDBI Bank 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, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.
 - (d)** Where the Consortium, incorporates an Investment Vehicle (either at its own discretion) or an NOFHC (pursuant to a requirement from RBI under the extant RBI directions/guidelines/regulations, each as amended from

time to time), the Investment Vehicle or the NOFHC shall hold and lock-in at least 40% (forty percent) of the paid-up voting equity share capital of IDBI Bank, at all times, for a period of 5 (five) years from the date of acquisition of stake in IDBI Bank.

(e) In case Successful Bidder incorporates an Investment Vehicle (either at its own discretion) or a NOFHC (pursuant to a requirement from RBI under the extant RBI directions/guidelines/regulations, each as amended from time to time), such Successful Bidder shall be required to hold no less than 51% (fifty per cent) of the total voting equity shares of the Investment Vehicle or NOFHC, as the case may be, in accordance with the extant RBI directions/guidelines/regulations, each as amended from time to time. Where the shareholders of the Investment Vehicle/NOFHC are members of the Consortium, the lock-in requirement for each of the members of the Consortium (including the Lead Member) in the Investment Vehicle/NOFHC shall be in proportion to their respective shareholding in the Investment Vehicle/NOFHC such that such Consortium Members continue to hold at least 51% (fifty one percent) of the paid-up voting equity share capital of the Investment Vehicle/NOFHC, in accordance with the extant RBI directions/guidelines/regulations, each as amended from time to time,, from the date of acquisition of stake in IDBI Bank.

3. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
4. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of Consortium in discharging all of their respective obligations. Each Member further undertakes to be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
5. The Lead Member of the Consortium shall be jointly and severally responsible and liable for the Consortium to fulfill all of its obligations in respect of the EOI and, on being adjudged the Successful Bidder, to consummate the Transaction. It is clarified that the liability of the non-Lead Members shall be limited to extent of their proportional contribution in the shareholding of the Consortium at the time of the EoI submission or changes if any, of the bids at RFP stage. It is further clarified that there is no limitation on the liability of the Lead Member.
6. We hereby agree and undertake that we shall submit the F&P Assessment Documents for each member of the Consortium in accordance with the requirements and stipulations

specified under the RBI's "Master Directions on Prior Approval for Acquisition of Shares and Voting Rights in Private Sector Banks: Directions, 2015 dated November 19, 2015", each as amended from time to time.

7. We hereby confirm and undertake that that any change/modification in the respect of the facts or contents mentioned under the F&P Assessment Documents or Security Clearance Documents, as the case may be, till the consummation of the Transaction, shall be forthwith brought to the notice of TA/DIPAM and all documents in respect of such change/modification shall be submitted by us for re-assessment of such F&P Assessment Documents or Security clearance documents and 'Fit and Proper' assessment by RBI or MHA, as the case may be.
8. We certify that in the event we are adjudged as the Successful Bidder, we shall continue the business of the IDBI Bank in its entirety as being conducted as on the completion of the Transaction on a going concern basis and shall ensure compliance to the terms and conditions of the SPA to be executed for the consummation of the Transaction.
9. The Lead Member, on behalf of the Consortium, shall inter alia undertake full responsibility for liaising with any authority or persons as required in order to obtain all the statutory and regulatory approvals towards consummation of this Transaction.
10. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.
11. It is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
12. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at New Delhi, India alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
13. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by GoI.
14. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the members respectively from time to time in EoI.
15. It is hereby expressly understood between the members that no member at any given point of time, may assign or delegate its rights, duties, or obligations under the EoI except with

prior written consent of GoI.

16. We acknowledge that the TA/GoI/LIC/IDBI Bank reserves the right to verify all statements, information and documents submitted by the IPs/ any member of Consortium in response to the PIM/Invitation for EoI, or the EoI process and the IPs/ any member of Consortium shall, when so required by the GoI / TA, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GoI / TA shall not relieve the IP/any member of Consortium of its obligations or liabilities hereunder nor will it affect any rights of the GoI thereunder.
17. We agree that each member of the Consortium shall independently evaluate and ensure that they are permitted to participate in the Transaction pursuant to the applicable laws and to the extent they propose to participate.
18. We acknowledge and undertake that the Lead Member of 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, against any cost, loss or damages incurred/suffered by the TA/GoI/LIC/IDBI Bank and or their respective consultants, agents, officials, advisors, and employees in connection with the Transaction.
19. We agree that, if applicable in terms of the extant RBI directions/guidelines/regulations, each as amended from time to time, we shall on being adjudged the Successful Bidder, shall establish a Non-Operative Financial Holding Company (“NOFHC”) in accordance with the ‘Guidelines for Licensing of New Banks in the Private Sector’ dated February 22, 2013 and ‘Guidelines for ‘on tap’ Licensing of Universal Banks in the Private Sector’ on August 1, 2016, towards consummation of the Transaction.
20. This Agreement:
 - i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding, and enforceable obligation of each such Member;
 - ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
 - iii) may not be amended or modified except in writing signed by each of the members and with prior written consent of GoI.

IN WITNESS WHEREOF, the Members have, through their authorized representatives, executed these present on the Day, Month and Year first mentioned above.

For M/s [●] [**Member 1**] [●]

(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

i) Signature _____
Name:
Address:

ii) Signature _____
Name:
Address:

For M/s [●] [**Member 2**] [●]

(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

i) Signature _____
Name:
Address:

ii) Signature _____
Name:
Address:

For M/s [●] [**Member 3**] [●] (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the

partnership deed governing such partnership
dated [●])

Witnesses:

i) Signature _____
Name:
Address:

ii) Signature _____
Name:
Address:

For M/s [●] [**Member 4**] [●] (Signature,
Name & Designation of the person authorized
vide board resolution/power of attorney duly
executed by such partners as authorized by the
partnership deed governing such partnership
dated [●])

Witnesses:

i) Signature _____
Name:
Address:

ii) Signature _____
Name:
Address:

[Signature and stamp of Notary of the place of execution]

Important Instructions:

For the Consortium agreement executed and issued overseas, instead of notarization, the document should either carry a conforming Apostille certificate or it should be legalized by applicable procedure in respective jurisdiction before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws

ANNEXURE VIII

FORMAT FOR APPLICATION OF SECURITY CLEARANCE

Schedule of Documents

Performa for application for Security clearance of Bidders for Strategic Disinvestment of IDBI Bank Limited

Part-A. To be filled in by an Interested Party (IP), being a Sole bidder

(a) Details of the Interested Party (IP) (Indian/Foreign)

Table-1

Name of the IP	Nature of the IP (whether Company, LLP, partnership firm, funds, etc.)	Country (or jurisdiction) where registered	Registration Number & Date of Registration	Address of Registered Office, Regional Offices, and address for correspondence with telephone numbers	Previous name(s), if any (since incorporation, if applicable)	Ultimate beneficial owners *

**Please enclose a chart depicting the link between the IP and the ultimate beneficial owners/ companies/ organizations along with their details as in Table 2 and Table 3 below.*

Note:

On Significant Beneficial Owners:

1. The terms “significant influence”, “majority stake” and “significant beneficial owner” shall have the same meaning as defined in the Companies (Significant Beneficial Owners) Rules, 2018 (as amended).
2. The term “control” shall have the same meaning as defined in the Companies Act, 2013 (as amended).

3. The term “body corporate”, in case of a company, shall have the same meaning as defined in the Companies Act, 2013, (as amended), and that, in case of a limited liability partnership company shall have the same meaning as defined in the Limited Liability Partnership Act, 2008 (as amended).

(b) Details of the Directors/ Partners/ Designated Partners of IP

Table-2

Sl. N.	Full Name of the Director/ Partners/ Designated Partner	Present position with date (since when)	Date of birth	Percentage (full name of father/ mother)	Present address & Permanent Address and telephone numbers.	Nationality (If holding multiple nationalities mention all)	Unique ID number of the country of residence	Passport Nos. and date & place of issue (any other evidence of date of birth, in other cases)

(c) Details of the shareholders/ interest-holders/ members of IP (All companies/ entities/ firms/ individuals holding more than 10% (ten percent) share/ 10% (ten percent) voting rights/ receivable more than 10% (ten percent) of the distributable dividend/ otherwise exercise significant influence)

Table-3

Sl. N.	Full Name	% of shares/ interest held in the IP	Present position held, if any, in the IP	Unique ID number of each country of residence and citizenship, in case of individual, or Registration no. & date of registration in case of company, LLP, fund, etc.	Address- Present and Permanent Address (in case of individuals), and Registered address & address for correspondence (in case of company, LLP, with telephone No.)	In case of a company, LLP, partnership firm, funds etc., Country (or jurisdiction) of registration	In case of individuals		
							Parentage (name of father/mother),	Nationality (If holding multiple nationality, all must be mentioned	Passport No. and place and date of issue (any other evidence of date of birth, in other cases)

(d) If the IP intends to form an Investment Vehicle (IV) after the financial bid

- (i) details of **Jurisdiction** in which the IV is planned to be formed
- (ii) details of the likely **Directors** of such a IV [in the same format as in **Table-2** above].

(e) Self-declaration regarding the nature and extent of presence/ operation of IP in China & Pakistan, if any.

(f) Details of criminal cases, if any, against the IP/ its director(s)/ Promoters

as per ANNEXURE. The status of criminal case(s), pending or decided (if yes, the copy of Order/ Judgement may be provided)

***Notes:**

- 1.** *Where EOI is filed by a IP, which itself satisfies Eligibility Criteria; above details have to be submitted in relation to IP only (In Table-1, Table-2 & Table-3 and details of the Investment Vehicle (IV), if any).*
- 2.** *Where EOI is filed by a IP, which satisfies net worth Eligibility Criteria on the strength of its Parent Company, above details have to be submitted for the IP (In Table-1, Table-2 & Table-3 and details of IV, if any) as well as for the Parent Company (In Table-1, Table-2 & Table-3).*
- 3.** *Where the IP is a fund, above details have to be submitted for such Fund as well as for all persons, who are in control of such fund, including the trustees and sponsors.*
- 4.** *If the IP forms an IV prior to submission of the financial bid, above details are to be submitted for such IV also (In Table-1, Table-2 & Table-3).*
- 5.** *Where the IP is an LLP, above details to be also submitted for all persons exercising significant influence and/ or control over the affairs of LLP or holding majority stake in the LLP or who are significant beneficial owners of the LLP (In Table-1, Table-2 & Table-3).*

Part-B To be filled in by an Interested Party (IP), being a Consortium

(a) Details of the Consortium

Table-4

Sl . N.	Full Name of the members of the Consortium	% of shares/ interest held in the IP	Whether Lead member (yes/no)	Registration Number & Date of Registration in case of a company, LLP, partnership firms, Fund etc.	Address - Registered Office, and address for correspondence (in case of company, LLP, partnership firm, Fund etc.) with telephone numbers	In case of individuals		
						Percentage (name of father / mother)	Nationality (if holding multiple nationality , all must be mentioned)	Passport Nos. and date & place of issue (any other evidence of date of birth, in other cases)

(b) Details in respect of all consortium members to be submitted (in the format as in Tables 1, 2 3 and (e) & (f) of Part-A).

(c) If the Consortium IP intends to form a Investment Vehicle (IV) after the financial bid

- (i) details of **jurisdiction** in which the IV is planned to be formed
- (ii) details of the likely **Directors** of such a IV [in the form of **Table-2** above].

Note:

1. Where a member of a consortium is a *FUND*, above details has to be submitted for the fund as well as for all persons who are in control of the fund, including the trustees and sponsors.

- 2.** *If the IP formed the IV prior to submission of financial bid, above details has to be submitted for the IV also (In Table-1, Table-2 & Table-3).*
- 3.** *Where a member of a consortium is an LLP, above details to be also submitted for all persons exercising significant influence and/ or control over the affairs of LLP or holding majority stake in the LLP or who are significant beneficial owners of the LLP (In Table-1, Table-2 & Table-3).*

ANNEXURE TO APPLICATION OF SECURITY CLEARANCE

Self-declaration for IP and its director(s) and shareholders holding more than 10% (ten percent) shares/10% (ten percent) voting right /receiving more than 10% (ten percent) of the distributable dividend/ otherwise exercise significant influence

- a) Name and address and registration number of the company/LLP/partnership firm/fund etc.
- b) Name and address of shareholders (holding more than 10% shares)/ directors of the company or LLP or firm or fund/ significant beneficial owners etc.
 - 1.
 - 2.
 - 3.
 - 4.
- c) Are the shareholders (holding more than 10% shares) / directors listed above, the subject of any:
 - 1. Preventive detention proceedings under Public Safety Act I National Security Act, etc: Yes/No
 - 2. Criminal investigation in which charge sheet has been filed: Yes/ No
 - 3. Status of criminal prosecution.
- d) If, Yes, please provide following details
 - 1. Case/ FIR number
 - 2. Detention / warrant number, if any,
 - 3. Police station I district / agency
 - 4. Sections of law under which case(s) has/ have been filed
 - 5. Name and place of the court.
 - 6. Latest status of the court cases.
 - 7. Status of criminal investigation/ trial (if any)
 - 8. Status of criminal appeal (if any)
- e) The above-mentioned details are in respect of both India and any other foreign country.

(Signature)

Note:

1. The above self-declaration is required to be filled and signed by the **authorized signatory** of the company/LLP/firm/fund etc.
2. **In case of LLP**, the above details have to be submitted for LLP and all persons exercising significant influence and control over the affairs of LLP or holding majority stake in the LLP or who are significant beneficial owners of the LLP (including all its partners and designated partners).
3. **In case of Fund**, the above details have to be submitted for the Fund and all persons in control of the fund (including the trustees and sponsors).

ANNEXURE IX

Declaration / disclosure on order/ pending investigation /proceedings by any Court/ regulatory authority/SFIO/ NCLT/ NCLAT

*(To be submitted on the letterhead of the sole IPs /each member of the
Consortium submitting the EoI)*

DECLARATION

- A. Details of the Interested Party (IP) (sole bidder / Consortium members, as applicable) and its Affiliate (only in case IP is taking benefit of financial strength of such Affiliate):

Table - 1

Name of the IP/ member of Consortium (% of shares/ interest)	Nature of the IP (whether Company, LLP, partnership firm, funds, etc)	Country (or jurisdiction) where registered	Registration Number & Date of Registration	Address of Registered Office, Regional offices and address for correspondence with telephone No.	Previous name(s), if any (since incorporation, if applicable)	Significant Beneficial Owner*

* Please enclose a chart depicting the link between the QIP and the Significant Beneficial Owners / companies/ organisations along with their details as in Table-2 and Table-3 below.

Note:

Significant Beneficial Owners:

- The terms “significant influence”, “majority stake” and “Significant Beneficial Owner” shall have the same meaning as defined in Companies (Significant Beneficial Owners) Rules, 2018 (as amended).*
- The term “control” shall have the same meaning as defined in the Companies Act, 2013 (as amended).*

3. The term “body corporate”, in case of a company, shall have the same meaning as defined in the Companies Act, 2013, (as amended), and that, in case of a limited liability partnership company shall have the same meaning as defined in the Limited Liability Partnership Act, 2008 (as amended).

B. Details in respect of Controlling Shareholder(s)/partners /Directors/Key Managerial Persons/ Equivalent Persons of IP (sole bidder / Consortium members, as applicable) and its Affiliate (only in case IP is taking benefit of financial strength of such Affiliate):

Table - 2

Full Name of Directors/Key Managerial Persons/ Equivalent Persons	Present Position held with date (since when)	% of shares or other interest held in the Interested Party	Date of birth	Present address & Permanent Address and telephone numbers.	Nationality (If holding multiple nationalities mention all)	Unique ID number of the country of residence	Passport Nos. and date & place of issue (any other evidence of date of birth, in other cases)

C. Details of the shareholders/interest-holders/ members of QIP (All companies/ entities/ firms/individuals holding more than 10% share/10% voting right/ receiving more than 10% of the distributable dividend/ otherwise exercise significant influence)

Table-3

Sl No	Full name	% of shares/ interest held in the QIP	Present position held, if any, in the QIP	Unique ID Number of each country of residence and citizenship, in case of individual, or Registration no. & date of registration in case of company, LLP, fund, etc	Address - Present and Permanent Address (in case of individuals), and - Registered address & address for correspondence (in case of company, LLP, Fund etc) with telephone No.	In case of a company, LLP, partnership firm, funds, etc., Country (or jurisdiction) of registration	In case of individuals		
							Parent- age (name of father/ mother)	National- ity (If holding multiple nationality, all must be mentioned)	Passport No. and place and date of issue (any other evidence of date of birth, in other cases)

***Notes:**

1. Where EOI is filed by a QIP (sole bidder / Consortium members, as applicable), which itself satisfies Eligibility Criteria; above details have to be submitted in relation to QIP only (In Table-1, Table-2 & Table-3 and details of Investment Vehicle (IV), if any).
2. Where EOI is filed by a QIP (sole bidder / Consortium members, as applicable), which satisfies net worth Eligibility Criteria on the strength of its Parent Company, above details have to be submitted for the QIP (In Table-1, Table-2 & Table-3 and details of IV, if any) as well as for the Parent Company (In Table-1, Table-2 & Table-3).

3. *Where the QIP (sole bidder / Consortium members, as applicable) is a fund, above details have to be submitted for such Fund as well as for all persons, who are in control of such fund, including the trustees and sponsors.*
 4. *If the QIP (sole bidder / Consortium members, as applicable) forms a IV prior to submission of the financial bid, above details are to be submitted for such IV also (In Table-1, Table-2 & Table-3).*
 5. *Where the QIP (sole bidder / Consortium members, as applicable) is an LLP, above details to be also submitted for all persons exercising significant influence and/ or control over the affairs of LLP or holding majority stake in the LLP or who are significant beneficial owners of the LLP (In Table-1, Table-2 & Table-3).*
1. This is with reference to the Preliminary Information Memorandum and Invitation for EoI dated [●] (“**PIM**”) for participation in the for sale by the (i) Government of India (“**GoI**”) of such number of shares representing 30.48 % (thirty decimal four eight percent); and (ii) Life Insurance Corporation of India (“**LIC**”) of such number of shares representing 30.24 % (thirty decimal two four percent) in IDBI Bank Limited (“**Stake**”) which is equivalent to 60.72% (sixty decimal seven two percent) of the total paid up equity share capital of IDBI Bank Limited, by way of transfer of management control (such proposed transaction hereinafter referred to as the “**Transaction**”).
 2. Being duly authorized to represent and act on behalf of [●], IP or as Lead member to represent the Consortium (who is the interested party (“**IP**”) for this expression of interest (“**EoI**”), and having reviewed and fully understood all of the requirements and information provided as a part of the bidding process and without prejudice to the other requirements under the PIM/Invitation for EoI, we confirm and undertake as follows:
 - 2.1 We certify that the IP (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/Affiliate, its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) /entities controlled by the IPs/directors / key managerial persons / equivalent persons is not convicted by any court of law, indicted, or has any adverse order been passed against it by a regulatory authority/ NCLT/ NCLAT which would cast a doubt on its ability to close the transaction or manage the Companies when it is disinvested or which related to a grave offence that outrages the moral sense of the community.

2.2 We enclose herewith the details of adverse order/ investigation /proceedings by any Court/ regulatory authority/SFIO/ NCLT/ NCLAT, if decided against the IP (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/Affiliate, its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) /entities controlled by the IPs/directors / key managerial persons / equivalent persons, would cast a doubt on IPs ability to close the transaction or manage the Companies when it is disinvested or which related to a grave offence that outrages the moral sense of the community.

2.3 We also undertake that in case any such proceeding is initiated subsequent to the submission of the above in EoI/ Financial Bid till closing of the transaction, IP shall submit the full details immediately to the TA.

- 3.** We certify that no adverse order/ proceedings pending relating to winding up/insolvency/liquidation proceedings, striking off under section 248 of the Companies Act, 2013, or other proceedings of a similar nature against the IP (sole bidder or any member of Consortium, as applicable) and/or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate).

Or

In case any such adverse order/proceedings are pending, the details of the same should be submitted.

- 4.** We also undertake that in case any such proceeding is initiated, subsequent to the submission of the above in EoI/ Financial Bid till closing of the transaction, IP shall submit the full details immediately to the TA.

- 5.** We certify that there are no adverse remarks of auditors about the ability of IP (sole bidder or any member of Consortium, as applicable) or our Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or our Affiliate's Controlling Shareholder(s)/partners (in case the IP or Affiliate includes an LLP) to be a going concern as per auditors' report in subsequent years.

or

We enclose herewith the details of adverse remarks of auditors about the ability of IP (sole bidder or any member of Consortium, as applicable) or our Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or our Affiliate's Controlling Shareholder(s)/partners (in case the IP or Affiliate includes an LLP) to be a going concern as per auditors' report in subsequent years.

6. We also undertake that in case any such adverse remarks of auditor, subsequent to the submission of the above in EoI/ Financial Bid till closing of the transaction, IP shall submit the full details immediately to the TA.
7. We certify that no default committed by us (sole bidder or any member of Consortium, as applicable) or our Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or our Affiliate's Controlling Shareholder(s)/partners (in case the IP or Affiliate includes an LLP) in the matters of repayment of debentures/ deposits/ under section 71, 73-76 of the Companies Act, 2013.

or

We enclose herewith the details of default committed by us (sole bidder or any member of Consortium, as applicable) or our Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or our Affiliate's Controlling Shareholder(s)/partners (in case the IP or Affiliate includes an LLP) in the matters of repayment of debentures/ deposits/ under section 71, 73-76 of the Companies Act, 2013.

7. We also undertake that in case any default in the matters of repayment of debentures/ deposits/ under section 71, 73-76 of the Companies Act, 2013, subsequent to the submission of the above in EoI/ Financial Bid till closing of the transaction, IP shall submit the full details immediately to the TA.
8. We certify that no convictions / proceedings pending before any Court under section 447 of the Companies Act, 2013 / section 30 of LLP Act, 2008 against the IP (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/Affiliate, its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) or its/ their directors, promoters, designated partners.

Or

We enclose herewith the details of convictions / proceedings pending before any Court under section 447 of the Companies Act, 2013 / section 30 of LLP Act, 2008 against the IP (sole bidder or any member of Consortium, as applicable) or its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) or Affiliate (only in case IP is taking benefit of financial strength of such Affiliate) or with respect to such IP/Affiliate, its Controlling Shareholder(s)/partners (in case IP or Affiliate includes an LLP) or its/ their directors, promoters, designated partners.

9. We also undertake that in case any such convictions / proceedings before any Court under section 447 of the Companies Act, 2013 / section 30 of LLP Act, 2008, subsequent to the submission of the above in EoI/ Financial Bid till closing of the transaction, IP shall submit the full details immediately to the TA.

Thank you.

Yours sincerely,

For and on behalf of: (name of the IP / in case of Consortium, the Lead Member)

Signature: (Authorised Signatory of the IP / in case of Consortium, the Lead Member)

Name of the Person: [●]

Designation: [●]

The letter should also be counter signed on each page by Authorised Signatory of all the members of the Consortium

ⁱ As defined by the RBI

ⁱⁱ *Equity contribution of owners. The basic approach of capital adequacy framework is that a bank should have sufficient capital to provide a stable resource to absorb any losses arising from the risks in its business. Capital is divided into different tiers according to the characteristics / qualities of each qualifying instrument. For supervisory purposes capital is split into two categories: Tier I and Tier II*

ⁱⁱⁱ **CRR (Cash Reserve Ratio):** Every bank shall maintain in India by way of cash reserve, a sum equivalent to such percent of the total of its Net Demand and Time Liabilities (NDTL) in India, in such manner and for such dates, as the Reserve Bank in terms of Section 42(1) of the RBI Act, 1934 and Section 18(1) of BR Act, 1949 [including provisions of Section 18 (1) of the BR Act as applicable to cooperative banks], may specify, by notification in the Official Gazette, from time to time having regard to the needs of securing the monetary stability in the country.

SLR (Statutory Liquidity Ratio): Every bank, in addition to the cash reserves which it is required to maintain under these Directions, shall maintain in India, assets, the value of which shall not be less than such percentage not exceeding forty per cent of the total of its demand and time liabilities in India as on the last Friday of the second preceding fortnight as the Reserve Bank may, by notification in the Official Gazette, specify from time to time and such assets shall be maintained in such form and such manner, as may be specified in such notification.

LCR (Liquidity Coverage Ratio): As part of post Global Financial Crisis (GFC) reforms, Basel Committee on Banking Supervision (BCBS) had introduced Liquidity Coverage Ratio (LCR), which requires banks to maintain High Quality Liquid Assets (HQLAs) to meet 30 days net outgo under stressed conditions. Further, as per Banking Regulation Act, 1949, the banks in India are required to hold liquid assets to maintain Statutory Liquidity Ratio (SLR).

^{iv} AUM includes on-balance sheet loan portfolio and off-balance sheet portfolio. Off-balance sheet portfolio includes securitized / assigned portfolio and portfolio originated under business correspondence operations

^v As per Master Directions on Interest Rate on Deposits issued vide DBR.Dir.No.84/13.03.00/2015-16 dated March 03, 2016, Bulk deposit means "Single Rupee term deposits of Rupees two crore and above for Scheduled commercial Banks (excluding Regional Rural banks) and Small Finance Banks"

^{vi} Current Account and Savings Account

^{vii} As defined by the Reserve Bank of India

^{viii} ANBC is the net bank credit plus investments made by banks in non-SLR bonds held in the held-to-maturity category or credit equivalent amount of off-balance-sheet exposure, whichever is higher

^{ix} Ratio of Gross NPA to Gross Advances

^x Ratio of Net NPA to Net Advances

^{xi} Ratio of Provisions for NPAs to Gross NPAs

^{xii} Refer Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (Master Circular No. DBOD.BP.BC.12/21.04.048/2007-2008 dated July 2, 2007) issued by the RBI

^{xiii} Special Mention Account ("SMA") is an account which is exhibiting signs of incipient stress resulting in the borrower defaulting in timely servicing of her debt obligations, though the account has not yet been classified as NPA as per the extant RBI guidelines

^{xiv} Ratio of Operating expenses to difference of Total Income and interest paid

^{xv} Operating profit is defined as total earnings less total expenses, excluding provisions and contingencies

^{xvi} Net interest margin is defined as the total interest earned less total interest paid; Yield on Advances is defined as the ratio of interest income to average advances