

Queries on RFP: Engagement of Transaction Advisor for Strategic disinvestment of 100% Gol's equity shares in Kamarajar Port Limited (KPL) to Chennai Port Trust in a single stage process.

Company Name	Queries	Comment of Advisor	Response
KPMG	<p>1.a. General- Financial and tax due diligence – Vendor Due Diligence.</p> <p>b. Out of Pocket Expenses related to marketing, road shows etc.</p> <p>2. Annexure-1, Page 12. SN.(7)- We ourselves and/or for/with or in association with or on behalf of or through any other Entity, shall not take up any advisory or consulting assignment or render any services on a similar transaction or any other transaction which could have a direct Conflict of Interest, in any manner or capacity to a Competitor of the Company during the term of our engagement in respect of the Proposed Transaction without prior written approval of the Government/Company and granting of such approval shall be the sole discretion of Government/Company and shall be binding on us.</p> <p>3.a Annexure-1, Page 12. SN.(10 (iii)- if at any time after our appointment as an Advisor, either we or any of our Indian Sister Concern or the respective promoters /directors is convicted by a court of law in India or any indictment/adverse order is passed by a regulatory</p>	<p>Please confirm if any financial and tax due diligence has been conducted or is underway through some other advisor.</p> <p>Please confirm if there would be reimbursement for the expenses related to conducting marketing and road shows for the transaction</p> <p>Please restrict this requirement to Engagement Team only</p> <p>Please clarify whether the word 'director' in this clause refers to Board of Directors or Directors by designation or both.</p>	<p>1.a. No.</p> <p>b. there will be no reimbursement of out of Pocket Expenses.</p> <p>2. Not agreed.</p> <p>3.a It includes both.</p>

	<p>authority in India for a Grave Offence, we shall stand disqualified from continuing as Advisor to the Government/Company and shall be bound to inform them without any delay and shall voluntarily withdraw from the Proposed Transaction failing which the Government/Company may terminate our appointment after giving an opportunity of being heard.</p> <p>b. Request for addition of a clause in the Agreement with the Advisor</p>	<p>Any product of services shall be for the internal use of the Client and shall not be disclosed to any third party without prior written consent of Advisor. Client shall reimburse and hold harmless Advisor for any liability or damages suffered by Advisor as a result of unauthorized disclosure/use of the product of the services. Client shall not quote Advisor's name or reproduce Advisor's logo in any form or medium without Advisor's prior written consent</p>	<p>3.b. Not agreed.</p>
<p>PWC</p>	<p>Preliminary Questions around Scope of Work and Fee:</p> <p>1. The title of the RFP says "divestment to Chennai Port Trust". However, clause 3.1 (vii) of the RFP says "Positioning the divestment of Gol equity in KPL to generate interest among the prospective buyers/ purchasers/ investors". So:</p> <p>a. Is the process only for Chennai Port Trust or other buyers</p> <p>b. Does the Gol have other buyers in mind, or</p> <p>c. Is the TA required to attract interest from other buyers.</p>		<p>1. The clause 3.1(VII) of the RFP is hereby withdrawn.</p>

	<p>d. If so, then should these buyers be only from India or can also be foreign players</p> <p>2. Since this is a sale where 67% stake is held by Gol, what kind of structuring services are envisaged by the seller?</p> <p>3. Clause 3.1 (x) asks for “Preparation and execution of requisite agreements (share purchase agreement, shareholders’ agreement etc), and all legal documentation required for execution of the transaction on behalf of Gol, on mutually acceptable terms with the successful bidder.” This is the responsibility of the legal advisor of the buyer / seller and the TA provides commercial inputs. So does the seller intends to appoint a legal advisor or expects TA to appoint it on its behalf? In case of latter, how will its service fee be reimbursed?</p> <p>4. Clause 3.1 (ix) asks for “report from Asset Value”. The Asset Valuer is usually a independent third party appointed either by the seller / buyer or by the TA on behalf of the seller / buyer. Hence, in this case, is the TA required to appoint an Asset Valuer? If so, how will its service fee be reimbursed?</p> <p>5. Clause 3.1 (xiii) asks for “Advising on post-sale matters (if any)”. Could you please explain what post-sale matters are envisaged?</p> <p>6. Clause 3.1 (xv) asks for</p>		<p>2. The Transaction Advisor has to provide options , if any, which may result in better receipt to the government.</p> <p>3. Government will be appointing Legal Advisors for the transaction. The documents are to be prepared by the Legal Advisors; however, the inputs and intent is to be provided by the Transaction Advisor appointed for the transaction. In effect it is a joint responsibility</p> <p>4. Government will separately be appointing Asset Valuer; however, the report of the Asset Valuer would be considered by the Transaction Advisor as one of the input for arriving at the valuation of the Company.</p> <p>5. Though nothing can be anticipated as of now; however, it could be issues like queries of the audit; regulatory authorities; court cases; investigating agencies etc.</p> <p>6. The buyer would be</p>
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“assisting the Govt. in all the associated activities including structural, legal, financial & procedural due diligence, documentation, preparation & filing of requisite documents before agencies/regulatory authorities, formalities as per extant laws & regulations.” Any legal, financial or commercial due diligence is carried by the buyer. Could you please explain what do you envisage in this clause?

7. Clause 6.1 (i) (f) asks for expert from drafting transaction documents. As mentioned in question 4 above, this is the responsibility of the legal advisors.

8. Clause 6.2 talks about the EOI. Does the EOI to be submitted on 29th April include technical and commercial bid as well? In other words is it an RFP response?

9. Under Clause 7 (Section A), would the advisor’s role in carrying out only due diligence process also qualify?

10. Under Clause 7 (Section A) and (Section B), is the information required only for deals of value equal to / higher than INR 1,600 Crore, or any other transaction?

11. Under Clause 7 (Section C), would past experience in handling deals or parts of a deal (like due diligence, valuation, etc.) in the sector also qualify?

12. Clause 7 (Section G) is related to question 1 above.

provided an opportunity to conduct due diligence through data room and visit to the plant site etc.

7. Already clarified at 3 above.

8. Yes. This is amply clear from clause 6.1 (iii) and 8.3 of the RFP.

9. This is only to assess the capabilities of the prospective Advisor; however, the qualification criteria has been mention in clause 4 of the RFP.

10 to 13 The criteria under clause 7 of the RFP are to assess the capabilities of the prospective Advisors and they are required to demonstrate the same by furnishing the information as asked for; which is indicative in nature

	<p>Would the opportunity be required to be marketed to other potential buyers?</p> <p>13. Under Clause 7 (Section H), what is the difference between “advantages of the proposed structure” and “strength in the proposed structure”?</p> <p>14. Under Clause 9.4, as mentioned above, the legal advisor is to be appointed by the seller. Hence, please confirm if the same is happening. Accordingly, we shall not factor in their fee in our quote.</p> <p>15. Under Clause 9.5 (b), please explain what you mean by “after the documents based on which the financial bids are to be invited have been frozen by the Government”.</p>		<p>14. Yes, Government is in the process of appointing Legal Advisor for the transaction and the RFP for the same is already on our website.</p> <p>15. Once the SPA has been accepted and communicated to the Qualified Interested Parties to bid for based on the terms and conditions included therein.</p>
Cyril Amarchand Mangaldas	<p>Sub-clause (xii) of the Scope of Work states - “assistance in drafting and implementation of an ESOP or any other scheme for employees that is compliant with the laws”. Request you to confirm if ESOPs are proposed to be granted as a part of the strategic disinvestment. If yes, please provide us a brief background for the ESOPs proposed to granted.</p>		<p>This is a standard clause in all similar RFPs.</p>
RBSA	<p>We are seeking further information /clarification summarized below:</p> <p>1. With reference to point no.1 (Introduction) of RFP (page no. 1), as per our understanding, the GoI is seeking to divest 67% stake in KPL to Chennai Port Trust</p>		<p>1. The clause 3.1(VII) of the RFP is hereby withdrawn.</p>

	<p>('ChPT'). However, as mentioned under point no. 3.1 (vii) (Scope of Work of the Advisor) of RFP (page no. 3), the Transaction Advisor is required to identify the strategic buyer. Please confirm whether the GoI is looking to divest 67% stake in KPL to Chennai Port Trust only or any other strategic buyer/purchaser/ investors are also being considered?</p> <p>2. Assuming that ChPT is the identified strategic buyer for the Proposed transaction, the net worth of ChPT as on March 31, 2018 being INR2,158 crores vis-a-vis the expected size of the acquisition of equity stake of KPL, we wanted to understand the proposed financing mechanism at the level of ChPT.</p> <p>3. Kindly confirm that business valuation is included in the scope of work of the Transaction Advisor</p> <p>4. On a related role, kindly clarify whether a separate asset valuation firm is considered to being appointed for the Proposed Transaction. In such a case and other professional advisors such as legal and account firms, we understand that the fee is being borne by the GoI. Kindly confirm</p> <p>5. Kindly confirm if the GoI would like to divest the existing investment at a single or in multiple tranches.</p>		<p>2. No clarification required.</p> <p>3. Yes.</p> <p>4. Yes Government will be appointing Asset Valuer separately and will be bearing the cost for the same.</p> <p>5. As of now the decision is to divest the entire GoI shareholding; however, later based on the due diligence; the response of the buyer; and the advice of the</p>
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6. As is customary, all buyers' due-diligence cost is borne by the respective buyer(s). Request you to confirm if this understanding is correct. We look forward to your valuable support.

Transaction Advisors at the time of structuring the transaction; a different divest structure could be considered, if found appropriate.

6. Yes, the cost of due diligence by the buyer will be borne by the buyer.