

Minutes of the Pre-bid Meeting held through Video Conferencing (through Webex) on April 18, 2022, at 11 AM regarding the RFP No: EXIM/RFP/2022-23/02 for “Appointment of a Consultant for preparation of ICAAP Document and Capital Charge Computation Under Basel III Guidelines Applicable to Exim Bank”.

A pre-bid Meeting was convened through Video Conferencing (Webex) on April 18, 2022, at 11:00 AM regarding RFP No. **EXIM/RFP/2022-23/02** dated April 01, 2022, for appointment of a Consultant for preparation of ICAAP Document and Capital Charge Computation Under Basel III Guidelines Applicable to Exim Bank.

Mr. Mukul Sarkar, Chief General Manager, Exim Bank presided over the meeting. The list of attendees of the meeting is annexed at **Annexure 1**. Mr. Mukul Sarkar welcomed the attendees. A brief introduction to Exim Bank’s operations and scope of the RFP was presented during the meeting. It was clarified to all bidders that all written queries will be discussed in the meeting and the clarifications provided during the meeting will be posted as Minutes of the meeting on the official website of Exim Bank by April 19, 2022.

Representatives of various bidders participated in the meeting and all the queries were addressed during the meeting. Details of deliberations with respect to queries and clarifications are provided at **Annexure 2**.

List of Attendees

Exim Bank

1. Mr. Mukul Sarkar, Chief General Manager
2. Ms. Shalmali Jadhav, Assistant General Manager
3. Ms. Apeksha Kulkarni, Assistant General Manager
4. Mr. Nilesh Joshi, Chief Manager
5. Ms. Siddhi Poddar, Chief Manager
6. Mr. Omkar Kadam, Deputy Manager
7. Mr. Shriram Gadgil, Deputy Manager

Representation from Prospective Bidders:

1. Ms. Vedika Malhotra Singh, Deloitte Touche Tohmatsu India LLP.
2. Mr. Suresh Wadhwani, Deloitte Touche Tohmatsu India LLP.
3. Mr. Sreejith Pazhoor, Deloitte Touche Tohmatsu India LLP.
4. Mr. Santhesh, Deloitte Touche Tohmatsu India LLP.
5. Ms. Sonal Chauhan, Deloitte Touche Tohmatsu India LLP.
6. Mr. Somdeb Sen Gupta, KPMG India.
7. Ms. Nilanjana Banerjee, KPMG India.
8. Mr. Umang Thaker, KPMG India.
9. Mr. Ivan Quadras, E&Y

Annexure 2

Sr.No.	Clause (Page no.)	Query	Response
1	9.3 (Page 18)	Payment Terms: Please confirm the current availability status of policy and process documents, systems, excel tools and templates with respect to Basel III Pillar 1 capital charge and ICAAP framework.	Currently the Bank is not subject to BASEL III regulations and only a pro-forma submission is prepared for Pillar 1 capital charge. The Bank doesn't have an ICAAP framework in place though Risk Appetite Policy is in place.
2	9.3.3 (Page 19)	Payment Terms: Please confirm what systems related to ICAAP and Basel III capital charge regulations are in place/ have been identified by the Bank. Please clarify the exact deliverables from the consultant for system implementation. Does the Bank expect the consultant to prepare BRDs, conduct UAT as part of this exercise or is limited to update of existing tools, policies, and procedures.	The Bank is planning to select the software vendor through RFP process. As the policy document is expected to be developed under this assignment and also excel templates for calculation will be developed, the consultant is expected to explain the requirements to be covered in the software as well as the templates provided for implementation in the system.
3	4 (Page 4)	This section includes "Mandatory information required for pre-qualification of the bidder". Do we need to submit it along with the bid or before?	The same is to be submitted with the bid.
4	12.5 (Page 24)	Liquidated Damages: Late delivery to be relaxed	No change proposed.
5	8.3 (Page 10)	Assist in meeting queries of statutory auditors/regulators as and when needed after project completion upto a period of 12 months from date of completion;	Assistance will be restricted to the deliverables which will be submitted by consultant.

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		Whether it will be restricted to framework only which will be submitted by consultant or it also involves various reporting of the NBFC based on their data and working?	
6	8.3 (Page 10)	<p>(iii) Update/develop risk management policies, (iv) Prepare related operating manuals with detailed description of standard operating procedures</p> <p>Kindly clarify if the consultant will be required to develop the policies and SOPs or only provide report with relevant guidelines to assist EXIM develop these documents</p>	The consultant is expected to review the existing risk management policies to be in sync with the ICAAP document to be developed. New policies related to stress testing, model validation etc. including related SOPs are expected to be developed. Brief SOPs related to models, templates etc. are expected to be developed.
7	8.4 (Page 11)	We understand that the development/enhancement of the templates in light of Basel III Regulations will include development of templates required, however this will not include data mapping to the Bank's source systems. Kindly confirm	The Consultant is expected to develop the templates required as well as explain the components used in the templates/computation for better understanding of the Bank.
8	8.4 (Page 11)	We understand that in enhancement/update of existing risk management framework, the consultant will not be required to review systems/solutions in place and the review is limited to policies and procedures. Kindly clarify	The current exercise is limited to policy framework.

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9	8.4 (Page 11)	<p>To enhance/ update/ develop the existing credit risk management framework. To review and upgrade existing framework/ mechanism for credit risk mitigation (CRM) techniques and form a CRM policy.: On which framework existing policies are based on?</p> <p>We understand that the review and upgrade to existing framework/mechanism for credit risk mitigation (CRM) techniques (e.g., collaterals, guarantees) would be limited to how to factor the same into Basel III regulations. Kindly confirm our understanding.</p>	<p>The Bank is following the guidelines applicable to FIs where CRM is not a part of it.</p> <p>The review would pertain to BASEL III regulations.</p>
10	8.4 (Page 12)	<p>(i) Please clarify if the deliverable for Pillar 1 Operational Risk is limited to updation of framework including templates for RCSA and KRIs and will not include updating the RCSAs and KRIs for the Bank</p> <p>(ii) Kindly elaborate expectation on the requirement for CORE application in development/update of ORM framework</p>	<p>As a part of the ORM policy review, the current framework being followed is expected to be reviewed including the current mechanism of identified risk areas.</p>
11	8.4 (Page 13)	<p>We understand that the consultant will be required to provide template for capital computation for regulatory purpose (i.e., regulatory capital), however economic capital will not be included in the scope of the engagement. Kindly clarify</p>	<p>The Scope of work clearly states computation of Regulatory and Economic Capital.</p>

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12	8.4 (Page 13)	Please elaborate on the following related to training programme on Basel III Regulations required for Bank personnel. (i) What would be the size and the audience for the trainings conducted (ii) How many trainings is the consultant expected to conduct	The training would be provided to the team implementing the ICAAP framework.
13	8.4 (Page 13)	What kind of system/tool is the bank currently using for its capital charge computation for Basel reporting?	Currently, the capital computation is excel based.
14	8.4 (Page 13)	With regards to below scope of work, it is to be noted that Liquidity Coverage Ratio and NSFR guidelines have not been made applicable to AIFIs under Basel III. Considering this, can the Bank please explain the requirements from LCR, NSFR and liquidity ratio framework standpoint?	While the guidelines are currently not applicable, the final BASEL III framework is yet to be issued and the Bank needs to be in readiness to calculate the ratios if mandated under the final guidelines.
15	9.2 (Page 17)	As per format for 'Technical Bid', Signed copy of Non-Disclosure Agreement is also included in it. Can the Bank please confirm if Non-disclosure Agreement is applicable at the time of bid submission?	The IPA has to be submitted with the bid. The NDA is to be submitted only by the winning bidder.
16	9.2 (Page 17)	As per RFP, One of the requirements in technical format is related to Consultant's organization & management. Can the Bank please clarify on the information required under this?	Introduction about the organization and management, experience required for technical scoring.

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17	9.3 (Page 17)	As per the RFP, the assignment is expected to be completed within 4 months. Considering the scope of work and activities involved including system implementation, the proposed timeline is too short in our view based on similar experiences. We request the Bank to extend the proposed timeline.	As explained during the pre-bid meeting, the stipulated time period of 4 months is considered adequate based on the scope of the assignment.
18	12.13 (Page 29)	Substitution of key staff: Request to remove the penalty: If the Bank is not satisfied with the substitution, the Bank reserves the right to terminate the contract and recover whatever payments (including past payments and payment made in advance) made by the Bank to the selected Consultant during the course of the assignment pursuant to this RFP.	The same is an enabling clause with no change proposed.
19	12.14 (Page 29)	The Indemnification shall survive the expiry or termination of the agreement between the Consultant and the Bank. Request to change unlimited Indemnification period to" The Indemnification shall survive till one year from the date of expiry or termination of agreement between the Consultant and the Bank"	This is a standard indemnification clause and no change is proposed.

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20	9.2 (f) (page 17)	Comments & suggestions on TOR. Kindly confirm the requirements to be covered in this section	Any suggestions that the bidder may have on the terms of reference (scope which can be covered or any clarifications/assumptions by the bidder) for improvement.
21	Annexure II (Page 30)	E-Tendering Process Compliance Statement Please clarify if Annexure II should be included as part of Technical bid document	It is a part of the basic eligibility and has to be provided with the bid submission
22	Annexure V (Page 33)	Self-Declaration for Compliance Please clarify if Annexure V should be included as part of Technical bid document	Yes
23	Annexure V (Page 33)	Only Bidders/SP that fulfil all the eligibility criteria, as mentioned above, are eligible to participate in this Bid. The Bidders/Service Provider should submit their responses along with documentary evidence and self-declaration, as required for the above eligibility criteria. Proposals of those bidders, who do not fulfil any of the eligibility criteria as stated in full, will be summarily rejected. Firms fulfilling the eligibility criteria as laid out above will proceed to the next stage of the Technical Evaluation. The Exim Bank's discretion on 'Eligibility Criteria' is final.	This is a clarification to the declaration.

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		Kindly clarify the reason for inclusion of above clause in Annexure V.	
24	4 (Page 4)	Extension of timeline for bid submission from April 21st to 29th	Based on the request made by the bidders, extension has been accepted. Please refer to our website for details.
25		What approaches Exim Bank wants to adopt for Credit, Market and Operational Risk. Whether they fulfil infrastructure, data management and system requirement for calculation under those approaches?	The Bank wants to comply with the Basel III guidelines as would be applicable to FIs. A draft version issued in 2021 is available on the regulator's website.

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