

Web Notice

TRANSFER OF STRESSED LOAN EXPOSURE OF PARENTERAL DRUGS (INDIA) LIMITED TO THE ELIGIBLE PARTICIPANTS (PERMITTED ARCs/NBFCs/Banks/FIs) THROUGH e-AUCTION UNDER SWISS CHALLENGE METHOD

In terms of the Bank's Policy on Transfer of Stressed Loan Exposure, in line with the regulatory guidelines, on behalf of Consortium Lenders (SBI & PNB), State Bank of India, place financial assets of Parenteral Drugs (India) Limited for transfer to Asset Reconstruction Companies (ARCs) registered with the Reserve Bank of India under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, hereafter called as bidder/buyer/acquirer, duly licensed by Reserve Bank of India on the terms and conditions indicated there against under Swiss Challenge Method. Bidders other than ARCs can participate **only on Full Cash basis**. However, please note that the transfer will be subject to final approval by the Competent Authority of the Bank:

Brief details of Stressed Loan Exposures showcased on: 10.05.2023 (e-Auction on:14.06.2023)						
(Rs in crore)						
Bank & Branch Name	Principal Outstanding as on 31/03/2023	Claims submitted to IRP	% in claims submitted *	Security Value (Including 3rd Party Guarantee)	Reserve Price #	Terms (cash & cash cum SR ratio)
SBI	317.83	879.35	74.96	112.14	45.00	15:85 Cash: SR as well as full cash basis
PNB	80.47	293.75	25.04			

* Final sharing pattern between PNB & SBI will be decided basis admission of final claims in NCLT.

The e-auction for above account is under "Swiss Challenge Method", based on an existing offer of Rs 45.00 crore in hand from one interested buyer (Anchor Bidder) at 15:85 Cash-cum-SR structure {Cash (Rs 6.75 crore) : SR (Rs 38.25 crore)}, termed as "Base/Anchor Bid" and invite bids from eligible entity(ies) on comparable terms. The Anchor Bidder will have the right to match the highest bid. The terms offered by the Anchor Bid provider and agreed by the lenders is mentioned in Annexure-I. The distribution of Sale proceeds would be as decided in the lenders meeting.

Following process would be followed:

- a) The interested bidder(s) may offer bid at a price taking into account mark up as mentioned at point (b) below.
 - b) The minimum mark up over the base bid required for the challenger bid to be considered shall be minimum 5% (maximum 15%). For this purpose, mark up shall be difference between challenger bid and base bid expressed as percentage of the base bid. The minimum mark-up kept is Rs 2.25 crores (i.e. 5% of base bid).
 - c) If no counter bid crosses the minimum mark-up specified in the invitation, the base-bid will become the winning bid subject to final approval by competent authority of the Bank.
 - d) If counter bid(s) crosses the minimum mark-up specified at point (b) above, the highest counter bid becomes the challenger bid. The process would continue till one party emerges as highest bidder.
 - e) The prospective transferee who provided the base-bid (Anchor Bidder) would be invited to match the challenger bid. If the Anchor Bidder who provided the base-bid either matches the challenger bid or bids higher than the challenger bid, such bid shall become the winning bid; else, the challenger bid shall be the winning bid.
 - f) While the eligible ARCs can participate both in Cash as well as Cash:SR structure, the other eligible participants other than ARCs can bid in full cash only. ARCs who participate on Cash:SR basis have to submit unconditional and irrevocable Bank Guarantee from a first-class Bank for the SR portion.
 - g) Acceptance of the offer shall be at the sole discretion of the lenders and shall be subject to approval of the competent authority of the respective lenders.
2. The bidder(s) or any of its employees, consultants, representatives, agents, and such other person ostensibly authorized (authorized persons) to represent them should not without the written consent of SBI, contact, seek or attempt to seek any information regarding the Specific loan exposure from the borrowers/guarantors concerned. Nor should the bidder(s) or its authorized person use the data or information provided by Bank to solicit any business from any person including the borrowers/guarantors.
 3. The bidder(s) can conduct due diligence of these loans with immediate effect, after submitting Expression of Interest (**Annexure-II**) and executing a Non-Disclosure Agreement (NDA) with the Bank (subject to completion of all formalities, submission of all valid documents and in personal presence of both the parties before time-line prescribed at para no. (9), if not already executed, with the concerned branch/ Deputy General Manager (S&R), State Bank of India, Stressed Assets Resolution Group (SARG), Corporate Centre, 21st Floor, Maker Towers “E” Wing, Cuffe Parade, Mumbai – 400005 (Mail Id : dgm.sr@sbi.co.in). Each page of the Expression of Interest (EOI) must be signed by the authorized signatories of the bidder(s). Any bid even if stated to be binding bid will be treated as non-binding bid for the purpose of this web notice. The bidder(s) and its representatives must agree to comply with the terms of Non-Disclosure Agreement (NDA) executed/to be executed between the Bank. The bidder(s) who submit the Expression of Interest (EOI) & prescribed undertaking (**Annexure-III**) by email and hard copies

by post strictly as per web notice, alone can participate in abovementioned E-Auction.

4. Further details of the loan exposure will be sent in the form of PIMs (Preliminary Information Memorandum) on execution of NDA, if not already executed, on the email IDs provided with the Expression of Interest (EOI). The Bidder(s) should submit a Resolution of Board of Directors/Power of Attorney (POA) duly supported by the Board Resolution authorizing the signatories for bidding during e-auction along with a letter (format attached as **Annexure-II**) before the date as per the schedule mentioned at sr. no. **9** for taking part in the e-bidding process. Bidder(s) are advised to authorize one Person/representative along with an alternate person/representative. However, it may be noted that only one authorized person will be allowed to participate in the e-bidding process. Thereafter, the prospective buyers, will be allotted passwords and conveyed the procedure to submit the financial bid through e-Auction method which will be explained to them
5. Besides the amount outstanding under any disbursed loans, Lenders shall notify the acquirer details of any un-devolved LCs/BGs yet to be invoked/ installments of DPGs, which are not yet due, in respect of the Stressed Loans being offered for transfer by the Lenders.
6. Cut-off date denotes the date upto which all realization/ recoveries made shall be retained by the Lenders. The cut-off date in the instant case is date of showcasing i.e. 31/12/2022.
7. Please note that any taxes, stamp duty and registration charges that may be arising out of the transaction shall be payable by the successful bidder.
8. We would like to know whether you are interested in the above proposal. If interested, we look forward to receive an expression of interest at the earliest. In case of any further clarification, you may contact the following officials at our end:

Sl. No.	Name of the Lenders	Designation, Mobile No. & email Id of the Branch Head	Designation of the 1 st Dealing Official, Contact Number & email Id	Designation of the 2 nd Dealing Official, Contact Number & email Id
1	SBI	Kamlesh Verma AGM & CLO 9406903817 sbi.04293@sbi.co.in	Piyush Kumar Verma Case Officer 07554050759 sbi.04293@sbi.co.in	Rohit Arora Chief Manager 9453007585 agm2others1.sarg@sbi.co.in
2	PNB	Sh. Abhinandan Kumar Sogani DGM zs8340@pnb.co.in 7073600127	Sh. Maharaj Krishen Koul AGM zs8340@pnb.co.in 9906398735	Sh. Nand Kishore Barnwal Chief Manager zs8340@pnb.co.in 9735244455

9. The time schedule for completion of the process is given below, which may be noted:

S. No.	Particulars	Last Date
1	Submission of Expression of Interest in the account(s)*	17.05.2023
2	Submission of Non-Disclosure Agreement (if not already executed)	12.06.2023
3	Submission of Undertaking	12.06.2023
4	Informing names of the Authorized Official(s) along with their contact details (mobile number, e-mail ids etc.) to enable us to issue passwords and explaining them the procedure to bid through e-auction portal of the bank.	12.06.2023
5	Allotment of User ID password for e-Bidding	13.06.2023
6	Completion of Due Diligence Exercise	Up to 13.06.2023
7	Process of e-bidding**	14.06.2023

* EOI may also be emailed to us at dgm.sr@sbi.co.in

The e-bidding timings will be from **02:30 P.M. to 04:00 P.M. with unlimited extension of 05 minutes and an incremental bid amount of Rs 2.25 crore for each instance.

10. Respective branch will arrange for due diligence by your team, to whom files containing copies of all relevant documents pertaining to the stressed loans in the respective baskets, including appraisals/ sanction notes/ review/ renewal papers, audited or un-audited financial statements and other correspondence with the Unit, Promoter(s) and Guarantor(s) will be made available for their perusal. Also, all legal documents including the details pertaining to legal action initiated against the borrower(s)/ guarantor(s) and the status of the suit filed will be open for scrutiny by your due diligence team. The representatives of the respective Lenders will be present during the due diligence exercise and will respond to queries, if any, of your due diligence team. You are also expected to verify at the time of due diligence, the updated position of principal and total dues as also the updated valuation reports besides others for any changes that might occur in the interregnum.

11. The transfer of loan exposure will be on “as is where is basis”, “as is what is basis”, “whatever there is basis” and “without recourse basis” i.e., with the risk such as credit risk, operational risk, legal or any other type of risks associated with the Stressed Loan Exposure(s) being transferred to the acquirer and shall not be liable to be revoked for any breach including antecedent breach of any representation and warranty. In the event of non-realization of amount out of assets/securities, the Lenders are not liable to refund anything in part or full. Lenders reserve the right to execute the assignment deed as per Lenders’ format.

12. The lenders reserve the right not to go ahead with the proposed transaction or modify any terms & conditions at any stage, without assigning any reason. The decision of the Lenders in this regard shall be final and binding.
13. The lenders reserve the right to negotiate with the successful bidder for improvement in the bid amount as Lenders may deem fit and seek revised bid.
14. SBI on behalf of consortium lenders reserve the right to modify the composition of the Stressed Loan offered for transfer and transfer structure at any stage without assigning any reason.
15. SBI on behalf of consortium lenders, may, at its sole discretion, add amend, vary, modify, delete, any of the conditions, date etc of this web-notice as may be deemed necessary in the light of the facts and circumstances and also issue one or more Agenda, Corrigendum as required without giving any reasons thereto.
16. The e-auction shall be conducted as per the Standard English e-auction, that is, no two bids can have identical price from two different bidders. In other words, there shall never be a "Tie" in bids.
17. SBI on behalf of consortium lenders reserve the right not to go ahead with the proposed transfer at any stage, without assigning any reason. State Bank of India and lenders have absolute and unimpeachable right with respect to all the matters starting from receiving, considering, accepting the bid, or transferring the specific loan exposure and such right without limitation encompasses right to not to receive, not to consider, not to accept the bid and decide not to transfer the specific loan exposure. Lender (s) would not entertain any claim from any acquirer in this regard. The decision of the lender (s) in this regard shall be final and binding.
18. The Assignment will be done on prescribed format. Any changes in the prescribed format will be accepted only if it is approved by the competent authority of the Lenders considering the specific facts of the transaction.
19. The Bids submitted by bidder(s) should be unconditional, irrevocable & binding in all respect. Bidder(s) cannot withdraw the bid once submitted & successful bidder has to complete the transaction related to transfer of the loan exposure where they are declared successful bidder in the time bound program as notified in the web-notice. Conditional and contingent bids are liable to be disqualified by the Lenders.
20. Under no circumstances successful bidder can refuse to complete the transaction citing any reason or defects/objection in any loan exposure. If they do so, the matter will be reported to RBI/regulator & their association concerned for taking necessary action. The Lenders may also consider not to entertain any future transactions with such bidder(s) in future.

21. The authorized representative on behalf of the eligible bidders shall attend the E-auction with sufficient mandate/authority to improve the bid amount in the E-auction process without any extension of time. Request for extension of time will not be entertained beyond the schedule date & time of bidding.
22. By virtue of submission of the bids, it shall be deemed that the bidder(s) have conducted their own independent due diligence at their own costs without relying on the information provided by the Lenders, including verifying available securities/guarantees, various legal proceedings as well as ascertain the known and unknown liabilities, encumbrances and any other dues from concerned authorities or stakeholders to their satisfaction before submitting the bids. Any bid made shall be deemed to have been submitted after complete satisfaction of bidder(s) thereto and or all claims there against and due proper inspection and hence the bidder(s) shall not be entitled to make any representation or raise any query/objection to SBI/lenders, as to the title or condition of the Secured assets or any part thereof or any liabilities/encumbrances/ dues/taxes/levies irrespective as to whether they are disclosed or undisclosed. The bidder(s) are expected to submit their bids with independent professional, financial and legal advice for studying, assessing and analysing the Stressed Loan Exposure(s) in respect of NPA account and value thereof before submitting their bids. Further, it would also be deemed that by submitting the bid, the bidder(s) have read, understood and have made a complete and careful examination of all information given in this web-notice. SBI and other consortium lenders as well as their officials shall not be held responsible or liable for any of the consequences arising therein or relating to it.
23. The data room would remain open from 10:00 a.m. to 05:00 p.m. on all working days.
24. The bidder(s) should not have any direct or indirect link/connections/interest/relationship with the promoters/Company/Guarantors and/or any of their related parties, of the stressed loan exposures shown in this web-notice.
25. The proposed acquisition should not be funded and backed by promoters/Company/ Guarantors and/or any of their related parties and bidders shall represent and warrant that the ultimate transferee of the Stressed Loan Exposure is not the borrower/guarantor or its affiliates and also not disqualified under Section 29-A of the IBC, 2016.
26. The bidder(s) shall neither belong to the existing promoter group of such borrower and shall not be a subsidiary/associate/related party etc (domestic as well as overseas) of any person belonging to the existing promoter group of such borrower.
27. Transferee shall furnish an undertaking regarding maintenance of all the required documents/records regarding declaration of the account as "Fraud". Also, the transferee, acknowledges the right of the transferor that on a future date and in case of requirement of Financing documents, the transferee shall immediately provide copies of the said documents to the transferor. Also, the transferee shall be responsible to continue with reporting, monitoring and filing of complaints with law enforcement agencies and other statutory authorities. The details of the

instances of fraud detected, in the stressed loan account, shall be shared with the Bidder(s) after execution of NDA with the Lenders.

28. Information in the PIM has been given only with a view to have an overview of the stressed loans put on transfer. Maximum care is taken for providing information in the PIM; however, the bidder(s) are requested to collect all the information in respect of any of stressed loans from the records available with the Lenders. It is further advised to collect the latest developments & any new cases/information relating to these accounts from their own sources including those available in public domain. Deriving and/or collecting and/or assorting relevant data and information shall be the responsibility of the bidder(s). Details and data reported in the Preliminary Information Memorandum are not final and subject to confirmation. Further, SBI on behalf of consortium lenders (SBI & PNB) does not represent and warrant realizations in terms of the valuations of the security reported in the Preliminary Information Memorandum. Further, SBI on behalf of consortium lenders (SBI & PNB) also does not warrant and represent that the security is enforceable beyond the extent asserted by its advocates. The bidder(s) are therefore advised to have complete due diligence of the account put for transfer. Lenders will not entertain, any claim whatsoever, for any deficiency pointed out in future and will not indemnify/make losses good to the successful buyer.
29. It should also be noted that SBI on behalf of consortium lenders (SBI & PNB) does not make any representation as to the correctness, validity or adequacy, sufficiency or otherwise of any such information pertaining to liabilities, encumbrances and statutory dues of the loan exposure(s). The Bidders are expected to carry out their own due diligence to verify the same. SBI on behalf of consortium lenders (SBI & PNB) does not undertake responsibility for adequacy or sufficiency of information and documents related to financial assets in respect of the loan exposure(s). The Bidders should not limit or restrict their due diligence to the documents for assessing the complete risk or even for evaluation purpose.
30. The Purchaser (bidder) shall be under their own obligation to follow all extant guidelines/notification issued by SEBI/RBI/IBA/Gol/other regulators from time to time pertaining to transfer/purchase of stressed loan exposure.
31. The details about the execution of the assignment deed and completion of other legal formalities shall be provided through the concerned Branches of SBI & PNB. Further, takeover of the security documents and other related documents including documents of suit filed shall be arranged at a mutually convenient date and time at the respective branches wherein such documents are kept, within 45 days from the date of execution of the Assignment Deed including modification of the charges with the concerned RoC, post which Lenders will assume no responsibility for any reason whatsoever.
32. Any extension in timelines/modifications in the content of this web notice will not necessarily be carried out through another advertisement but may be notified directly on the website and interested bidders are requested to regularly visit the website to keep themselves updated regarding clarifications, modifications, amendments or extensions.

33. Notwithstanding anything contained hereinabove, lenders reserve the right to examine the EoI and accept or reject any or all or some of the EoIs at their sole discretion, and neither this notification nor delivery of an EoI nor the consideration thereof by lenders shall be construed as creating any kind of right or interest in any interested party to be considered any further in the process or entitle them to any recourse against the lenders.

34. Notwithstanding anything contained in this web-notice, neither SBI on behalf of consortium lenders (SBI & PNB), nor its employees or its advisors accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, completeness or reliability of information, and shall incur no liability, under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this PUBLICATION, even if any loss or damage is caused by any act or omission on the part of Lenders or its employees or its advisors, whether negligence or otherwise.

Deputy General Manager (ARC)

Date: 10.05.2023

TERMS OF THE BINDING OFFER PROVIDED IN ANCHOR BID

The transfer of loan exposure will be governed by the following terms & conditions: -

- i. Prospective buyer shall furnish Government of India Guarantee or Bank Guarantee issued by a first-class Bank as per list of IBA for the proposed SRs portion for a period of five years from the SR issuance date. The realisation of SRs should be within 5 years from the date of issuance of Security Receipts.
- ii. **Management Fee:** An amount equal to 2% per annum payable quarterly as a percentage of the Net Asset Value (NAV) of security receipts issued by the trust and calculated at the lower of end of Recovery Rating of outstanding security receipts specified by the Credit Rating Agency. Before availability of the NAV of security receipts, Management Fee shall be calculated on the basis of face value of security receipts as outstanding in the beginning of the respective quarter. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, Cess or any other statutory levy, as applicable on the Management fee.
- iii. **Recovery Incentive:** an amount equal to 2% of the gross recovery received or realised from the underlying assets of the Trust, shall be payable to the Trustee as and when any amount is realised in respect of the Assets of the Trust. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, cess, or any other statutory levy, as applicable on the recovery fee.
- iv. **Upside:** Net recoveries made by the Trust after full redemption of security receipts shall be shared in the ratio of 25:75 between the Trustee and the security receipt holders (lenders only who has assigned the debt to ARCs. ARC will not be eligible for upside) after adjusting all expenses and fee payable under the Offer Document.
- v. Security Receipt will have pari-passu redemption.
- vi. Other expenses will be payable on actual basis.
- vii. The priority of recovery will be as under:
 - other expenses in actual.
 - Management fees to be deducted on Trust amount.
 - Incentive on net recovery (i.e., recovery amount minus other expenses & management fees) after appropriation of other expenses & Management fees.
 - Balance amount to be shared between SR holders.
- viii. 15 working days' time will be given to the Anchor Bidder to match highest challenger bid received during e-bidding process.
- ix. RP/lenders should have the possession of both the plants at the time of the assignment. The account since has been admitted in NCLT on 09.02.2023 (order received on 11.02.2023).
- x. Before execution of the assignment agreement, successful bidder's valuer shall provide confirmation regarding verification of plant & machinery in line with the list of the assets already provided by the Selling Lenders. In case of any material adverse development in this regard, successful bidder shall have a right to modify its offer.
- xi. For matching highest cash bid (100% cash) received during e-bidding process, SR portion will be discounted @ SBI 1-year MCLR for 3 year period.

Expression of Interest

On ARCs, SCBs, eligible NBFCs including HFCs and eligible All India Financial Institution's Letter Head

Letter No.

Date:

The Deputy General Manager (ARC)
State Bank of India,
Stressed Assets Resolution Group,
21st Floor, E-wing, Maker Tower,
Cuffe Parade,
Mumbai.

Sub: Transfer of Stressed Loan Exposure (s) – (Name of the Account)

We refer to State Bank of India advertisement on website/e-mail dated _____ on transfer of Stressed Loan Exposure (s). We are interested and hereby confirm our intention to proceed with due diligence in Data Room being set up by you / by physically visiting your Branch.

We confirm that:

We are eligible and have the financial capacity to conclude the purchase of loan exposure (s) which has been showcased as per the said date in accordance with the applicable laws and regulations of India.

In undertaking this Transaction, we have no conflict of interest with and are not related, directly or indirectly, to State Bank of India. We have already executed NDA in month of _____ and the same stands valid till _____ (copy of NDA enclosed).

Resolution of Board of Directors/Power of Attorney (POA) duly supported by the Board Resolution authorizing the signatories for submission of EoI is enclosed.

Details of the Contact person/ Authorised signatory with address, contact nos. and Email ID is as under:

Name of the Person & designation	Contact details and email Ids

Kindly arrange to send copy of Preliminary Information Memorandum (PIM) on the above-mentioned email Ids. We shall be in touch with the concerned official as mentioned in the web-notice for due-diligence.

With regards,

<Authorised Signatory>

Undertaking

On ARCs, SCBs, eligible NBFCs including HFCs and eligible all India Financial Institution's Letter Head

Letter No.

Date:

The Deputy General Manager (ARC)
State Bank of India,
Stressed Assets Resolution Group,
21st Floor, E-wing, Maker Tower,
Cuffe Parade,
Mumbai.

TRANSFER OF STRESSED LOAN EXPOSURE (S):

i) _____ (name of the company) hereby confirm having submitted our EOI for participating in e-auction dated _____ of specific stressed loan exposure (s).

ii) We also confirm having read the terms of web-notice relating to the E- Auction.

iii) We hereby undertake and agree to abide by all the terms and conditions stipulated by SBI in the web-notice for E- Auction.

iv) We may participate in the on-line auction and may submit our bid. We shall abide by the procedures prescribed for online auction by the auction company.

v) We are eligible and have the financial capacity to conclude the purchase of loan exposure (s) which has been showcased as per the said date in accordance with the applicable laws and regulations of India.

vi) We hereby confirm that we will honour the Bids placed by us during the auction process.

vii) We do not have any direct or indirect link/connections/interest/relationship with the promoters/Company/Guarantors and/or any of their related parties, pertains to stressed loan exposures for which we have submitted our expression of interest vide out letter dated.....

viii) We are not disqualified under the Section 29 A of IBC, 2016 to submit a resolution plan for said stressed loan exposures.

We including-

a. any person (including Security Receipts holders) acting jointly or in concert with us or

b. any person who is a connected person (as defined under the provisions of the IBC) with us or any person acting jointly or in concert with us;

ix) We have not taken any considerations directly or indirectly from the promoters/Company/Guarantors and/or any of their related parties, pertains to stressed loan exposures for which we have submitted our expression of interest vide out letter dated.....

x) The proposed acquisition is not funded and backed by promoters/Company/Guarantors and/or any of their related parties.

xi) We confirm having nominated Mr./Ms. _____ designated as _____ of our company to participate in the E- Auction on behalf of the company (Resolution of Board of Directors/Power of Attorney (POA) duly supported by the Board Resolution authorizing the signatories for submission of bid and to participate in e-Bidding process (copy enclosed).

xii) We undertake that-the company shall be bound by the bids made by him during the E- Auction.

xiii) We confirm that SBI and Auction Service Provider shall not be liable & responsible in any manner whatsoever for my/our failure to access & bid on the e-auction platform due to Loss of internet connectivity, electricity failure, virus attack, problems with the PC, any other unforeseen circumstances etc. before or during the auction event.

Signature with Company Seal.

Name:

Designation within Company / Organization.

Address of Company / Organization:

Date:

Name of Authorized Representative:

Signature of Authorized Representative: