

Web Notice

TRANSFER OF STRESSED LOAN EXPOSURES BY SBI

In terms of the Bank's Policy on Transfer of Stressed Loan Exposures, in line with the regulatory guidelines, we place the following Stressed Loan Exposures for transfer to ARCs/ Banks/ NBFCs/ FIs, on the terms and conditions indicated there against. 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: 31.05.2022 (e-Auction on: 21.06.2022)							
		(Rs in crore)					
Branch Name	Name of Unit	Outstanding	Primary	Collateral	TPG	Reserve Price	Terms (cash/ cash cum SR ratio)
SAMB Hyderabad	KSK Mahanadi Power Company Ltd	3815.04	2388.31	00.00	0.16	1544.08	100% Cash basis

The auction for above account is under "Swiss Challenge Method", based on an existing offer in hand, who will have the right to match the highest bid.

- The interested eligible ARCs/ Banks/ NBFCs/ FIs can conduct due diligence of these assets with immediate effect, after submitting expression of interest and executing a Non-Disclosure Agreement (NDA) with the Bank, **if not already executed**, to the Deputy General Manager (S&R), State Bank of India, Stressed Assets Resolution Group (SARG), Corporate Centre, 21st Floor, E Wing, Maker Tower, Cuffe Parade, Mumbai – 400005 (Mail Id : dgm.sr@sbi.co.in).
- Further details of the Stressed Loans 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). Thereafter, the prospective acquirers, who submit a Non-Disclosure Agreement, will be allotted passwords and conveyed the procedure to submit the financial bid through e-Auction method which will be explained to them.
- Besides the amount outstanding under any disbursed loans, Bank 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 Bank. The Bank shall retain pari-passu charge on the securities relating to un-crystallized non-funded facilities. In case of crystallization of nonfunded facilities after the transfer, that portion (converted into funded) will also be transferred by the Bank to the same ARC/acquirer in the same proportion as of the fund-based facility, who shall give acceptance for the same through offer letter/ supplementary agreement/ assignment agreement. However, the un-devolved LC and un-invoked BG limits backed by 100% margin by way of FDs will not be offered for transfer.

5. Cut-off date denotes the date of assignment agreement of the Stressed Loans i.e. all realization/ recoveries made up to the cut- off date shall be retained by the Bank.

6. The present process is run under Swiss Challenge Method where Bank has an offer of Rs 1544.08 crore in hand, termed as “Base/Anchor Bid” and invite bids from eligible entity(ies) on comparable terms. The following process would be followed:

- a The interested bidder 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 77.21 crore (i.e. 5% of base bid), all in cash.
- c If no counter bid crossed the minimum mark-up specified in the invitation, the base-bid becomes the winning bid subject to final approval by competent authority of the Bank.
- d If counter bid(s) cross the minimum mark-up specified at point (b) above, the highest counter bid becomes the challenger bid.
- e The prospective transferee who provided the base-bid would be invited to match the challenger bid. If the prospective transferee, 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.

7. Please note that any taxes that may be arising out of the transaction shall be payable by the acquirer.

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 Nodal officer at our end: -

SI No	Designation of the Official	Mobile No
1	Manager	7208006556

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

S.No.	Particulars	Last Date
1	Submission of Expression of Interest in the account(s)*	02.06.2022 (up to 05:00 p.m.)
2	Submission of Non-Disclosure Agreement (if not already executed)	02.06.2022 (up to 05:00 p.m.)
3	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.	18.06.2022
4	Allotment of User ID password for e-Bidding	20.06.2022
5	Completion of Due Diligence Exercise	Up to 20.06.2022 (on all working days from 10:00 a.m. to 05:00 p.m.)
6	Process of e-bidding**	21.06.2022

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

The e-bidding timings will be from **02.00 P.M. to 03:00 P.M with unlimited extension of 05 minutes and an incremental amount of Rs 77.21 crore.

10. Details of contact details at branches are as under:

SI. No.	Branch	Designation & Mobile of the Branch Head	Designation of the Authorized official/Mobile Number	Email Ids of the branch
1	SAMB-Hyderabad	DGM-9920994230	AGM-9849105411	sbi.18359@sbi.co.in, dgmsamb.hyd@sbi.co.in, team9samb2.hyd@sbi.co.in

11. Respective branches 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 available, audited or non-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 Bank's representatives 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.

12. The data room would remain open from 10:00 a.m. to 05:00 p.m. on all working days.

13. The transfer/sale is on "as is where is basis" and "without recourse basis". Bank will not assume any operational, legal or any other type of risks relating to the loan exposure.

14. We 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 Bank in this regard shall be final and binding.

15. Bank reserves the right to negotiate with the successful bidder for improvement in the bid amount including NFB protection/margin as Bank may deem fit and seek revised bid.

16. Acquirer (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 of stressed loan exposure.

17. Prospective acquirer should not have any direct or indirect link/connections/ interest/ relationship with the promoters/Company/Guarantors and/or any of their related parties.

18. Prospective acquirer should not take any considerations directly or indirectly from the promoters/Company/Guarantors and/or any of their related parties.

19. The proposed acquisition should not be funded and backed by promoters/Company/ Guarantors and/or any of their related parties and bidders shall be deemed to represent and warrant that the ultimate transferee of the Stressed Loan Exposure is not the borrower/guarantor or its affiliates. Further, before assignment, a stamped undertaking to be furnished by the bidder/acquirer that they are eligible as per Section 29 "A" of IBC.

20. The successful bidder will be intimated by the Bank after conducting e-auction. After approval/confirmation of transfer by the Appropriate Authority of the bank, the same will be intimated to the Successful Bidder. Within 7 days from the receipt of final confirmation the successful bidder shall have to deposit 10% of the transfer consideration with the bank and the remaining amount within 15 days thereafter. The Bank reserve its right to forfeit the amount paid by the bidder if he fails to make the payment as advised by the Bank or extend the time to make payment as it deems fit or cancel the auction. The successful bidder shall contact the concerned branches for other details about the execution of the assignment deed and completion of other legal formalities. The successful bidder shall arrange to take security documents including the available details of the suit-filed accounts from the concerned branches at a mutually convenient date and time, within 45 days from the date of execution of the Assignment Deed.

Deputy General Manager (ARC)

Date: 31.05.2022