

## **SALE OF FINANCIAL ASSETS BY SBI UNDER SWISS CHALLENGE METHOD:**

In terms of the Bank's revised Policy on Sale of Financial Assets in line with the regulatory guidelines, we place the following accounts for sale to ARCs/ Banks/ NBFCs/ FIs, on the terms and conditions indicated there against. However, please note that the sale will be subject to final approval by the Competent Authority of the Bank:-

<b>Brief details of financial assets showcased on: 02.08.2018</b>								
Sl. No.	Branch Name	Name of the Unit	O/S	Primary	Collateral	TPG	<b>(Rupees in crores)</b>	
							Reserve Price	Terms of Sale (cash/ cash cum SR ratio)
1	SAMB-1 Mumbai	M/s Bombay Rayon Fashions Ltd*	2,260.79	2337.14	190.83	1.03	900.00	93.34:6.66 (Cash : SR basis)
2	SAMB-1 Kolkata	M/s Shivam Dhatu Udyog Private Ltd	229.32	83.44	14.96	32.82	77.00	100% (Cash basis).

\* Excluding Equity investment.

2. **Information for bidders:** Bid for each of above mentioned assets, "bid with highest cash component shall be considered as successful bid". **The auction for above accounts are under "Swiss Challenge Method", based on an existing offer in hand, who will have the right to match the highest bid.**

3. Further, sale on cash cum SR basis will be governed by the following terms & conditions: -

1. Management fee would be 1.50% per annum of Net Assets Value at the lower end of the range of the NAV specified by the Credit Rating Agency for first 3 years, 1.25% for the 4<sup>th</sup> & 5<sup>th</sup> year and 0.75% for the 6<sup>th</sup> year onward.
2. Security Receipts will have pari-passu redemption.
3. Excess recovery after redemption of Security Receipts i.e. upside, if any, will be shared by SR holders and ARC on 80:20 basis.
4. Incentive on net recovery amount will be given to ARCs if recovery is effected within 3 years at the following rates:-

	1 <sup>st</sup> & 2 <sup>nd</sup> year	3 <sup>rd</sup> Year	4 <sup>th</sup> & 5 <sup>th</sup> Year
Incentive on recovery amount, net of expenses & management fee	5%	4%	NIL

4. The interested 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 General Manager (Operations-1, S&R and NCLT), State Bank of India, Stressed Assets Resolution Group (SARG), Corporate Centre, 2<sup>nd</sup> floor, The Arcade Building, World Trade Centre, Cuffe Parade, Mumbai – 400005, Mail Id : [dgm.sr@sbi.co.in](mailto:dgm.sr@sbi.co.in)

5. Further details of the accounts 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 buyers, 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.

6. Besides the amount outstanding under any disbursed loans, Bank shall notify the Purchaser details of any un-devolved LCs/ BGs yet to be invoked/ installments of DPGs, which are not yet due, in respect of the NPA accounts being offered for sale 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 non-funded facilities after the sale, that portion (converted into funded) will also be sold by the Bank to the same ARC/ Buyer who will 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 sale to ARCs, etc.

7. Cut-off date denotes the date of showcasing the financial assets i.e. all realization/ recoveries made upto the cut- off date shall be retained by the Bank.

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

9. We would like to know whether you are interested in the above proposal. If interested, we look forward to receiving an expression of interest at the earliest. In case of any further clarification, you may contact the following Nodal officer at our end:-

Shri A.S.Ramachandra Reddy – Chief Manager (S&R) – M - 09866224580  
Shri Ajit Jain - Manager (S&R) – M- 07506932766

10. The time schedule for completion of the sale process is given below, which may be taken note of and adhered to since no further extension will be made in the schedule:-

S. No.	Particulars	Last Date
1	Submission of Expression of Interest in the account(s)^	04.08.2018
2	Submission of Non-Disclosure Agreement (if not already executed)	04.08.2018
3	Completion of Due Diligence Exercise	18.08.2018
4	Informing names of the Authorised 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.	14.08.2018
5	Allotment of User ID password for e-Bidding	18.08.2018
6	Process of e-bidding	20.08.2018

^ EOI may also be emailed to us at [dgm.sr@sbi.co.in](mailto:dgm.sr@sbi.co.in)

**Details of contact details at branches are as under:**

<b>Sl. No.</b>	<b>Branch/ Organisation</b>	<b>Name of the dealing Official / Branch Head</b>	<b>Mobile No.</b>
1	SBI Capital Markets, 20 <sup>th</sup> floor, Maker Tower "E", Cuffe parde, Mumbai-400005 @	Sri Manish Kothary (manish.kothary@sbicaps.com)	09167249485
2	SAMB-1 Kolkata	Sri Subrta Barman / Sri S.C.Das	09674710976 / 09439571100

@ SBI Capital Markets is authorized for conducting of due diligence for this account.

Respective branch will arrange for due diligence by your team, to whom files containing copies of all relevant documents pertaining to the assets 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.

11. The sale is on "as is where is basis".

12. We reserve the right not to go ahead with the proposed sale at any stage, without assigning any reason, subject to the extant RBI guidelines. The decision of the Bank in this regard shall be final and binding.

13. Once the deal is finalized, the assignment deed and other legal formalities will be completed in the shortest possible time as mutually agreed upon. After completion of legal formalities, you may arrange to take over the relative correspondence mentioned above and other legal 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)**