

SALE OF FINANCIAL ASSETS BY SBI {e-Auction on: 13.12.2018}

In terms of the Bank's Policy on Sale of Financial Assets in line with the regulatory guidelines, we place the following accounts for sale to Banks/ ARCs/NBFCs/ FIs etc., 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:

Brief details of financial assets showcased on: 29.11.2018								
(Rupees in crore)								
Sl. No.	Branch Name	Name of Unit	Out-standing	Primary security	Collateral security	3rd party guarantee	Reserve Price	Terms of Sale (cash/ cash cum SR ratio)
01	SAMB Ahmedabad	M/s Sona Alloys Pvt Ltd	647.64	501.69	30.88	0.00	194.29 224.73 240.71 244.71	100% Cash basis 50:50 basis 30:70 basis 25:75 basis
02	SAMB Bhopal	M/s MCL Global Steel Pvt Ltd	100.18	47.67	0.00	00.00	32.00	100% Cash basis
03	SAMB Mumbai-2	M/s Jayaswal Neco Industries Ltd	FB: 1362.89 (NFB: 171.00)#	2097.11	27.41	18.04	885.89 #	100% Cash basis Guarantee / cash margin for 100% NFB outstanding on date of debt assignment

The auction for above account is under "Swiss Challenge Method", based on an existing offer in hand from an investor, who will have the right to match the highest bid. Besides the Fund Based outstanding of Rs.1362.89 crore at Reserve price of Rs. 885.89 crore, the Bidder would also be required to furnish **Commitment / Guarantee/100% cash margin** for the Non-Fund Based outstanding to the extent of Rs.171.00 Crore, or the Non-Fund Based outstanding as on the date of assignment, whichever is higher, subject to a maximum of Rs.219.00 crore (Non-Fund Based). On devolvement / invocation of any BG/LC, the funded exposure thereby will be assigned for 100% cash to ARCs/NBFCs/FIs/BANKs as per the commitment / guarantee by bidder through Swiss Challenge under Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002, by assignment without recourse basis.

2. 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 4th& 5th year and 0.75% for the 6th year onward.
2. Security Receipt 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 st & 2 nd year	3 rd Year	4 th & 5 th Year
Incentive on recovery amount, net of expenses & management fee	5%	4%	NIL

3. The interested Banks/ARCs/ 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), State Bank of India, Stressed Assets Resolution Group (SARG), Corporate Centre, 2nd Floor, Tower “4”, Arcade building, World Trade Centre, Cuffe Parade, Mumbai – 400005 (Mail Id : dgm.sr@sbi.co.in.)**

4. 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.

5. 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.

6. Cut-off date denotes the date of auction of the financial assets i.e. all realization/ recoveries made up to the cut- off date shall be retained by the Bank.

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

8. 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 - 022-62866417 / 09866224580
Shri Hemant Kumar - Chief Manager - 022-62866415 / 09906347074
Shri Ajit Jain - Chief Manager - 022-62866416 / 07506932766

9. 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)*	03.12.2018
2	Submission of Non-Disclosure Agreement (if not already executed)	03.12.2018
3	Completion of Due Diligence Exercise	12.12.2018
4	Informing names of the Authorised Official(s) along with their contact details (mobile number, e-mail ids etc.) to enable us to issue user ID & password and explaining them the procedure to bid through e-auction portal of the bank.	10.12.2018
5	Allotment of User ID & password for e-Bidding	11.12.2018
6	Process of e-bidding **	13.12.2018

* EOI with details of authorized officials may also be emailed to us at dgm.sr@sbi.co.in

** The e-bidding timings will be from **11.30 A.M. to 01.00 P.M.** with unlimited extension of 05 minutes and an incremental amount of Rs.10.00 Lakhs.

Details of officials at branches for data room / due diligence are as under:

Sl. No.	Branch	Name of authorised official/Mobile Number	Name of the Branch Head/Mobile No.
1	SAMB Ahmedabad	Shri P.K. Sinha / 09004098521	Sri V K Varghese / 7600035178
2	SAMB Bhopal	Shri Govind Khemani / 09111888461	Shri Rajendra chauhan /07408603444
3	SAMB Mumbai-2	Shri Akash Damniwala / 07506737470	Mrs. Sudha / 07045020978

Respective branches 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.

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

11. 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.

12. 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)