

Ref: HO/SD/Transfer to ARCs/Permitted Transferees/Nov 2023

Date: 08.11.2023

All the ARCs/Permitted
Transferees

Dear Sir/Madam,

**TRANSFER OF FINANCIAL ASSETS TO ARCs/PERMITTED TRANSFEREES
THROUGH SWISS CHALLENGE METHOD.**

We intend to place the following account for transfer to ARCs/ Permitted Transferees through Swiss Challenge Method (only 100% cash), on the terms and conditions stipulated in the Bank's Policy, in line with the regulatory guidelines. For your convenience, **the Balance outstanding, Reserve price (for only fund based outstanding)** is also given. **However, the transfer will be subject to the final approval by the Bank's Competent Committee.**

(₹ in Crores)

S.N.	Zone	Account Name	O/s as on 30.09.23	Reserve price on Cash Basis	First Challenger Bid*
1	Mumbai	M/s Bagla International Pvt Ltd. (Previously known as M/s Mishika Gold Jewellery Limited)	20.02	10.65 (100% cash basis)	11.65

*First Challenger Bid shall include Minimum markup of Rs. 1.00 Crore of Reserve Price/Base Bid i.e. ₹ 11.65 crores (₹ 10.65 + 1.00 = ₹ 11.65). Subsequent, bids shall be in multiple of ₹ 1.00 Crore each time.

Further, details are as under .

1. The auction for above account is under Swiss Challenge Method based on the existing offer in hand (original Bid), who will have the right to match the highest Bid.
2. The account will be sold to the successful bidder as per Swiss Challenge Method. HO SASTRA Division will issue letters to the successful bidder and categorically mention that the final transfer will take place only after approval by the Competent Head Office Committee
3. The Transfer shall be made on the following broad technical terms & conditions, when the Transfer is on 100% cash basis:

3.1 Transfer will be made on '**As is where is basis**' and '**as is what is basis**' without **recourse** to the seller.

3.2 **Minimum Cash Component**

The minimum cash component along with Cash: SR ratio proposed for the account is as follows:

S. No.	Zonal SASTRA Centre	Account Name	Cash : SR Ratio
1	Mumbai	M/s Bagla International Pvt Ltd. (Previously known as M/s Mishika Gold Jewellery Limited)	100:00 (100% Cash basis)

4. Prospective bidder to expedite the process of Due Diligence Exercise immediately after submission of Expression of Interest at the allotted Nodal Centre within timeline defined & we shall make all possible efforts to bring copies of the documents at one place, for verification of the prospective buyer, which shall be intimated separately, depending upon prospective buyer's response.
5. **PNB at its sole discretion may withdraw the account offered for transfer, without assigning any reasons.**
6. PNB has a right to reject any/all the offers without assigning any reason.
7. Letter of acceptance of offer will be given by bank within 10 days after confirmation of proposal by the Competent Authority of Bank (PNB).
8. Transfer should be executed within 15 days from date of letter of acceptance of Bank unless otherwise agreed so by Bank and Bidder. **ARC /Permitted Transferees will compulsorily open the Trust account with PNB only.** In case of Consortium or multiple banking arrangement, account should be opened with one of the member banks if more than one bank sells the account to the same ARC
9. In case obligant(s)/co-obligant(s) come forward for OTS as per Bank guidelines before submission of financial bid by the proposed buyer/s, the concerned account may be withdrawn from transfer process considering account specific merits.
10. Acceptance of terms of Assignment Agreement will be based on IBA Model unconditionally.
11. All expenses in connection with transaction including stamp duty etc. shall be borne by the purchaser.
12. RBI guidelines applicable to the purchaser shall be strictly complied with.
13. The object clause of Memorandum of Association of Purchaser provides for the acquisition of financial assets.

14. The bids submitted by ARCs /Banks /NBFCs /FIs should be unconditional, irrevocable and binding in all respect. Bid cannot be withdrawn once submitted to the bank. Conditional and contingent bids are liable to be disqualified by the bank.
15. Under no circumstances successful bidder can refuse to complete the transaction citing any reason or defects /objection in any account. If they do so, the matter will be reported to RBI and the respective association for taking necessary action.
16. ECGC/DICGC claim, if any, received/to be received shall be retained by the Bank, subject to sharing of sale proceeds proportionately in terms of extant guidelines i.e. the claim amount will be given the same treatment as in case of recovery/OTS. Pro-rata shares shall be refunded to the corporation on account of recoveries. The same procedure shall be followed as being done in OTS policy.
17. The transfer of financial assets is being considered by the bank as a commercial decision and shall have no bearing whatsoever on the ongoing criminal case/investigation if any being carried out by the CBI/Police/any other agency and the same shall precede as per law.
18. That besides the amounts outstanding under any disbursed loans, Bank shall notify the Purchaser details of any outstanding (un-devolved) LCs/LGs /installments of DPGs which are not yet due, in respect of the NPA account 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 on the same terms & conditions, as that of the sale for funded facilities, for which the ARC/Buyer will give acceptance through Offer Letter/Supplementary Agreement/Assignment Agreement. However, un-devolved LC and un-devolved BG limits backed by 100% margin by way of FDRs will not be offered for sale. We have NIL outstanding on account of un-devolved LC /BG in the account.

19. **Cut-off date denote the date on which process of e-bidding for specific account will take place.** All realization/recoveries made before the cut-off date shall be retained by the bank.

20. Bidding Process

The bidding process will be conducted on PNB's E-auction Portal in the following manner:

- The User ID & Password for bidding on E-auction Portal will be given to the prospective bidder, who have submitted EOI along with NDA & accepted Terms & Conditions of Technical Bid.

- On a pre-decided date & time, e-auction will be conducted on PNB's E-auction Portal at bid price mentioned in table given above.
- In the E-bidding process, Swiss Challenge method will be followed since we have Base Bid/Anchor Bid in hand, who will have the right to match the highest bid. For that mark-up price is taken as Rs. 1.00 Crore above Reserve price i.e. ₹ 11.65 Cr (₹ 10.65 + 1.00 = ₹ 11.65). If no counter bid crosses the minimum mark-up specified in the invitation, the base-bid becomes the winning bid. If counter bid(s) cross the minimum mark-up specified in the invitation, the highest counter bid becomes the challenger bid. The prospective buyer who provided the base-bid is then invited to match the challenger bid. If the prospective buyer 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
- The name of Winner will be placed for approval of Bank's Competent Committee.

21. We would like to know whether your ARC/Permitted Transferees is interested in the above proposal. We shall appreciate to receive the earliest response. In case of any further clarification, you may contact the following Nodal officers at ours:

S. No.	Name of The Officials	Designation	Contact details
1.	Sh Rajesh Srivastava	AGM	7738211789; rajeshs@pnb.co.in
2.	Sh Nitin Anand Aggarwal	CM	7387058128; nitin.aggarwal@pnb.co.in

22. The detailed Terms & Conditions are given in the **Annexure- Terms & Conditions of Technical Bid attached. (No change is permitted, without taking consent from the Bank).**

23. **The Time Schedule for completion of the sale process is given below, which may be kindly be adhered to, as no further extension will be made in the schedule:**

1.	Submission of EOI in the showcase account and Non-disclosure Agreement (if not already executed)	16.11.2023
2.	Completion of Due Diligence Exercise	22.11.2023
3.	Submission of acceptance of Technical Terms & Conditions of the Bids/ Submission of names of authorized officials by ARC to participate in e-auction.	22.11.2023
4.	Date of issuing user id & password for e-auction on PNB auction portal to those who have submitted EOI & accepted Technical Terms & Conditions of technical Bid to SASTRA HO along with names of authorized officials of ARC who will participate in e-Auction	23.11.2023
5.	Tentative Date of e-bidding#	24.11.2023

#The e-bidding timings will be from **10.30 AM to 12.30 PM** with unlimited extension of 05 Minutes and incremental amount is as per table given below-

S No.	Name	Incremental Bid amount
1	M/s Bagla International Pvt Ltd. (Previously known as M/s Mishika Gold Jewellery Limited)	Rs. 1.00 Crore

24. Before submission of the financial bid, the interested ARCs/Permitted transferees etc. will have to submit (i) Non-Disclosure Agreement (if not already submitted) and (ii) Acceptance of the Technical Bid (iii) E.O.I to:

“The GM, Punjab National Bank, SASTRA Division, Corporate Office, 3rd Floor, Plot No. 4, Sector-10, Dwarka, Delhi-110075.”

Submission of bid by a bidder shall be deemed to constitute unconditional acceptance of all the terms and conditions of this document by the bidder. Bids below reserve price will not be accepted.

25. The Due Diligence Exercise (DDE) will be carried out at the following Nodal Center, for which you may contact the dealing officials of the concerned ZSC /Nodal Centre, as per details given below.

Concerned ZSC	Contact Details of Officials of ZSC for Fixation of Dates of DDE	Nodal Centre Allocated For DDE
Mumbai	<p>Contact Person at ZSC, Mumbai</p> <p>(i) Mr Amit Parashar, Mob: 8866009965</p> <p>Zonal Sastra Centre Mumbai email id - zs8356@pnb.co.in</p>	<p>Address: PUNJAB NATIONAL BANK Zonal SASTRA Centre, 1st Floor, Pragati Tower, BKC, Mumbai</p>

With best wishes

Yours sincerely,

(Surendra Kumar Verma)
General Manager