

TENDER TERMS

Date: 19.12.2023

SALE OF NPAs – in DECEMBER-2023 **INVITATION OF BIDS FROM ARCs/ Banks/ NBFCs/ Fls etc.**

Jana Small Finance Bank invites bids from ARCs/ Banks/ NBFCs/ Fls etc. for sale of NPAs under Swiss Challenge method as given below in December-2023. Accounts put for sale is as under:

Under Swiss Challenge method:

(Amount Rs in Crores)

S no.	Title of the account	No. of A/c's	Aggregate Book O/s as on 30.11.2023	Reserve Price/ Binding Offer at 83.00% of aggregate Book	Starting Price for counter bid with 5% mark-up (87.14% of aggregate Book)	Data Room
1	Portfolio of Secured NPA Accounts	3,571	175.63	Reserve Price – 145.75 Cash portion (15%) - 21.86 SR's portion (85%) - 123.89	Reserve Price – 153.04 Cash portion (15%) – 22.96 SR's portion (85%) - 130.08	Details of Data Room for conducting sample due diligence will be shared through email based on request received from ARCs submitting EOI.

The e-bidding will be conducted on 27.12.2023 (Wednesday) from 11 am to 12 noon. The time schedule for completion of the sale process is given below, which may be taken note and strictly adhered to since no further extension will be made in the schedule: -

	Particulars	Relevant Date
1	Commencement of due diligence	19.12.2023
2	Last date for submission of Expression of Interest in the account to the email id: info@janasmallfinancebank.com	22.12.2023
3	Last date for Submission of Non-Disclosure Agreement (if not already executed)	22.12.2023
4	Completion of Due Diligence Exercise	26.12.2023



5	Last date for 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.	27.12.2023
6	Allotment of User ID & password for e-Bidding	27.12.2023
7	Process of e-Bidding *	27.12.2023
8	Completion of documentation formalities and payment to be made on or before	27.12.2023

***The e-bidding timing will be from 11 am to 12 noon, with unlimited extension of 5 minutes at an incremental amount (Bid Multiplier). Starting price for counter bid for portfolio of NPAs will be at 87.14% of aggregate Book O/s on 15% cash: 85% SRs basis (which is 5% mark-up on binding offer at 83.00% of aggregate Book O/s on 15% cash: 85% SRs basis)**

Other terms and conditions for sale are as under:

1. Portfolio under "Swiss Challenge method" based on firm binding offer in hand and the said offerer will have the right to match the highest bid.
2. The NPA accounts will be sold along with underlying securities on **"as is where is" and "as is what is" basis without any recourse to the Bank**
3. The offer shall be given on **Cash: SR basis** for the portfolio of NPA accounts.
4. **Terms of Sale on Cash: SR basis for portfolio will be governed by the following terms & conditions:**

The bids shall be given for the portfolio of the NPA accounts on Cash 15% plus SR 85 % basis.

- i. Processing Fees of Rs. 25 lakhs plus applicable GST to be payable from the collections of the pool
- ii. Management fees of 2.50% p.a. plus applicable GST shall be payable up front on lower end of NAV of the security receipts
- iii. Trust fee of Rs. 5 lakhs p.a. plus applicable GST to be payable from the collections of the pool
- iv. Jana SFB will undertake collection of the said pool. Trust will reimburse collection cost incurred at actuals. In the event of collections being

handed over to ARC, ARC reserves right to negotiate collection cost as per ARC cost structure which will be on mutually agreed terms

- v. **The ARC to open the related Trust account for all pool related transactions with Jana Small Finance Bank only.**
 - vi. Security Receipt will have Pari-passu redemption.
 - vii. Excess recovery after redemption of Security Receipts i.e. upside, if any, will be with Jana Small Finance Bank and no share will be given to the ARC.
 - viii. Bank will engage concurrent auditor for review of operations and transactions of the Trust at frequencies as may be determined by the Bank. ARC should cooperate and submit relevant particulars/ disclosures for audit purpose.
5. On the date of execution of Assignment Agreement Jana Small Finance Bank will notify the outstanding based on the agreed cut-off date with the successful bidder.
6. **Due Diligence:** The Interested buyers shall enter into a Non – disclosure agreement with Jana Small Finance Bank before conducting due diligence, if not executed already.
- o The process of due diligence will commence from 19.12.2023 and will be completed by 26.12.2023.
 - o All costs and expenses incurred to carry out the due diligence study or any other process in furtherance of their interest to purchase of NPAs shall be borne by the intending buyers only.
 - o While Jana Small Finance Bank will make available the information to the intending buyers which have come on record and it assumes no responsibility either on the part of Jana Small Finance Bank or its officers, if found later that the information on record with Jana Small Finance Bank is not updated with reference to loan documents/ outstanding balance etc. and the lack of it or inadequacy of it lead to realizing of lower value or facing litigations in the course of realization in the borrower account.
7. Further details of the account mentioned at S no. (1) will be uploaded to Virtual Data Room (VDR) in excel sheets containing details of accounts for the portfolio will be sent on the email IDs provided with the Expression of Interest

(EOI) on execution of NDA, if not already executed. Intending bidders who have confirmed their participation in bidding process along with proper authorization will be provided with user id and password by the service provider which should be used in the e-auction proceedings including submission of Bids. The user id and password will be provided in the email id from which Expression of Interest is received which will be treated as registered email id of the Bidder.

8. The intending bidders will be allowed to submit bids for the portfolio of accounts at or above the starting price fixed for counter bid at Rs. 153.04 crores [87.14% of aggregate Book O/s] on 15% cash (Rs. 22.96 crores) and 85% SRs (Rs. 130.08 crores) markup of 5% on binding offer.
9. On the date of auction viz., 27.12.2023, the bidders will be participating in inter-se bidding during the time of auction i.e. 11 am to 12 noon through e-auction site with auto extension of five minutes till auction is concluded. The bidders will be allowed to improve their bid by 5% equivalent to Rs. 7.29 crores (Bid Multiplier). The successful bidder will be duly informed. As the sale is under Swiss Challenge Method based on the offer in hand, the highest counter bid (crossing minimum mark-up of 5%) if any received, will become the challenger bid and the anchor bidder who has submitted the binding offer will have the right to match the challenger bid. The account will be sold to challenger bidder/ anchor bidder as per the Swiss Challenge Method. A confirmation will be sent to the challenger bidder/ anchor bidder by bank along with settlement terms on the registered email id.
10. Participants are advised not to wait till last minute or last few seconds to submit their bid to avoid complications related to internet connectivity, network problems, system crash down, power failure, etc. Neither Bank nor e-auction third party Service Provider will be responsible for any unforeseen circumstances.
11. Please note that the sale will be subject to final approval by the Competent Authority of the Bank.
12. Jana Small Finance Bank assumes no commitment for sale of its NPAs to any offerer and will have sole discretion to reject any offer **without assigning any reason at any point of time**. It is the sole discretion of Jana Small Finance Bank to select the successful bidder.

13. Jana Small Finance Bank reserves the right to **withdraw the offer, amend, alter, modify or defer** the proposal to sell at any time **without assigning any reason**.
14. Under no circumstances can the successful bidder 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 & respective association for taking necessary action.
15. KYC –there will be satisfactory completion of KYC by the seller (Jana Small Finance Bank) on the Buyer.
16. Successful bidder should ensure completion of all statutory/regulatory & other compliances.
17. If interested to participate in the sale process, our Collections Department may be contacted at 080-46212000 (mail id: sathyanarayana.s@janabank.com) along with a letter expressing interest and a Non-Disclosure Agreement duly signed & stamped.
18. In case of any further clarification, you may contact the following Nodal officers at our end: -
 1. **Sathyanarayana S:** sathyanarayana.s@janabank.com
19. Data room on secure digital platform will be made available for due diligence with files containing copies of all relevant documents pertaining to the asset will be made available for perusal. The potential bidder is also expected to verify at the time of due diligence, the updated position of principal and total dues, loan documents and Court proceedings besides others and also for any changes that might occur in the interregnum.