

Web Notice

TRANSFER OF STRESSED LOAN EXPOSURE OF JAIPRAKASH ASSOCIATES LIMITED (“JAL”) LIMITED TO ARCS AND OTHER PERMITTED ENTITIES THROUGH e-AUCTION UNDER SWISS CHALLENGE METHOD

1. IDBI Capital Markets & Securities Limited (“ICMS”) mandated as Process Advisor by State Bank of India (“SBI”) on behalf of the consortium of lenders [comprising of, ICICI Bank, IDBI Bank, LIC, Axis Bank, Canara Bank, Punjab National Bank, Bank of Maharashtra, UCO Bank, IFCI, Indian Overseas Bank, South Indian Bank, Punjab & Sind Bank, EXIM Bank, Indian Bank, J&K Bank, Bank of India, Karur Vysya Bank, Indusind Bank, Bank of Baroda, Union Bank of India, Central Bank of India, SREI Equipment Finance, , SIDBI, Standard Chartered Bank] (collectively “**Lenders**”), is seeking Expression of Interest (“**EOI**”) for and on behalf of the Lenders to undertake Swiss Challenge Method Bidding for transferring their Stressed Loan Exposure in **Jaiprakash Associates Limited (“JAL”)** on “**All Cash**” basis and is, solicits binding bids in the form of irrevocable offers from the permitted entities strictly in accordance with the extant Reserve Bank of India’s Master Directions on Transfer of Stressed Loan Exposures (“**RBI MD**”) and applicable laws. However, please note that the transfer/ assignment will be subject to the final approval by the respective competent authorities of the Lenders.

2. **Brief details of stressed loan exposures showcased:-**

Name of the Company	Admitted claims	Reserve price
JAIPRAKASH ASSOCIATES LIMITED (“JAL”)	Rs. 52073.79 Crore	Rs. 12,000 crore (Rupees Twelve Thousand Crore only)

3. The transfer of stressed loan exposure to the permitted entities will be strictly on “**As is where is, as is what is**”, “**whatever there is**” and “**without recourse**” basis, i.e. with the risk such as the credit risk, operational risk, legal or any other type of risks whatsoever associated with the Stressed Loan Exposure(s) being transferred to the acquirer and that the same shall not be liable to be revoked for any breach including antecedent breach of any representation and warranty. In the event of non-realization of amount out of assets/securities, the Lenders are not liable to refund anything in part or full. The Lenders reserves the right to execute the Deed of Assignment as per the approved format of the Lenders.
4. The permitted entities (as per the RBI Master Direction Transfer on Loan Exposures dated September 24, 2021 updated on December 28, 2023) may conduct due diligence of the asset with immediate effect, after submitting EOI in the format uploaded on the website of ICMS and executing a Non-Disclosure Agreement (“**NDA**”) with ICMS. The EOI along with all the requisite documents duly stamped and signed is to be submitted to Deputy Vice President, IDBI Capital Markets & Securities Limited, 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 (email to project.portland@idbicapital.com.) as per the timelines.

5. **Asset Reconstruction Companies (“ARCs”) and other permitted entities should have a minimum net worth/Net Owned Fund of Rs. 500.00 Crore as per the latest audited annual financial statement.**
6. **Requisite documents at the time of EOI:**
 - a) The profile of the Bidder (promoter/ and promoter group, key managerial personnel, shareholders and shareholding pattern). However, it shall be the obligation and responsibility of the Bidders to ensure and themselves satisfy that they are eligible for buying the subject stressed loan exposure.
 - b) RBI registration certificate/other Regulatory Authorities Certificate as may be applicable.
 - c) CA Certified Latest net-owned Funds/ net worth Certificate as per the most current audited annual financial statement alongwith Sources Funds
 - d) Letter of identification of source of funds and any undertaking thereto, if any, to be annexed confirming the availability of funds for the Transaction;
 - e) Financial Profile of the Bidder (annual reports/ audited financial statements for last 3 financial years).
 - f) Copies of certificate of incorporation/ registration and constitutional documents (MoA, AoA). Any other documents as may be required as per regulatory requirement and or by SBI/Lenders.

The shortlisted eligible Bidders, who have also executed the NDA should submit the following Binding Bid documents by 2.00 p.m. January 07, 2025, to the satisfaction of ICMS and Lenders. Bidders can be download the format from the EDR.

- a) Annexure A - Offer for participating in the Swiss Challenge Process for Transfer of Stressed Loan Exposure of JAL;
 - b) Annexure B - Power of Attorney for signing Offer, if applicable;
 - c) Annexure C - Affidavit under section 29A of Insolvency and Bankruptcy Code, 2016 (“**IBC**” or “**Code**”);
 - d) Annexure D - Profile of the Bidder;
 - e) KYC of the Authorised Signatory (Passport, PAN for signature proof and Aadhaar for address proof).
 - f) Copy of the Board Resolution authorizing a person for bidding in e-auction platform to act as authorized signatory; and Such other documents as the Lenders/ ICMS may require from time to time.
7. Further details of the account in the form of the Preliminary Information Memorandum (“**PIM**”) and the Process Note (“**PN**”) shall be made available to the permitted entities in the Electronic - Data Room (“**EDR**”) for carrying out the due diligence on execution of the NDA. The bidder shall be allotted with user ID and password for accessing the EDR upon submission of proper authorization letter from the authorized signatory.
8. All eligible ARCs and other eligible entities can participate on “100% Cash” basis only as per the relevant provisions of the extant RBI MD ON Transfer of Loan Exposure, 2021, amended and updated from time to time.

The tentative timeline schedule for completion of the transfer process is given below, which may be noted:-

Event	Timelines
Date of Publication of advertisement	December 10, 2024
Last Date for the submission of EOI	December 16, 2024 till 06:00 PM
Due Diligence by interested parties (who have submitted their EOI & executed NDA)	From December 17, 2024 12:00 AM to January 06, 2025 11:59 PM through Electronic Data Room (“EDR”) (available online 24 hours)
Interested parties to submit the documents mentioned in Process Note and also inform names of Authorized Official(s) along with their mobile No. & official email id to enable ICMS to issue passwords & explain them the bid procedure through e-auction portal	January 07, 2025 by 2.00 p.m.
Allotment of user ID password for e-auction	January 07, 2025 after 5.00 p.m.
Date of commencement of conducting Swiss Challenge Process through E- Auction Platform	January 08, 2025 (Time 11:30 p.m. to 1:30 p.m.) with unlimited extension of 5 minutes and an incremental amount of Rs. 600 crore (5% of Rs. 12000 crore)
Declaration of the Final Challenger Bidder	January 08, 2025 after closure of e-auction process
Option to Anchor Bidder to match/outbid or better the Final Challenger Bid	January 15, 2025 till 3.00 pm
Declaration of Successful Bidder Issuance of Letter of Award (“LOA”) to Successful Bidder by Lead Bank, Subject to approval of the competent authority of the lenders	January 16, 2025
Timeframe for receipt of assignment consideration and for execution of Deed of Assignment (“DoA”)	Within 3 working days as mentioned in the date of LOA (or such date as may be mutually extended)
<i>ICMS and/or the Lenders reserve the right to modify the time schedule and/or not to go ahead with the proposed sale/assignment at any stage without assigning any reason at their sole discretion. The decision of the ICMS and/or the Lead Bank in this regard shall be final, conclusive and binding on all the Bidders/ participants.</i>	

9. If no EOI is received, the Lenders reserve the right to reckon the Anchor Bidder as the successful bidder and proceed accordingly. In such a situation, the Lenders also reserve the right to negotiate with the Anchor Bidder (successful bidder) for improvement in the bid amount.
10. Swiss Challenge Bidding Process
 - (a) The minimum mark up over the base bid required for the challenger bid to be considered shall be minimum increase of INR 600 Crore or multiples thereof (minimum mark-up is kept at 5 % over the base bid of Rs. 12000 crore). For this purpose, mark up shall be calculated as the difference between challenger bid and base bid. As the bid by eligible ARCs and other eligible entities is on "All Cash"(100% Cash) basis, the minimum mark-up of Rs. 600 Crore as above , is also on "Cash" basis only.
 - (b) If no challenger bid crossed the minimum mark-up specified in the invitation, the base bid becomes the winning bid, subject to the final approval by the competent authority of the respective Lenders.
 - (c) If counter/ challenger bid(s) crosses the minimum mark-up specified at paragraph 9 (a) above, the highest counter bid becomes the challenger bid ("**Challenger Bid**") and the challenger bidder will be considered as highest bidder ("**Challenger Bidder**").
 - (d) The base bidder who has provided the base bid/ Anchor Bid would be invited to match the Challenger Bid either on: (i) all cash basis or (ii) on Cash cum SR basis, if any (after discounting the offered Security Receipts @ 1 Year MCLR rate of Lead Bank (State Bank of India) currently @ 8.85 % p.a. for 3 years). If the Base/ Anchor Bidder, who provided the base bid/ Anchor Bid either matches the Challenger Bid or bids higher than the Challenger Bid on all cash basis or on NPV terms if Cash cum SR basis then such bid shall become the winning bid; else the Challenger Bid shall become the winning bid and the Challenger Bidder shall be declared as the "**Successful Bidder**".
 - (e) Acceptance of the offer (winning bid) shall be at the sole discretion of the Lenders and shall be subject to approval of the competent authority of the respective Lenders.
11. It is clarified that SBI/ ICMS shall bear no liability, obligation, or responsibility for non-receipt of EOI/ any other correspondence sent by post/email/courier/fax by the permitted entities or for non-receipt or delayed receipt of any documents sent by post/courier.
12. All realization/ recoveries made up to the cut-off date shall be retained by the Lenders. The expression "cut-off date" used herein denotes the date on which the assignment agreement is executed for assignment of the Stressed Loan Exposure.
13. Please note that any future taxes and outgoings after cut-off date that may be arising out of the transaction shall be payable by the acquirer/ transferee.
14. SBI/ Lenders reserve the right to negotiate with the successful bidder for improvement in the bid amount as SBI/Lenders may deem fit and appropriate, in their sole discretion and may seek revised bid from the relevant Bidder(s).
15. Transferee/ acquirer ("**Successful Bidder**") shall be under its own obligation to follow, adhere with and ensure proper compliance with the applicable laws and all the extant

guidelines/ notification/ circulars issued by SEBI/RBI/ GoI/other regulators from time to time pertaining to transfer of the Stressed Loan Exposure.

16. Bidders shall not be persons disqualified under Section 29A of the Insolvency & Bankruptcy Code of 2016 (31 of 2016) ("**Code**"). Bidders should not have any direct or indirect link/connections/ interest/ relationship with the promoters of JAL/ JAL/guarantors and/or its affiliates and/or any of their related parties pertaining to the transfer of the Stressed Loan Exposure (including any arrangement for funding of the consideration of the acquisition) The proposed transfer of Stressed Loan Exposure by way of sale/ assignment should not be funded and backed by promoters of JAL/JAL/guarantors and /or any of their affiliates and/or their related parties and the Bidders shall be deemed to have represented and warranted that the ultimate transferee of Stressed Loan Exposure is not of the JAL/promoters of JAL /guarantor/ and/or their respective affiliates and/or any of their related parties. Further before transfer, a duly stamped and signed undertaking will have to be furnished by the Acquirer / Successful Bidder to the effect that they are eligible as per section 29A and other provisions of the Code.
17. Successful Bidder shall not take any funds/consideration in any form whatsoever, directly or indirectly from the promoters of JAL/JAL/guarantors and/or any of their related parties.
18. Bidders are expected to carry out their own investigations/ due diligence and other examination in relation to the transaction stipulated hereunder before submitting the EOI as the proposed transfer of stressed loan exposures of JAL is on "**As is where is**", "**as is what is**", "**whatever there is**" and "**without recourse**" basis, without any representation, warranty or indemnity by the Lenders.
19. Bidders shall bear all costs associated with the preparation and submission of the EOI and all costs associated with conducting the due diligence. ICMS/ Lenders shall not under any circumstances whatsoever, be responsible or liable for any such costs, whether direct, indirect, incidental or consequential and no cost incurred by the respective Bidders shall be borne by ICMS/ Lenders.
20. The EOI and all related correspondence and documents in relation to the EOI shall be in English Language.
21. Any extension in timelines/modifications in the content of this web notice will not necessarily be carried out through another advertisement but may be notified directly on the website (www.idbicapital.com) and the Bidders should regularly visit the website to keep themselves informed and updated regarding any clarifications, amendments, modifications or extensions.
22. Once the deal is finalized, the deed of assignment and other legal formalities will be completed in the shortest possible time as mutually agreed upon and in any case within the timeline specified herein (including any extension thereof). After completion of legal formalities, the Successful Bidder may arrange to take over the relative correspondence mentioned above and other legal documents including the available details of the litigations/ proceedings from the concerned branches of the respective Lenders at a mutually convenient date and time, but within 15 (fifteen) days from the date of execution of the Deed of

Assignment. If any document has been executed/ deposited with the Lenders on behalf of or jointly with other institutions/ banks, such documents shall either be handed to any of such participating institution/ bank or released by the Lenders to the Acquirer/ transferee, after receipt of NOC from all such concerned institutions/ banks/parties.

23. Notwithstanding anything contained hereinabove, ICMS/ the Lenders reserves the right to examine the EOI and accept or reject any or all or some of the EOIs at their sole discretion, and neither this web notice nor delivery of an EOI nor the consideration thereof by ICMS/ the Lenders shall be construed as creating any kind of right or interest or legal expectation in any interested party to be considered any further in the process or entitle them to any recourse against ICMS/ Lenders. Upon such action, ICMS/ the Lenders decision in this behalf shall be final, conclusive and binding on all the Participants(s).
24. Notwithstanding anything contained in this web-notice, neither ICMS/ the Lenders, nor their directors, employees, representatives or its advisors accept any duty of care, responsibility or liability or obligation whatsoever, in respect of any statements or omissions herein, or the accuracy, correctness, sufficiency, completeness or reliability of the information, and shall incur no liability or obligation or responsibility whatsoever under any law, statute, rules or regulations or in equity as to the accuracy, correctness, sufficiency, reliability or completeness of this publication, even if any loss or damage is caused by any act or omission on the part of ICMS/ the Lenders or its employees or its advisors, whether negligent or otherwise.
25. The invitation shall in no case be considered as an invitation to invest under any of the SEBI regulations.
26. SBI/ ICMS reserves the right to annul, cancel or amend or modify the process and/or disqualify any eligible party, at any stage without assigning any reason whatsoever and without incurring any liability and/or obligations and/or responsibilities and the decision of the SBI/ICMS shall be final, conclusive and binding all the concerned.
27. In case of any further clarification, you may contact the following AOD Nodal Officers:

Contact Persons	Designation	Contact Details	E-mail ID
Nitin Chaturvedi	AGM – SBI	7906014802	agm4infra2.sarg@sbi.co.in
Abhishek Bedbak	DVP - ICMS	9920425544	project.portland@idbicapital.com

*This Web Notice must be read in conjunction with the PN and PIM.

Annexure

Key Features of the Base Bid (Anchor Bidder):

- The Lenders have received an offer for purchase and acquisition of the Lenders' Debt for a price of Rs. 12000 Crores on a Cash: Security Receipts ("SR") structure of 15:85 from the Anchor Bidder
- As per the Cash: SR structure, the Anchor Bidder has agreed to pay 15% of the total consideration offered upfront and the balance 85% through issuance of SRs.
- A brief snapshot of the sale/transfer of the Lenders' Debt as given in the Anchor Bid is provided below:

<p>Financial Assets</p>	<ol style="list-style-type: none">1) All debt and receivables owed to the Lenders under or in relation to the loan facilities availed by the Company from the Lenders ("Facilities") (including all amounts outstanding in relation to the facilities under the financing documents in relation to the Facilities, whether as principal, interest, redemption/prepayment premium, default interest, any other costs, indemnities, expenses, amounts, payments and/or fees or otherwise but shall exclude any undisbursed commitment of the Lenders under the facility documents);2) All security interest, contractual undertakings/comforts, assurances, credit enhancements, supports and guarantees created or provided by the Company/ borrower or any third party in favour of or for the benefit of the Lenders (including any exclusive security interest created in favour of any of the Lenders);3) All rights, claims and interest (including beneficial, incidental and ancillary rights and claims), whether existing, future, accruing, conditional or contingent, in respect of such debt or receivables arising under the facility documents or otherwise under law; and4) Without prejudice to the generality of the foregoing, the rights and claims of the Lenders under any resolution plan/settlement agreement, any order of court/ tribunal and any related documents in relation to the facilities. <p>(hereinafter collectively referred to as the "Financial Assets")</p>
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Cut-Off Date	<p>June 03, 2024 (“Cut-off Date”)</p> <p>The Lenders shall not be entitled to or otherwise receive any amounts pertaining to the Financial Assets, or any part thereof, after the Cut-off Date. In case any amount is received by the Lenders after the Cut-off Date, it shall hold all such amounts free of any set off or counterclaim, in trust for the benefit of the Anchor Bidder or the relevant trust and shall forthwith, upon receipt thereof, hand over such amounts to the Anchor Bidder or the relevant trust as may be intimated by the Anchor Bidder.</p>
Mode of Acquisition	<p>Absolute assignment and transfer of all Financial Assets on a non-recourse basis.</p>
Offer Price	<p>Rs. 12000.00 crore (Rupees Twelve thousand Crores only) to be paid out of the funds received by issuance of Security Receipts. Anchor Bidder shall subscribe to SRs equivalent to 15% of the offer price and the balance 85% shall be subscribed by the Lenders.</p> <p>The beneficiary/Bank wise allocation of SRs based on the sharing pattern in debt/securities would be communicated by lead lender to anchor bidder in due course along with the consent letter from the respective beneficiary/bank.</p> <p>The principal amount of Security Receipts issued to the Lenders will be backed by a guarantee, which shall be valid until the earlier of:</p> <ol style="list-style-type: none">Redemption of all SRs issued by such Trusts in accordance with the terms of the SRs; orExpiry of 5 years from the date of issuance of SRs by such Trust. <p>Proposed offer price has also factored non-fund o/s in the books of lenders. NARCL has assumed that it will remain in the books of respective lenders at the time of assignment and once BG/LC or any other non- fund based facilities gets devolved/invoked and converted into fund based, it will be transferred to NARCL without any further consideration.</p>
Trusteeship Fee payable to Anchor Bidder as Trustee	<p>Anchor Bidder shall be entitled to charge Trusteeship Fees at 2% (per annum) of the lower band of the Net Asset Value (“NAV”) of the SRs payable at the beginning of every quarter in consideration for the services provided by it in relation to the management and administration related of the relevant Trust.</p> <p>Before the availability of the NAV of the SRs, Trusteeship Fee shall be calculated based on the face value of SRs as outstanding in the beginning of the respective quarter. In addition, the Trustee shall be entitled to recover any Indirect Tax including Goods and Service Tax (“GST”), cess, or any other statutory levy, as applicable on the</p>

	Trusteeship Fee.
Recovery Fee	Recovery Fee being an amount equal to 2% of the gross recovery received or realised from the underlying assets of the Trust, shall be payable to the Anchor Bidder as the Trustee as and when any amount is realised in respect of the Assets of the Trust. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, cess, or any other statutory levy, as applicable on the recovery fee.
Upside Sharing	Any recovery/realization over and above the SR redemption amount shall be shared amongst the SR holders in the ratio of SR Holding i.e 15:85 for Anchor Bidder and other security receipt holders (Lenders) respectively.
Estimated Upside	It is further clarified that if any amount is recovered over and above shall also be shared between the Anchor Bidder and other SR holders (i.e. Lenders) in the ratio of 15:85.

Admitted Claims:

S. No.	Lenders	Admitted Claim (Rs. Crore)
1	State Bank of India	15464.94
2	ICICI Bank Limited	10443.35
3	IDBI Bank Ltd	8718.85
4	LIC of India	3021.45
5	Canara Bank	1972.91
6	Axis Bank Limited	3084.47
7	Karur Vysya Bank	156.67
8	Punjab National Bank	1380.81
9	J&K Bank	332.76
10	Central Bank of India	56.62
11	Exim Bank	253.38
12	Bank of Maharashtra	1759.79
13	Punjab & Sindh Bank	495.05
14	Union Bank of India	120.16
15	South Indian Bank	626.82
16	UCO Bank	1200.25
17	Indian Bank	197.42
18	Indusind Bank	189.76
19	Standard Chartered Bank	186.94
20	Bank of Baroda	182.84
21	IFCI Ltd	1491.97
22	Indian Overseas Bank	224.67
23	SREI	56.53
24	Bank of India	247.5

Web Notice for transfer of stressed loan exposure of JAL

25	SIDBI	207.88
	Total	52073.79
