

WEB NOTICE

TRANSFER OF STRESSED LOAN EXPOSURES BY CANARA BANK

Canara Bank invites EOIs / counter bids for transfer of Financial Assets to Asset Reconstruction Companies (ARCs) registered with the Reserve Bank of India under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, SCBs, NBFCs, AIFs, SFBs., as per the terms and conditions given here under. It is to be noted that Bank will transfer the NPA loans under Swiss Challenge method based on an existing offer as Anchor Bid who will have the right to match the highest bid. However, the decision to transfer the NPA Loan is subject to the final approval of the competent authority of the Bank.

Loans showcased for transfer are as under:

Exhibit 1							(Rs in crores)
Sr No.	Branch/ Region	Title of the Account	Book Liability and Total Outstan- ding as on 31.01.2024	Fair Market Value of Security (Canara Bank Share)	Reserve Price / Binding offer on full cash basis	Starting price for counter bid with 5% mark-up price	Branch Address / Data Centres
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
1.	ARMB / Chandigarh	M/s Satia Synthetics Limited	9.82 & 24.66	1.39	3.84 on full cash basis	4.04 on full cash basis	Plot No 1, 4th Floor, Sector 34-A, Sector 34, Chandigarh-160022 Contact Person: Sh Ranjeet Kumar, AGM Mobile No. 8727971300

Other information on the accounts like Debt profile, Security profile, legal status and other related matters will be provided in the form of PIM (Preliminary Information Memorandum) to the ARCs / eligible transferees, who will submit Expression of Interest in the prescribed format along with Non-Disclosure Agreement.

Time schedule for completion of the process is given below to be noted and strictly adhered to since no further extension will be provided in the schedule: -

Exhibit 2

Sr No.	Particulars	Relevant Date
1	Newspaper Publication	07.03.2024
2	Last date for submission of Expression of Interest (EOI). EOI should be submitted in the enclosed format along with signed Non-Disclosure Agreement to the email id horecovery@canarabank.com with	12.03.2024 till 05.00PM

	hard copy in closed envelop at the respective Data Centre mentioned in column 8 of Exhibit 1.	
3	Due diligence Prospective bidders may start due diligence immediately after submission of EOI and submitting signed Non-Disclosure Agreement (NDA)	From 07.03.2024 to 26.03.2024 (All working days from 10.30 AM to 5.00 PM)
4	Preliminary Information Memorandum (PIM) PIM will be shared on the email id mentioned in the EOI	Same Day on the date of receipt of EOI to prospective bidder who has already executed NDA else upon execution of NDA
5	Informing Name, Mobile number and email address of the Authorised officers for issuance of login credential for participation in the e-bidding process through e-auction portal	26.03.2024 upto 5.00 PM
6	Submission for EMD (for bidders other than ARC)	27.03.2024 upto 11.30AM
7	Allotment of login credential for participation in the e-bidding process through e-auction portal	27.03.2024 upto 12.30AM
8	Submission of Bid (Process of e-Bidding) :	27.03.2024 3:30 PM to 4:30 pm
9	Completion of documentation formalities and payment to be made	Within 2 working days from date of letter of acceptance to successful bidder or Final approval from the competent authority of the Bank whichever is later.

The e-bidding will be carried on 27.03.2024 from 3.30 PM to 4.30 PM with unlimited extension of 05 minutes. The **incremental amounts** for e-bidding purpose are mentioned as under:

Exhibit 3

(Rs in Crores)

Sr. No.	Name of Account	Incremental Amount
1.	M/s Satia Synthetics Limited	0.20

Other terms and conditions for transfer are as under:

1. Canara Bank reserves the right to examine EOIs and accept or reject any or all or some of them at their sole discretion without assigning any reasons thereof.
2. The auction is conducted under Swiss Challenge method where Canara Bank is having an offer of Rs 3.84 Crores in hand on 100% cash basis termed as Anchor bid and invite Expression of Interest from eligible parties only on 100% cash basis on the terms given here under. The portfolio will be transferred / assigned to challenger bidder/ anchor bidder as per the Swiss Challenge Method. A confirmation will be sent to the challenger bidder/ anchor bidder on the email id in EOI.
3. Accounts will be transferred/ assigned along with underlying securities on “**as is where is**” and “**as is what is**” basis and “**without recourse**” to the Bank. Bank will not assume any operational, legal or any other type of risks relating to the transfer of loan exposure.



4. Bids shall be given on **Full Cash basis ie. 100% cash basis only**.
5. All eligible bidder except ARC shall submit Earnest Money Deposit (EMD) of INR 0.38 Crores (Rs Thirty-Eight Lakhs only) in form of Demand Draft / Banker's Cheque in the name Authorised Officer, Canara Bank, ARM Branch payable at Chandigarh by **27.03.2024 upto 11.30AM** at Canara Bank, ARM Branch, Plot No 1, 4th Floor, Sector 34-A, Sector 34, Chandigarh-160022.

The EMD amount will be refunded within 15 days from e auction date except for the deposit of successful challenger, which shall be returned within 15 days of the declaration of final winner as the anchor bidder is having right to match the challenger bid.

6. Cut-off date will be the Date of Assignment. All recoveries / realisations made upto the cut-off date shall be retained by the Bank.
7. **Canara Bank reserve exclusive right to deal with the claims pertaining to ECGC / CGTMSE (both present and future) / Cash Margin / Insurance claim / Subsidy reserve fund / Margin etc of the loan exposure and successful Acquirer / bidder has no right or authority or claim thereon.**
8. Canara Bank will be assigning the outstanding as on cut-off date (as mentioned above) with the successful bidder.
9. **Due Diligence** - Prospective bidders may start due diligence immediately after submission of EOI and submitting signed Non-Disclosure Agreement (NDA). Preliminary Information Memorandum (PIM) shall be shared on the same day of receipt of EOI to prospective bidder who has already executed NDA else upon execution of NDA. The prospective bidders are expected to complete the due diligence within the relevant dates as mentioned in Exhibit2.

Place of Due Diligence (Data Centre) - Canara Bank, ARM Branch, Plot No 1, 4th Floor, Sector 34-A, Sector 34, Chandigarh-160022.

Contact Person - Shri Ranjeet Kumar, Authorised Officer

Branches / Data centers as mentioned in Page 1 will assist for due diligence with whom files containing copies of all relevant documents pertaining to the asset, 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 perusal. Also, all legal documents including mortgage and 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. 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, loan documents, mortgage, security, legal proceedings, updated valuation reports and ROC charge creation besides others and also for any changes that might occur in the interregnum

While Canara bank will make available the information to the prospective bidders who have submitted EOI with NDA however it assumes no responsibility either on the part of Canara Bank or its officers, if found later that the information on record with Canara Bank is not updated with reference to loan documents/ outstanding balance/

mortgage/ security/ legal proceedings / ROC charge creation 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.

10. It is presumed and understood that by participating in this process, each of the Bidders has carried out / will carry out their own independent due-diligence and assessment in respect of any or all matters, information, statements, etc. covered or sought to be covered or contained in this web notice, PIM and any information or documents that may be provided by Canara Bank during the course of the process pursuant to this web notice.
11. Any un-devolved LCs/ BGs yet to be invoked/ installments of DPGs, which are not yet due, if any, the Bank will retain Pari-passu charge on the securities relating to un-crystallized non-funded facilities. In case of crystallization of non-funded facilities after the transfer, that portion (converted into funded after adjusting margin) will also be transferred 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 transfer.
12. The intending bidders will be allowed to submit bids, at or above the starting price as mentioned in column (vii) of Exhibit 1 for counter bids. If no counter bid crosses the minimum mark-up specified in the web notice / auction notice, the base bid becomes the winning bid, subject to the final approval by the Bank
13. If counter bid crosses the minimum mark-up specified in Exhibit 3 above, the highest counter bid becomes the Challenger Bid.
14. The Anchor bidder will be invited to match the Challenger Bid. If the Anchor bidder matches or improves the Challenger Bid, such bid will become the winning bid else, the Challenger Bid will be the winning bid.
15. 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 portal Service Provider will be responsible for any unforeseen circumstances.
16. Please note that any taxes/fee/charges that may be arising out of the transaction shall be payable by the successful bidder.
17. The Bank reserves the right to negotiate with the successful bidder for improvement in the bid amount as Bank may deem fit and seek revised bid.
18. In respect of transfer of loan exposures classified as fraud as on the date of transfer the anchor bidder / successful bidder shall give undertaking that the responsibilities of the Bank with respect to continuous reporting, monitoring, filing of complaints with law enforcement agencies and proceedings related to such complaints shall also be transferred to the successful bidder.
19. Prospective bidder shall be under their own obligation to follow all extant guidelines/ notification issued by GOI / RBI/ IBA / SEBI other regulators from time to time pertaining to transfer of stressed loan exposures.

20. Prospective bidder should not have any direct or indirect link / connection / interest / relationship with the promoters / company / guarantors / and / or any of their related parties. And should not take any consideration directly or indirectly from the promoters / company / guarantors / and / or any of their related parties, in this regard, successful bidder will be required to submit a notarized affidavit.
21. Prospective bidder must ensure that the proposed acquisition is not funded and backed by Borrowers/ Promoters/ Company/ Guarantors/ and/ or any of their related parties and they are the eligible transferee for acquisition of proposed loan exposures as per section 29A and other provisions of insolvency and bankruptcy code 2016 (IBC-2016) and amendment thereon, in this regard, successful bidder will be required to submit a notarized affidavit.
22. 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 & respective association for taking necessary action.
23. Please note that the transfer/ assignment shall be at the sole discretion of the Bank and shall be subject to final approval by the Competent Authority of the Bank. Canara Bank may, at any time / at any stage, without assigning any reason thereof, withdraw or defer or cancel the transfer/ assignment process.
24. Canara Bank reserves the right to add, amend, alter, modify, or delete any terms of this document as may be deemed necessary and also issue one or more addenda, corrigendum, etc. as required without giving any reason for the same. The same will not necessarily be carried out through advertisement but will be notified directly on the website and interested bidders should regularly visit the website to keep themselves updated regarding clarifications, modifications, amendments or extensions.
25. 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, the successful bidder may arrange to take over the relative correspondence mentioned above and other legal documents including the available details of the account from the concerned branch at a mutually convenient date and time, within 45 days from the date of execution of the Assignment Deed.
26. If any dispute arises between the parties in relation to the present transfer of stressed loan exposure process, it shall be settled by mutual discussion and in case amicable settlement is not reached, the dispute shall be referred to a sole arbitrator mutually agreed upon by the parties within 30 days of notice of dispute. In the event parties failed to agree upon a sole arbitrator, each party shall appoint one arbitrator and the arbitrators shall appoint an umpire. Place of Arbitration shall be Chandigarh and the proceedings will be governed by Arbitration and Conciliation Act, 1996. Courts at Chandigarh shall have sole jurisdiction with respect to any matter related to this notice calling for Expression of Interest.

**Expression of Interest (EOI) &
Letter of Authority for Participating in the E- Auction**
(To be submitted on the letterhead by all the bidders participating in the E- Auction)

To,
The Authorised Officer,
Canara Bank

Subject: Expression of Interest (EOI) & letter of authority for participation in the e-auction process for acquisition of NPA loan exposures for M/s _____.

We _____ (name of the company) refer to your Notification dated _____ on proposed transfer of captioned financial assets (NPA) under **Swiss Challenge method** through e-auction. We hereby express our interest in participation in the proposed process.

We further understand and confirm that:

1. This EOI is made with full understanding that: -
 - The offer will be unconditional, irrevocable and binding on us in all respects.
 - Canara Bank has the right to reject or accept any offer, cancel the process for the proposed transfer process, and / or reject EOI.
2. We confirm to comply with all extant guidelines / notification issued by GOI/ RBI/ IBA / SEBI other regulators from time to time pertaining to transfer of stressed loan exposures and we are eligible and have the capacity to conclude the acquisition of captioned Financial Asset in accordance with the applicable laws and regulations of India.
3. We also confirm having read and agree to abide with all the terms of Notice calling for EOI dated _____ for transfer of captioned NPA / Business Rules relating to the e- auction process under Swiss Challenge method.
4. We hereby confirm that we have adopted fair practices code in compliance with RBI notification dated 16.08.2020 and such other notifications of RBI given from time to time.
5. We hereby confirm that we are in compliance with the Master Directions on Transfer of Loan Exposures, 2021 dated 24.09.2021 issued by RBI and we are not disqualified in terms of Section 29 A of the Insolvency and Bankruptcy Code, 2016 for acquisition of this financial asset.
6. In case of Transfer of Fraud Loan Exposures, we hereby confirm to take over the responsibilities of the Bank with respect to continuous reporting, monitoring, filing of complaints with law enforcement agencies and proceedings related to such complaints.
7. We hereby confirm that for acquisition of this financial asset, we have no conflict of interest with Bank and are not related, directly or indirectly, to Bank.

8. We further undertake that the information furnished by us in this EOI and other documents submitted in connection therewith is true, correct, complete and accurate.

9. We have enclosed the signed copy of Non-Disclosure Agreement (NDA)

10. We hereby confirm and undertake that the proposed acquisition is not funded and backed by the borrowers / promoters / guarantors and / or any of their related parties.

11. Undertaking for participation in the e-Bidding process.

(i) The undersigned is authorized representative of the company.

(ii) We will participate in the on-line auction conducted by <https://indianbankseauction.com/> (m/s Canbank Computer Service Ltd). (Auction Company) and submit our commercial bid. We shall also abide by the procedures prescribed for online auction by the auction company.

(iii) As per the terms of Notification dated _____ Business rules, we nominate Mr./Ms. _____, designated as _____ of our company to participate in the E- Auction.

(iv) We accordingly authorize Bank and / or the Auction Company to issue user ID and password to the above named official of our company.

(v) Both Bank and the auction company shall contact the above named official for any and all matters relating to the E- Auction.

(vi) We confirm that Canara Bank and Auction Service Provider shall not be liable & responsible in any manner whatsoever for my/our failure to access & bid on the e-auction platform due to loss of internet connectivity, electricity failure, virus attack, problems with the PC, any other unforeseen circumstances etc before or during the auction event.

(vii) We, hereby confirm that we will honour the Bids placed by us during the auction process. We also understand that the Bank may debar us from participating in future tenders in case of failure to honour.

(viii) We undertake that our company shall be bound by the bids made by him/ her in the e- Auction.

Name & Designation of Authorized Representative	
Signature of Authorized Representative	
Mobile No. of Authorized Representative	
Email id of Authorized Representative	

Yours Sincerely,

(Signature)

Name of the Signatory:

Designation with Seal: