

## Loan Collection & Recovery Department

02-03-2024

### **Notification for sale of stressed assets under Swiss Challenge Method**

The Federal Bank Ltd, a scheduled commercial bank as defined under the Banking Regulation Act, 1949 and a company within the meaning of Companies Act, 2013, having its registered office at Aluva, Kerala (hereafter referred as 'the Bank'), had sought bids from eligible buyers (who were allowed to bid for either the entire pool of accounts or for sub-pools within the accounts that were showcased).

Bidders had bid for various pools. From the bids received, we have identified the base bids and the base bid holders as follows:

#### **Pool A**

(Amount in Rs. Cr)

| SL No | Borrower                           | Net balance   | Base Bid Amt | Base bid holder                             |
|-------|------------------------------------|---------------|--------------|---|
| 1     | S KUMAR GOLD AND DIAMONDS          | 6.20          | 25.40        | J. C. Flowers Asset Reconstruction Pvt Ltd. |
| 2     | S. KUMAR JEWELLERS                 | 5.81          |              |   |
| 3     | PERIYAR POLYMERS                   | 8.97          |              |   |
| 4     | TWO IN ONE STORAGE EXTRUSIONS      | 4.40          |              |   |
| 5     | CARMEL CASHEWS                     | 22.57         |              |   |
| 6     | ST ANNES CASHEW INDUSTRIES         | 9.08          |              |   |
| 7     | SRI MAHALAKSHMI TRADERS            | 3.70          |              |   |
| 8     | MAHALAKSHMI                        | 0.55          |              |   |
| 9     | J S K INDUSTRIES                   | 3.51          |              |   |
| 10    | JASAKA FASTENERS INDIA PRIVATE LTD | 1.40          |              |   |
| 11    | CHHATRAPATI AGROTECH PRIVATE LTD   | 3.68          |              |   |
| 12    | RAJ RAMACHANDRAN                   | 5.86          |              |   |
| 13    | RIZA METAL TRADERS                 | 3.63          |              |   |
| 14    | SARA CERAMICS                      | 2.25          |              |   |
| 15    | ALPHA TRADELINKS                   | 1.24          |              |   |
| 16    | MODEMEDIA COMMUNICATIONS PVT LTD   | 1.48          |              |   |
| 17    | JUMBO FINVEST INDIA LIMITED        | 12.77         |              |   |
| 18    | PROTOCOL MARINE SERVICES PVT LTD   | 2.62          |              |   |
| 19    | S K WHEELS PRIVATE LIMITED         | 2.62          |              |   |
| 20    | SUKRITH MOTOR CARS PRIVATE LIMITED | 2.98          |              |   |
|       | <b>Total</b>                       | <b>105.32</b> | <b>25.40</b> |   |

**Pool B**

(Amount in Rs. Cr)

| SL No | Borrower                     | Net balance | Base Bid Amt | Base bidder                |
|-------|------------------------------|-------------|--------------|----------------------------|
| 1     | TIRUPATI JUTE INDUSTRIES LTD | 22.39       | 9.00         | Abinandan Holdings Pvt Ltd |

**Pool C**

(Amount in Rs. Cr)

| SL No | Borrower            | Net balance | Base Bid Amount | Base Bid Holder                  |
|-------|---------------------|-------------|-----------------|----------------------------------|
| 1     | BLUE BIRD INDIA LTD | 40.69       | 2.50            | RARE Asset Reconstruction Co Ltd |

As communicated earlier, we now move on to the swiss challenge part, based on existing offers received from prospective transferees (base bid holders mentioned against each pool above). Any prospective transferee can bid for the pools mentioned above. **However, the Base bid holders of each Pool above will have the right to match the highest bid for that particular Pool.**

Bidders who wish to participate in the Swiss Challenge option can bid in any one of the following combinations only.

- a) Pool A alone
- b) Pool B alone
- c) Pool C alone
- d) Pool A + Pool B
- e) Pool A + Pool C
- f) Pool B + Pool C
- g) Pool A + Pool B + Pool C

**Bids from d) to g) above should compulsorily include the breakup showing the amounts bid for each Pool separately. In the absence of the break-up, the bids will be considered invalid.**

Bidders shall not break the pools any further. Put differently, any bid/s for individual accounts or sub-group of accounts within Pool A will not be accepted.

If a prospective transferee, say X, bids for more than one Pool or a combination of Pools as above, the Base Bid Holder/s of the concerned Pool, say Y, will then be asked whether they can match the offer. If yes, the bid will be crystallised in favour of Y. If not, it will be crystallised in favour of X.

The Bank invites eligible ARCs / NBFCs / Banks / FIs for submission of counter bids on a **100% cash basis**. **The 'minimum mark-up' over the base-bid required for the 'challenger bid' is fixed as 5 %.**

The time schedule for completion of the sale process is given below.

| Sl. No | Particulars   | Last Date & Time       |
|--------|---|------------------------|
| 1      | Submission of expression of interest (All Interested bidders)   | 04.00 PM on 05-03-2024 |
| 2      | Submission of Non-Disclosure Agreement (NDA) (for new bidders only, if any)                                   | 06.00 PM on 05-03-2024 |
| 3      | Completion of due diligence exercise (for new bidders only, if any)   | 05.00 PM on 13-03-2024 |
| 4      | Submission of bids for respective pool/s.   | 11.00 AM on 14-03-2024 |
| 5      | Bid Opening and declaration of highest bids for respective pool/s.  | 11.30 AM on 14-03-2024 |
| 6      | Last date for Base Bidders to communicate whether or not they can match the bids mentioned at 5) above.       | 11.00 AM on 15-03-2024 |
| 7      | Finalisation/ declaration of winning bids under swiss challenge   | 03.00 PM on 15-03-2024 |
| 8      | Last date for final winning bidders as above to transfer bid funds to the Bank and for closure of transaction | 04.00 PM on 22-03-2024 |

The Bank shall have the liberty to modify or cancel the timeline indicated above without assigning any reasons.

#### Other Terms and conditions

1. The sale will be on “as-is-where-is-basis”.
2. The sale will be on 100% upfront cash basis.
3. The bids submitted by ARCs / banks / NBFCs / FIs should be unconditional, irrevocable & binding in all respect. Bid/s cannot be withdrawn once submitted to the bank and successful bidder has to complete the transaction related to sale of the accounts within 7 days from the date of declaration of the successful bid, not later than 22-Mar-2024 in any case.
4. Under no circumstances successful bidder can refuse to complete the transaction citing any reason or defects / objection in the account. If they do so, the Bank will have the liberty to report the matter to RBI & the respective association for taking necessary action.
5. Successful bidder should ensure completion of all statutory / regulatory & other compliances.
6. Please note that all the related expenses viz. taxes / stamp duty / registration charges and all other miscellaneous expenses etc. that may be arising out of the transaction shall be payable by the purchaser.
7. If any dispute arises between the parties in relation to the present sale process, it should be settled by mutual discussion and in case amicable settlement is not reached, it should be subject to the jurisdiction of the court situated in Ernakulam.

8. The Bank reserves the right, not to go ahead with the proposed sale of the account at any stage, without assigning any reason, subject to the extant RBI guidelines. The decision of the Bank in this regard will be final and binding.

The Expression of Interest shall be forwarded to the following address;

**Mr. Rajanarayanan N**

Senior Vice President & County Head,

The Federal Bank Ltd,

Loan Collection & Recovery Dept.,

Federal Towers, Aluva 683 101, Kerala.

E-mail: [lc rd@federalbank.co.in](mailto:lc rd@federalbank.co.in), [lissins@federalbank.co.in](mailto:lissins@federalbank.co.in), [linta@federalbank.co.in](mailto:linta@federalbank.co.in)

For execution of Non-Disclosure Agreement, due diligence etc., please contact us at:  
[lc rd@federalbank.co.in](mailto:lc rd@federalbank.co.in), or [lissins@federalbank.co.in](mailto:lissins@federalbank.co.in) or [linta@federalbank.co.in](mailto:linta@federalbank.co.in)

**For the Federal Bank Ltd**

Authorised Signatory