



## Impaired Assets Portfolio Management (IAPM)

### Department

### **Invitation of Counter Bids for Sale of Financial Assets/Loan account of 1) M/s ESSAR STEEL INDIA LIMITED & 2) Odisha Slurry Pipeline Infrastructure Limited under Swiss Challenge Method**

The Jammu & Kashmir Bank Limited invites Counter Bids for the sale of financial assets/Loan account of 1. M/s ESSAR STEEL INDIA LTD & 2. M/s ODISHA SLURRY PIPELINE INFRASTRUCTURE LIMITED under **Swiss Challenge Method** on **100% Cash basis** from Securitization Company / Reconstruction Company / Other Banks / FIs / NBFCs etc. under SARFAESI Act 2002 on terms and conditions stipulated in bank's policy, in line with regulatory guidelines. Interested parties may please refer the below mentioned broader details and provide their counter bids accordingly.

S. No.	Name of the Account	Bid Offer Received	Terms of Sale (Cash)	Cut of Date
01	M/s ESSAR STEEL INDIA LTD (ESIL)	Rs 284.85 Crs (Rupees Two Hundred Eighty Four Crores Eighty Five Lacs Only)	100% Cash	20.03.2018
02	M/s ODISHA SLURRY PIPELINE INFRASTRUCTURE LIMITED (OSPIL)	Rs 19.35 Crs (Rupees Nineteen Crores Thirty Five Lacs Only)	100% Cash	20.03.2018

**Security/ies Position: Detailed notice along-with details of securities of both the loan accounts are available on Banks website [www.jkbank.net](http://www.jkbank.net)**

**Due Diligence and Counter Bids Schedule:** Interested parties are invited for the due diligence of the accounts and for submission of **Counter Bids**, as per below mentioned schedule. Such parties are requested to submit their Expression of Interest along with Certificate of Registration granted under Section 3 of SARFAESI Act 2002 by RBI and execute NDA (Non-Disclosure Agreement) if not already executed and valid on date before doing due diligence exercise.

Time & Date for Due Diligence	Venue	Bid submission
From <b>05.03.2018</b> to <b>19.03.2018</b> during banking hours.	<b>Impaired Assets Recovery Branch Mumbai (IARB)</b> The Jammu and Kashmir Bank Limited, 1st Floor, National Business Centre, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. Ph: 022-26384200/ 26384100 Fax : 022-26566298 E mail: impmum@jkbmail.com	Interested parties may submit their Counter Bids duly sealed in person or through duly Authorized Representative/ Registered Post, <b>under a sealed cover super scribed with the words "Counter Bid for purchase of financial assets/ loan a/cs of M/S ESIL/OSPIL"</b> to reach the <b>Incharge Impaired Assets Recovery Branch Mumbai (IARB)</b> , The Jammu and Kashmir Bank Limited located at 1st Floor, National Business Centre, Bandra-Kurla Complex, Bandra (East), Mumbai-400098 on or before <b>20.03.2018</b> by <b>05.00PM</b> .

### Bid Opening:

The date and venue of opening of **counter bids** has been fixed as under:

Date	Time	Venue
<b>21.03.2018</b>	<b>01.00 PM</b>	<b>Impaired Assets Recovery Branch Mumbai (IARB)</b> The Jammu and Kashmir Bank Limited located at 1st Floor, National Business Centre, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Ph: 022-26384200/ 26384100 Fax : 022-26566298 E mail: impmum@jkbmail.com

### Other Terms and Conditions:

- The counter bids will be opened at the above mentioned time and venue. You may participate in the process either personally or through your authorized representative. However, the Bank will go ahead with the process even if you/ your representatives do not turn up at the scheduled time and date.



## Impaired Assets Portfolio Management (IAPM)

### Department

- The bank may also take decision on inter-se-bidding process to be adopted among top bidders or otherwise. Bid validity to be limited to a maximum period of 15 days. Any extension thereafter should be by way of mutual consent of the Bank and intending Buyer. Representative of Bidder must carry authority letter to participate in inter-se bidding. Ceteris paribus (all other things being equal), the order of preference to sell the asset shall be as follows: i). The SC/RC which has already acquired highest significant stake; ii). The original bidder and iii). The highest bidder during the counter bidding process.
- The bank will have a right to reject any/all the offers without assigning any reason.
- Selection and completion of the sale process remains subject to approvals, internal clearances and compliances by the competent authority of the bank under its policies and applicable laws and no bidder or recipient shall be entitled to any relief or remedy against the bank for any rejection of its bids or discontinuation at any stage of the sale process by the bank.
- It is clarified that if any payments are received by the Bank into the financial assets being sold under this process after the cut-off date (**i.e. 20.03.2018**), shall be held by Bank in trust for the benefit of the successful Bidder in respect of such Financial Asset, and upon execution of the related agreement (Assignment Agreement/ transfer instrument) shall transfer such amounts in the Trust Account.
- Cut-off date denotes date of submission of financial counter bids i.e. all realization/recoveries made before the cut-off date shall be retained by the bank.
- In the event, a successful Bid is received for an account having un-devolved non fund based (NFB) exposure, the successful bidder shall also take the assignment of the un-devolved portion should it get devolved at a later date, on the same terms & conditions as applicable for the initial successful bid. The charge created on securities for such un-devolved exposure will be retained by the bank and if there are common securities held, Bank's pari-passu charge will continue. At the time of assignment of such exposure, upon its devolvement, assignment of the exposure would be net of any margin held by the bank for the said exposure.
- The financial assets including the secured assets, if any, is sold on 'as is where is' basis. Financial assets shall be transferred / sold through an Agreement of Assignment of Rights as per Standardized Assignment Agreement circulated by IBA.
- The document of assignment shall be got registered as well and stamp duty to be borne by the purchasing ARC/Other Banks/FIs/NBFCs etc. All expenses in connection with transaction including stamp-duty etc shall be borne by the purchaser.
- Sale of the financial asset is only on "without recourse" basis. Subsequent to sale of the financial assets to SCs / RCs/ Other Banks /FIs /NBFCs etc, The Jammu and Kashmir Bank Limited shall not assume any operational, legal or any other type of risks relating to the financial assets sold.
- Sale should be executed within three days from date of letter of acceptance of Bank unless otherwise agreed so by the Bank and the Bidder. After completion of legal formalities, successful bidder may arrange to take over the relative correspondence and other legal documents from the concerned branches within 45 days from the date of execution of IBA approved Assignment Deed.
- Neither the bank nor any member thereof shall be liable or responsible for any costs, expenses or losses whether known to it or whether it is aware or has been advised of it, incurred or as may be incurred by any bidder or recipient hereof. Any such costs, expenses or losses shall be solely to the account of such bidder. All costs, expenses and liabilities incurred by each Bidder in connection with the transaction, including (without limitation) in connection with Due diligence, preparation and/or submission of the bid, including fees and disbursements of its own consultants, if any, shall be borne and paid by such bidder, whether its bid is accepted or rejected for any reason.
- The object clause of Memorandum of Association of Purchaser SC/RC/ Bank/FIs/NBFCs etc. should provide for the acquisition of financial assets.
- RBI guidelines applicable at the time of sale transaction shall be strictly complied with.
- Sale will be made only on 100% cash basis and entire Sale consideration to be received by the Bank upon signing/execution of the Assignment Agreement.

**Authorised Officer**



**Impaired Assets Portfolio Management (IAPM)  
Department**

**a. Securities Position M/s ESSAR STEEL INDIA LIMITED  
Term Loan (500.00 crore) & Term Loan (78.00 crore )**

The Facility is secured by:

- A first Pari-passu charge on all present and future fixed assets of the Borrower, including all land available with the Borrower (excluding leasehold rights on VPT land but including super structure thereon and excluding additional 1300 acres land acquired for upcoming ISP in Orissa)\*\*
- A second Pari-passu charge on all present and future current assets of the Borrower,

\*\*The leasehold rights of the Vishakapatnam Port Trust (VPT) land situated at and known as (i) Survey No. 15-A (110 acres); (ii) Survey No. 42 (24.64 acres); and (iii) Survey No. 42 (11.50 acres), of the village Kancharapalem in the registration sub district and District Vishakapatnam, are not covered as security.

Security would be shared on a Pari-passu basis amongst all the secured Lenders participating in the consortium funding the debt consolidation. The Lenders' Agent shall appoint the Security Trustee and the Security shall be created in favour of the Security Trustee, for benefit of the Lenders.

Security creation for all projects under implementation (for which loans are being taken over), shall be completed within six months from the date of documentation, failing which, a penal interest of 1.00% p.a. over and above the applicable interest rate shall be charged till such time as the security is perfected.

**Guarantees & Undertakings**

- Shortfall Undertaking from ESHLM/EGL, to bring in additional funds in the form of equity/ related instruments in case of any shortfall in the funding requirement for the Projects under implementation / and for meeting cost overruns of the ongoing Projects over and above that has been provided as contingency without any recourse to lenders (to bring in additional funds in a form & manner satisfactory to the Lenders).
- Undertaking from ESTL and ESHLM, to take prior approvals from the lenders for any further revisions in project scope or enhancement in capacities. In the absence of approval from the lenders, entire expenditure would be funded by ESTL/ ESHLM from its own sources.
- Undertaking from Essar Global Ltd. (EGL) that in case ESHLM fails to bring shortfall in equity, EGL would bring the same;

Undertaking from ESHLM to ensure that it will maintain not less than 51% of equity holding in the Borrower at all times during the tenor of the loan directly/ indirectly.

**Term Loan (69.00 crore)**

- A 1st paripasu Charge on all present & future Fixed Assets of the borrower (excluding the identified assets, 1300 acres of land being acquired in Paradep, Odisha for the proposed ISP and lease hold rights on Vizag Port Trust land but including super structure thereon);
- A 2nd pari pasu charge on all present & future Current Assets of the Borrower:



## Impaired Assets Portfolio Management (IAPM)

### Department

The aforesaid security for this facility would be created.

#### **Corporate Guarantee:**

Essar Steel Asia Holdings Limited,

Essar Steel Limited Mauritius

(Guarantee of Essar Steel Ltd Mauritius shall fall off upon the completion of formalities relating to the legal transfer of shares of ESIL held by it to ESAHL)

#### **Personal guarantee of Sh. Prashant Ruia**

#### **SBLC (USD 15.00 million)**

- Corporate Guarantee of M/s Essar Steel India Limited
- A 1st pari passu charge on all present & future fixed assets of the ESIL Including all land available with the ESIL (excluding lease hold rights on VPT land but including super structure thereon and excluding additional 1300 acres of land acquired for upcoming ISP in Orrisa)\*\*

\*\* the lease hold rights of the Vishakapatnum port Trust (VPT) land situated at and Known as

(i) Survey no. 15-A(110 acres)

(ii) Survey no.42 (24.64 acres) and

(iii) Survey no.42 (11.50 acres), of the village kancharapalem in the registration sub district and District Vishakapatnum, are not covered as security.

- A second pari passu charge on all present & Future Current assets of the company.

#### **EPBG (60 Million)**

- A 1st pari passu Charge on all present & future Fixed Assets of the borrower (excluding the identified assets, and the lease hold rights on Vizag Port Trust land but including super structure thereon);
- A 2nd pari passu charge on all present & future Current Assets of the Borrower.

#### **b. Securities Position M/s Odisha Slurry Pipeline Infrastructure Ltd (TL-8)**

The Facility (together with all interest, liquidated damages, fees, remuneration payable to the Security Trustee), costs, charges, expenses and other monies and all other amounts stipulated and payable to the lenders shall be secured by:

- First pari-passu charge on all the present & future movable fixed assets & immovable properties of the Company;
- First pari passu charge by way of hypothecation of all the current assets of the Company;

**The Jammu & Kashmir Bank Limited**

Zonal Office Mumbai  
The Jammu & Kashmir Bank  
Ltd.,  
National Business Centre,  
1st Floor, Bandra Kurla  
Complex, Bandra (East),  
Mumbai-400051

T +91(0)22  
26384100/200

E iapmd.mum@jkbmail.com  
W www.jkbank.net



### Impaired Assets Portfolio Management (IAPM)

#### Department

- A first pari passu charge / assignment of all revenues, receivables, Escrow Account, Debt Service Reserve Account and other reserves and any other bank accounts of the borrower wherever maintained, present and future;
- Assignment/Agreement to assign by way of charge in favour of lenders, all the rights, titles, benefits and interests of the Borrower from all contracts, insurances, licenses in, to, and under all assets of the Project and all project documents (including but not limited to the Right to Use Agreement, etc.), which the Borrower is party to;

The said security shall be shared on pari-passu basis amongst the Lenders participating in the Facility.