

NOTICE TO INVITE EXPRESSION OF INTEREST TOWARDS A SALE PROCESS INITIATED BY PUNJAB NATIONAL BANK (“PNB”) IN RELATION TO ITS SHAREHOLDING IN ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED (“ARCIL”)

PNB has initiated a sale process to offer its holding of 3,25,06,486 equity shares i.e. 10.01% of the paid-up equity share capital of ARCIL (“Proposed Transaction”). PNB Investment Services Limited is the advisor to PNB (referred to as “PNBISL” / “Advisor”) for the Proposed Transaction.

PNBISL invites Expression of Interest (“EOI”) from potential buyers (whether singly or consortiums) for the Proposed Transaction. The EOI has to be submitted for the entire 3,25,06,486 equity shares. The EOI should be submitted by the potential buyers in the format set out herein at Annexure I & II (“EOI Format”). The EOI format is available at PNBISL’s website <http://www.pnbisl.com>.

Potential buyers shall submit the EOI (in the EOI Format) along with supporting documents through email at projecttrust@pnbisl.com latest by 03rd March 2021 with the “Subject” line mentioned as “Bid for Purchase of Shares in ARCIL”. The covering email shall clearly mention (i) Date (ii) Bidder’s Name and (iii) Address. Proof of the authorized signatory having the authority to sign the documents (Copy of Board Resolution/ Power of Attorney,) must be enclosed with the EOI.

Potential Investors will need to sign a non-disclosure agreement (“NDA”) with ARCIL to receive additional information on the Proposed Transaction, a draft of the NDA has been included in Annexure IV. Subject to receipt of the EOI, satisfaction of the Qualification Criteria, additional information will be shared with Potential Investors who have executed the NDA. Such Bidders will also be sent an email intimation with detailed instructions for submission of financial bid.

EOI received will be evaluated as per the qualification criteria (“Qualification Criteria”) laid out in Annexure III.

Key Timelines

Date of Issue of Notice to Invite Expression of Interest	22 nd February 2021
Last date for submission of EOI	03 rd March 2021 up to 15:00 Hrs. (IST)

For clarifications, if any, please contact Advisor on

Name	:	Mahesh Peswani
Telephone	:	+91 22 2672 6299
Email	:	projecttrust@pnbisl.com

KEY TERMS AND CONDITIONS

- i. PNB/ PNBISL reserves the right to withdraw, cancel or modify the invitation / sale process and/or the Proposed Transaction or any part thereof and/or disqualify/reject any/all offer(s)/EOI(s) and/or any potential buyers at any stage of the process and/or modify any terms without assigning any reason and without any liability whatsoever.
- ii. No financial obligations will accrue to PNB or Advisor in the event of such withdrawal, cancellation or modification. This is not an offer document and nothing contained herein shall be construed as representations or warranties of any kind whatsoever by PNB/ PNBISL regarding any facts, details or information set out herein.
- iii. Potential buyers may refer to <http://www.pnbisl.com> to keep themselves updated regarding clarifications/amendments/time extensions, if any. This EOI Format does not constitute and will not be deemed to constitute any commitment on the part of PNB or the Advisor.
- iv. No oral conversations or agreements with any Advisor or an official agent or employee of the Advisor shall affect or modify any terms of this EOI Format.
- v. By submitting the EOI, each potential buyers shall be deemed to have acknowledged that it has carefully reviewed the entire EOI Format and is completely informed of all the existing conditions (including the Qualification Criteria), limitations and applicable laws.
- vi. EOIs of only those potential buyers who meet the Qualification Criteria will be considered. EOIs of potential buyers who do not meet the Qualification Criteria will be rejected.
- vii. The Bidders are required to do their independent enquiries, due diligence and assessment, at their cost, about the operations, financials, legal requirements and other information about ARCIL. PNB/PNBISL shall not be responsible for any issue(s) raised by the Bidder in future.
- viii. PNB/PNBISL shall not in any way be held responsible for any procedural delay and shall not be assigned any financial loss caused during the assignment.
- ix. While this document has been prepared in good faith, neither ARCIL nor PNB nor PNBISL nor any of their respective directors, officers, employees, representatives, advisors or agents make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements made or omissions and has no express or implied liability whatsoever, even if any loss or damage is caused by any such act or omission

EXPRESSION OF INTEREST

Date: _____

To
PNB Investment Services Limited
PNB Pragati Towers,
2nd Floor, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

Dear Sir

In response to your public advertisement in _____ and _____ on 22nd February 2021 inviting Expression of Interest ('EOI') towards a sale process initiated by Punjab National Bank ("PNB") in relation to its shareholding in Asset Reconstruction Company (India) Limited ("ARCIL"), we hereby express our interest for purchase of 3,25,06,486 equity shares in ARCIL and hereby submit duly filled in EOI.

We have attached the necessary information and documentation as sought in Annexure II and Annexure III. Also, attached is the copy of the Board Resolution / Power of Attorney in favour of the authorized signatory, Mr./Ms. _____.

We hereby confirm that we satisfy the Qualification Criteria in terms of Annexure III and had Networth/Assets under management of Rs. _____ as on 30th September 2020.

We hereby confirm that we have not been debarred or restrained by any regulatory authority from making investments in India and in particular in ARCIL. We also confirm that we are not under any legal disability in relation to our participation in the Proposed Transaction.

The information furnished by us in this EOI is true, correct and accurate to the best of our knowledge. Based on this information, we believe you would be able to evaluate in order to pre-qualify for the Proposed Transaction.

Further, we undertake to comply with all the statutory formalities/ guidelines/regulations/circulars issued by RBI, SEBI, Companies Act 2013 read with relevant Rules and other relevant statutory provisions as applicable to the Proposed Transaction.

We understand that if deemed necessary, PNB/ PNBISL may seek clarifications on any aspect from the potential bidder. We confirm that PNB/PNBISL reserves its right to decide whether or not to pre-qualify our EOI, at their sole discretion, without disclosing the reason whatsoever behind such decision and mere submission of EOI does not imply acceptance of EOI.

Sincerely yours,
On behalf of the [*Insert firm/company/organization name*]:

Authorized Signatory
Name:
Designation:
Company Stamp

Background Information

Name and address	Name of the potential buyers: Address(es) of potential buyers:
Nature of business of the potential buyer	
Contact Person	Name: Designation: Telephone No: Email:

Annexure III - Qualification Criteria

Potential Buyers would need to satisfy below Qualification Criteria to be eligible for the Proposed Transaction:

- a. Should have Net worth of not less than INR 100 Crs (or an equivalent currency) as of September 30, 2020;

OR

Should have assets under management of not less than INR 500 Crs (or an equivalent amount in another currency) as of September 30, 2020;

AND

- b. Should not have been debarred or restrained by any regulatory authority from making investments in India, and in particular, in ARCIL

For avoidance of doubt, in case of any bids by consortiums, atleast one of the members of the consortium must fulfill the Qualification Criteria specified in (a) and (b) hereinabove provided that all the members of the consortiums should also independently satisfy the Qualification Criteria specified in (b) of this Annexure III. PNB/ PNBISL reserves the right to reject formation of any consortium without being under any obligation to provide reasons for the same. Any changes to the consortium post submission of the EOI would need to be approved by PNB/ PNBISL.

It is clarified that the EOI may indicate that the investment in ARCIL will be made by a special purpose entity and in such a scenario, its parent entity must fulfill the Qualification Criteria specified in (a) and (b) hereinabove provided that the special purpose entity should also independently satisfy the Qualification Criteria specified in (b) of this Annexure III at the time such special purpose entity is set-up and at all point of time till the Proposed Transaction is completed.

Potential buyers are requested to submit appropriate documentation to substantiate their eligibility based on the Qualification Criteria prescribed above.

For the purpose of the EOI, the exchange rate to be used for conversion into INR (Indian Rupees) shall be the RBI reference rate at close of the date of issuance of EOI i.e. 22nd February 2021.

Annexure IV – Non-Disclosure Agreement (Draft)

NON-DISCLOSURE AGREEMENT

This Agreement made and entered into at Mumbai, this _____ day of _____, 2021;

BETWEEN

Asset Reconstruction Company (India) Limited (“ARCIL”) a company incorporated under the Companies Act, 1956 having its registered office at The Ruby, 10th Floor 29 Senapati Bapat Marg, Dadar (West), Mumbai - 400028, India (hereinafter referred to as “ARCIL” or “Disclosing Party” which expression unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the **ONE PART**;

AND

Name of the Bidder, a company constituted under the law of India and having its registered office situated at [●] and corporate office at [●], India (hereinafter referred to as “Receiving Party” which expression unless repugnant to the context or meaning thereof be deemed to include its successors) of the **OTHER PART**.

ARCIL and Receiving Party are hereinafter collectively referred to as “the Parties”.

WHEREAS:

Name of the Bidder is desirous of buying equity stake in ARCIL by purchasing the shares offered by Punjab National Bank (“PNB”) vide newspaper advertisement for Expression of Interest dated [●]. In this regard, **the Receiving Party** intends to bid for buying the shares offered by PNB (hereinafter referred to as “**the Purpose**”).

For the said purpose, **the Receiving Party** requests the Disclosing Party to share certain confidential information to enable the Receiving Party to bid for the equity stake. The Disclosing Party agrees to disclose the said information to the Receiving Party, subject to the terms of this Agreement.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. **Confidential Information:** Confidential Information” means any confidential or proprietary material, records, application, or information, in whatever form, mode or media, that is provided or disclosed to the Receiving Party in the course of discussions, negotiations in connection with the Purpose. Confidential Information shall include any copy, abstract, data, extract, sample, or module thereof. Confidential Information will also include the following categories of information whether disclosed orally or not marked specifically as confidential. All the material, data in any format, whether secured or not financial and information, matters relating to the operation of the business, forecasts, projections, accounting, finance or tax information, pricing information, and any information relating to the Disclosing Party. The Receiving Party will exercise the same degree of care and protection with respect to the Confidential Information of the party that has disclosed Confidential that it exercises with respect to its own confidential information of like nature and in any event, at least diligent and prudent care.

The Receiving Party may use the Confidential Information solely for and in connection with the Purpose.

Notwithstanding the foregoing, "Confidential Information" shall not include any information which the Receiving Party can show: (a) is now or subsequently becomes legally and publicly available without breach of this Agreement by the Receiving Party, (b) was rightfully in the possession of the Receiving Party without any obligation of confidentiality prior to receiving it from the Disclosing Party, (c) was developed by or for the Receiving Party independently and without reference to any Confidential Information (d) Receiving Party rightfully obtains the Confidential Information from a third party who has the right to transfer or disclose it and (e) is or was disclosed with the approval of the Disclosing Party.

2. **Non-disclosure:** The Receiving Party shall not commercially use or disclose any Confidential Information or any materials derived therefrom to any other person or entity other than to any officer, director, employee, agent, advisor, partner, potential debt or equity financing source or other representative of the Receiving Party for the Purpose. The Disclosing Party shall ensure that its employees are bound by a professional, contractual or other obligation of confidentiality with respect to the information disclosed. The Receiving Party shall take appropriate measures by instruction to its employees to assure against unauthorized use or disclosure. The Receiving Party agrees to notify the Disclosing Party, as soon as reasonably practicable, if it learns of any use or disclosure of the Disclosing Party's Confidential Information in violation of the terms of this Agreement. Further, any breach of non-disclosure obligations by the Receiving Party and/or its employees shall be deemed to be a breach of this Agreement by the Receiving Party and the Receiving Party shall be accordingly liable therefor.

Provided that the Receiving Party may disclose Confidential information to a court or governmental agency pursuant to an order of such court or governmental agency as so required by such order, provided that the Receiving Party shall, unless prohibited by law or regulation, promptly notify the Disclosing Party of such order and afford the Disclosing Party the opportunity to seek appropriate protective order relating to such disclosure.

3. **Publications:** The Receiving Party shall not make any news releases, public announcements, give interviews, issue or publish advertisements or publicize in any other manner whatsoever in connection with this Agreement, the contents / provisions thereof, other information relating to this Agreement, the Purpose, the Confidential Information or other matter of this Agreement, without the prior written approval of the Disclosing Party.
4. **Term:** This Agreement shall be effective from the date hereof and shall continue till completion of mandate and execution of definitive agreements therefor or till expiry of a period of twelve months from the date hereof, whichever is earlier. Upon expiration or termination as contemplated herein the Receiving Party shall immediately cease any and all disclosures or uses of Confidential Information; and at the request of the Disclosing Party, the Receiving Party shall promptly return or destroy all written, graphic or other tangible forms of the Confidential Information and all copies, abstracts, data, extracts, samples, notes or modules thereof unless statutorily required to retain such confidential information.
5. **Title and Proprietary Rights:** Notwithstanding the disclosure of any Confidential Information by the Disclosing Party to the Receiving Party, the Disclosing Party shall retain title and all intellectual property and proprietary rights in the Confidential Information. No license under any trademark, patent or copyright, or application for same which are now or thereafter may be obtained by such Party is either granted or implied by the conveying of Confidential Information. The Receiving Party shall not conceal, alter, obliterate, mutilate, deface or otherwise interfere with any trademark, trademark notice, copyright notice, confidentiality notice or any notice of any other proprietary right of the Disclosing Party on any copy of the Confidential Information, and shall reproduce any such mark or notice on all copies of such Confidential Information. Likewise, the Receiving Party shall not add or emboss its own or any other any mark, symbol or logo on such Confidential Information.
6. **Return of Confidential Information:** Upon written demand of the Disclosing Party, the Receiving Party shall (i) cease using the Confidential Information, (ii) return the Confidential Information to the extent reasonably practicable to the Disclosing Party within seven (7) business days after receipt of notice, and (iii) upon request of the Disclosing Party, certify in writing that the Receiving Party has complied with the obligations set forth in this paragraph.

Provided, however, that the Receiving party may retain one copy of such information in order to be able to comply with regulatory requirements and internal compliance procedures (subject to the confidentiality obligation contained herein) and that any information held in computer, word processing or such other systems shall only be destroyed to the extent reasonably practicable.

7. **Entire Agreement, Amendment, Assignment:** This Agreement constitutes the entire agreement between the Parties relating to the matters discussed herein and supersedes any and all prior oral discussions and/or written correspondence or agreements between the Parties. This Agreement may be amended or modified only with the mutual written consent of the Parties. Neither this Agreement nor any right granted hereunder shall be assignable or otherwise transferable.
8. **Governing Law and Jurisdiction:** The provisions of this Agreement shall be governed by the laws of India. The disputes, if any, arising out of this Agreement shall be submitted to arbitration in India under the provisions of the Arbitration and Conciliation Act, 1996 (except that only Section 9 of Part I thereof shall apply, and each other provision of Part I thereof shall specifically not apply, in any such arbitration). The venue of the arbitration shall be Mumbai and the courts at Mumbai shall have the exclusive jurisdiction.
9. **General:** The Receiving Party shall not reverse-engineer, decompile, disassemble or otherwise interfere with any software disclosed hereunder. None of the Confidential Information disclosed by the parties constitutes any representation, warranty, assurance, guarantee or inducement by either party to the other with respect to the fitness of such Confidential Information for any particular purpose or infringement of trademarks, patents, copyrights or any right of third persons.
10. **Non-Solicitation:** The Parties shall not, for a period of twenty-four months from the date of this Agreement, solicit, endeavour to entice away, employ or offer to employ any person who is at any time during the term of this agreement employed by the other Party or its affiliates or who is a key employee and with whom party have had contact in connection with the Purpose/transaction.

IN WITNESS WHEREOF, the Parties hereto have executed these presents the day, month and year first hereinabove written.

**For and on behalf of
Asset Reconstruction Company (India) Limited**

Name: _____
Title: _____

**For and on behalf of
Name of the Bidder**

Name: _____
Title: _____