

“Annexure- Terms & Conditions of Bid”

Terms & Conditions of Bid

Note

The terms and conditions of bid will be submitted by the intending buyers on their letter heads, unconditionally and strictly as per the format approved by the bank without any addition/deletion/amendment.

1. Price bid will be given by the intending buyers individually for each account under **specific account approach**. Representative of the ARC is required to carry a Letter of Authority for participating in the bid.
2. The competent authority may select any one of the following methods for finalization of sale transaction:
 - a. The highest offer amongst the offers received
 - b. Inter-se bidding through **manual bidding method or e-bidding method**.

*In case, the competent authority decides to opt for **inter-se bidding method**, depending upon the merits of the case and circumstances, it may adopt either of the two methods, i.e Manual or E-Bidding.*

In case inter-se bidding is adopted, the Committee will open the bids in the presence of all bidders so that Highest offerer (H1) is known to everyone and inter-se bidding be allowed amongst top 3 bidders.

Process of bid-evaluation shall be indicated upfront and modifications, if any, of such terms of auction shall be made after giving a sufficient notice.

Bid validity to be limited to a maximum period of 90 days. Any extension thereafter should be by way of mutual consent of the Selling Bank and intending Buyer.

The Bid Proposal being submitted would be binding on the Bidder. As such it is necessary that authorized personnel of the firm or organization must sign the Bid. The designated personnel should be authorized by a senior official of the Organization having such authority to do so.

The Bid proposal must be accompanied with an undertaking letter or “Expression of Interest” duly signed by the designated personnel providing a Bid commitment. The letter should also indicate the complete name and designation of the designated personnel.

Any effort by a Bidder to influence the Bank in evaluation of his bid, bid comparison or contract award decision would result in the rejection of the said bid. The Bank's decision in this case would be final and without prejudice and will be binding on all parties.

The Bank expects the bidders to carefully examine all instructions, terms and conditions mentioned in the Proposal document before submitting its unconditional compliance as part of the Bidding Process.

All bidders must sign the Non-Disclosure Agreement (NDA) while submitting the response to this Bidding process. Bidders must comply with all clauses mentioned in the NDA. No changes to the NDA are allowed. The NDA must be executed on the bidder's Organisation letter head as per the format shared by the Bank.

Late Bids

- a. Any bid received after the due date and time for receipts of bids will be rejected and returned unopened to the Bidder. However, in case of the specified date of submission of bids being declared a holiday for the Bank, the bids will be received upto the specified time on next working day.

- b. The Bank may, at its discretion, extend this deadline for submission of bids by amending the bid documents, in which case all rights and obligations of the Bank and bidders, previously subject to the deadline, will thereafter be subject to the deadline extended.

Modifications and/ or Withdrawal of Bids:

- a. Bids once submitted will be treated, as final and no modification will be permitted. No correspondence in this regard will be entertained.
- b. The Bid should contain no alterations, erasures or overwriting. The Bidder is expected to examine all instructions, forms, terms and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or submission of bid not substantially / conclusively responsive to the bidding documents in every respect will be at the Bidders risk and may result in rejection of the bid.
- c. No bidder shall be allowed to withdraw the bid after the deadline for submission of bids.
- d. In case of the successful bidder, he will not be allowed to withdraw/back out from the bid commitments.

No earnest monies to be collected for, at the time of bid submission.

3. After getting the final offer the Committee will take a view to proceed further for sale of specific financial asset/ assets as per Bank's policy with reference to Reserve Price.
4. The final approval of sale of financial asset/assets shall be made by the Competent Authority.
5. In case obligant(s)/ co-obligant(s) come forward for OTS as per Bank guidelines before submission of financial bid by the proposed buyer/s, the concerned account may be withdrawn from sale process considering account specific merits.
6. PSB has a right to reject any/all the offers without assigning any reason.
7. **Letter of acceptance of offer will be given within 15 days after confirmation of proposal by the Competent Authority of Bank (PSB).**

8. Bidder to make the payment of the Bid amount within 15 days from acceptance of Letter of offer issued by the Bank. Out of final Bid Amount, 25% is to be paid in 24 hours after acceptance of letter of offer and remaining 75% of Bid Amount within 15 days from acceptance of letter of offer. Sale should be executed within 30 days from date of letter of acceptance of Bank unless otherwise agreed so by Bank and Bidder.
9. The selected Bidder should accept the terms of assignment and enter into an Assignment Agreement with the Bank as per format shared by the Bank before the transfer of assets to the Bidder based on IBA Model unconditionally.
10. **Cut-off date denotes last date of submission of financial bids** i.e. all realization/recoveries made before the cut-off date shall be retained by the bank.
11. Sale will be made on "***As is where is and As is what is basis***" and "***without recourse***" to the seller.
12. **Sale shall be made only on 100% cash basis.**
13. All expenses in connection with transaction including stamp duty etc. shall be borne by the purchaser.
14. That besides the amounts outstanding under any disbursed loans, Bank shall notify the Purchaser details of any un-devolved LCs/LGs yet to be invoked/installments of DPGs which are not yet due, in respect of the NPA account being offered for sale by the Bank. ***The Bank shall retain pari-passu charge on the securities relating to un-crystallized non-funded facilities.***
In case of crystallization of non-funded facilities after the sale, that portion (converted into funded) will also be sold by the Bank to the same ARC/Buyer on the same terms & conditions, as that of the sale for funded facilities. For this, the ARC/ Buyer will give acceptance by way of Offer Letter/Supplementary Agreement/Assignment Agreement.
15. ECGC/DICGC claim received/to be received shall be retained by the Bank, subject to sharing of sale proceeds proportionately in terms of extant guidelines i.e. the claim amount will be given the same treatment as in case of recovery/OTS. Pro-rata shares shall be refunded to the

corporation on account of recoveries. The same procedure shall be followed as being done in OTS policy.

16. RBI guidelines applicable to the purchaser shall be strictly complied with.
17. That, the object clause of Memorandum of Association of Purchaser SC/RC Bank/FIs/ NBFCs etc. provides for the acquisition of financial assets.
18. This is only an invitation by the Bank to the interested parties for submission of Bids and is neither an agreement nor an offer. No contractual obligation whatsoever shall arise until the acceptance by the selected bidder of Letter of Offer issued by the Bank or a formal agreement is executed by the duly authorized signatory of the Bank and the Bidder whichever is earlier.
19. Bank reserves the right to reject any or all offers received in response to this Bidding Process at any stage without assigning any reason whatsoever. The decision of Punjab & Sind Bank shall be final, conclusive and binding on all the Bidders.
20. Bank may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information provided hereinabove.