

NOTICE SEEKING 'EXPRESSION OF INTEREST' FROM ASSET RECONSTRUCTION COMPANIES (ARC) FOR SALE OF FINANCIAL ASSETS BY ESAF SMALL FINANCE BANK LIMITED (ESAF)

In terms of ESAF Small Finance Bank Limited's (ESAF) policy on sale of Stressed Financial Assets to ARCs and in line with the regulatory guidelines, ESAF intends to undertake sale of the following loan accounts to ARCs under a Swiss Challenge Method as given below. We invite ARCs to indicate 'Expression of Interest' ("EOI") in acquiring these Financial Assets.

(Amount in ₹ Crore as on February 28, 2023)

Title of the account ("Stressed Assets")	No. of A/c's	Aggregate Principal O/s as on 28.02.2023	Reserve Price/ Binding Offer on Cash & Security Receipts (SR) basis	Starting Price for counter bid with 5% mark-up	Terms of Sale
Portfolio of Unsecured NPA Pool	2,06,742	₹ 588.28 Crore	Reserve Price: ₹ 147.08 Crore	₹ 154.43 Crore	Cash & Security Receipts
Portfolio of Unsecured Write off Pool	2,10,906	₹ 486.67 Crore	Reserve Price: ₹ 58.40 Crore	₹ 61.32 Crore	Cash & Security Receipts

The interested parties may note the following in respect of the sale process:

- ESAF shall sell these Stressed Loans under a Swiss Challenge Method based on existing offers in hand and the said offeror will have the right to match the highest bid. The process to be followed for conducting the sale including the bid submission date, bid parameters and evaluation criteria shall be communicated separately only to the parties who have submitted their EOI within the timelines given in this notice. ESAF reserves the right to sell these assets in whole or in part, in one or multiple pools. ESAF reserves the right at its sole discretion, without assigning any reasons, to include additional assets to and / or withdraw certain assets or all the assets from the abovementioned pool with due notification to the interested parties.
- The interested ARCs can conduct due diligence of these assets with immediate effect, after submitting 'Expression of Interest' along with Documentary evidences (RBI approval, registration etc.) in support of their eligibility to participate in the process and executing a Non-Disclosure Agreement (NDA) with ESAF. The 'Expression of Interest' shall be submitted to the Chief Financial Officer, ESAF Small Finance Bank Limited Building No VII/83/8, ESAF Bhavan, Thrissur-Palakkad Highway, Mannuthy, Thrissur, Kerala 680 651, India (Mail Id: gireesh.cp@esafbank.com)
- Further details of the accounts to be sold will be sent on email on execution of NDA, on the email IDs provided with the Expression of Interest (EOI). Thereafter, the prospective buyers, can undertake the due diligence and necessary information shall be provided by the officials as per details provided in Schedule I.
- The Stressed Loans shall be sold on 'As is, Where is' basis and "as is what is" basis without any recourse to the ESAF
- The submission of a Bid by the Bidder shall be deemed to constitute unconditional acceptance of all the terms and conditions of this process document by the Bidder.
- The cut-off date for the sale of the abovementioned assets shall be specified separately at the time of final bid submission as part of the sale process.
- The interested parties shall indicate their interest by submitting their Binding Bid latest by 2.00 PM 29th March, 2023
- All costs, expenses, taxes, stamp duties 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 of its own advisors, if any, shall be borne and paid by such Bidder, whether its Bid is accepted or rejected for any reason and ESAF does not assume any liability whatsoever in this connection
- ESAF reserves the right to terminate the sale/auction process at any point of time without prescribing any reason thereof, at its own discretion. The decision of ESAF shall be final and binding in this regard.
- Please note that any sale under this process shall be subject to ESAF's bid parameters, evaluation criteria and final approval by the Competent Authority of ESAF
- The above stated sale of stressed loans shall be in compliance with Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021, as amended from time to time.

Schedule I

Contact Details / Due Diligence Support

Name	Email ID
Gireesh C P - CFO	gireesh.cp@esafbank.com
Vinod G Thampi - Head CMRD	vinodg.thampi@esafbank.com

Note: ESAF shall facilitate the officials from the interested parties who have submitted the EOI within the stipulated timelines and signed the NDA to undertake due diligence by providing access to relevant data in respect of the loan accounts. The officials of interested parties are expected to verify at the time of due diligence, the updated position of principal and total dues besides others for any changes that might occur in the interregnum.