PROCESS DOCUMENT
FOR INVITATION OF EXPRESSION OF INTEREST

AUCTION FOR SALE OF DEBT EXPOSURE OF GARDEN SILK MILLS LIMITED

Dated: November 22, 2019

Issued by the lenders of Garden Silk Mills Limited through:

BDO India LLP
Level 9, The Ruby, NW Wing,
Senapati Bapat Marg,
Dadar (W), Mumbai 400 028,
India.
Contents

A. Background ........................................................................................................................................... 3
B. Eligibility Criteria for the bidders .......................................................................................................... 4
C. Instructions for Submission of EOI ........................................................................................................ 4
D. Clarifications ........................................................................................................................................ 6
FORMAT OF EXPRESSION OF INTEREST ......................................................................................... 7
FORMAT OF NON-DISCLOSURE AGREEMENT .................................................................................... 9
A. **Background**

Garden Silk Mills Limited ("Company"), a public listed company, is engaged in the business of manufacturing textiles.

The Company has, as on 22nd July 2019, availed of following credit facilities (the “Existing Facilities”) from a consortium of lenders, led by Bank of Baroda (“Lead Bank”) (collectively referred to as the “Lenders”).

<table>
<thead>
<tr>
<th>Facility</th>
<th>Amount (Rs crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund based</td>
<td>1423.05</td>
</tr>
<tr>
<td>Non-Fund based</td>
<td>297.55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1720.60</strong></td>
</tr>
</tbody>
</table>

- Balance outstanding is as on date of execution of Inter creditor Agreement i.e 22.07.2019.

The Company has subsequently come under financial stress and not been able to service its payment/repayment obligations, *inter alia*, in relation to the Existing Facilities.

Accordingly, the Lenders, pursuant to the guidelines issued by the Reserve Bank of India (from time to time) (the “RBI Guidelines”), are in the process of resolving stress in the Company, *inter alia*, by sale of debt exposure in the Company.

This process document (“Document”) has been issued pursuant to the invitation for expression of interest (“EOI”) for the Proposed Transaction (defined herein below) published in Business Standard (All India Edition) on 22nd November, 2019 and in Sandesh (Gujarat Edition) on 22nd November, 2019 (“Invitation”) inviting EOIs from interested asset reconstruction companies/ Banks/ non-banking financial institutions/ financial institutions (“Bidders”). This Document shall be read in conjunction with the Invitation.

The Lenders have appointed BDO India LLP as advisor/consultant to the Lenders (the “BDO” or “Process Advisor”) to assist and advise the Lenders in undertaking a competitive bid process for identification of a suitable asset reconstruction companies/ Banks/ non-banking financial institutions/ financial institutions for sale of the Existing Facilities on 100% cash basis. The Existing Facilities or part thereof will be assigned to the prospective Bidder(s) and the aforesaid bid would constitute a full and final offer towards all the outstanding Existing Facilities of the Lenders (“Proposed Transaction”).

The EOIs shall be binding on the Bidders. The sale of the debt exposure as set out herein is proposed on an “as is where is” basis, without recourse to the Lenders, including the Lead Bank, and shall be subject to the relevant RBI Guidelines. The bidding process shall be conducted by way of e-auction and/or in such other manner as the Process Advisor and/or the Lead Bank may deem fit. The e-auction shall be conducted on an e-auction platform (which shall be notified by the Lead Bank or the Process Advisor) on December 18, 2019, or such other extended date as may be notified from time to time.
B. **Eligibility Criteria for the bidders**

1. **Banks/ Financial Institutions/ Asset Reconstruction Companies/ non-banking financial institutions:** Minimum net worth of INR 50 crores as per the last audited balance sheet. In case a prospective bidder is a fund/ Asset Reconstruction Company (ARC), the Assets Under Management (AUM) of such ARC should be at least Rs. 500 crore as per last audited balance sheet.

2. **For Consortium of Banks/ Financial Institutions/ Asset Reconstruction Companies/ non-banking financial institutions:** All the consortium members should meet the above conditions (as applicable). A maximum of four members would be permissible in a consortium.

3. Registration with the applicable regulatory body.

C. **Instructions for Submission of EOI**

1. The EOI, conforming to the conditions of the Invitation and this Document shall be submitted either electronically or physically along with all annexure(s) duly filled in and all the supporting documents at the following address / electronic address. Hard copy of the original EOI document should be sent, with the envelope bearing the following transcript:

<table>
<thead>
<tr>
<th>Superscript</th>
<th>“Expression of Interest for participation in Auction Process for Sale of Debt Exposure in Garden Silk Mills Limited”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Bidder</td>
<td>________________________________</td>
</tr>
<tr>
<td>Attention of</td>
<td>Mr. Animish Raut</td>
</tr>
<tr>
<td>Address</td>
<td>BDO India LLP, The Ruby- Level 9, NW Wing, Senapati Bapat Marg, Dadar West, Mumbai-400028</td>
</tr>
</tbody>
</table>

   Scanned copies of the EOI should be submitted vide email to RASbidgarden@bdo.in. Subsequently, the original EOI should be sent to BDO as mentioned above.

2. The last date for submission of the EOI is November 30, 2019 by 6 pm. Any EOI received after such date will be considered invalid and shall automatically be rejected.

3. The submission of the EOI does not require payment of any fee or any non-refundable security deposit by the Bidder.

4. The EOI should be unconditional and should be submitted in the format attached as Annexure ‘A’. In the event the Bidder includes any conditions or contingencies
in the EOI, the same is liable to being disqualified by the Process Advisor or the Lead Bank. The EOI should be accompanied with the following documents/ information, as applicable to the class of the Bidder:

a. Executive Summary providing brief description of the Bidder, with the business profile and contact details of the Bidder;

b. Documents pertaining to incorporation and commencement of business such as a copy of Certificate of Incorporation/ Certificate of Commencement of Business/ Memorandum & Articles of Association, etc. / or any Government issued identification proof of the Bidder;

c. Copy of PAN card of the Bidder;

d. Latest audited financial statements for the financial year 2018-19;

e. Duly executed non-disclosure agreement in the format attached as ‘Annexure B’;

f. Document evidencing registration of the Bidder with the applicable regulatory body; and

g. Board Resolution of the Bidder authorizing the person signing the EOI document.

5. Any additional document/ information requested by the Lead Bank/ an individual Lender / BDO must be promptly furnished by the Bidder. However, any discussions or any clarifications or information sought by the Lead Bank from the Bidder with respect to the EOI or the bid will not constitute an invitation or commitment by the Lead Bank to enter into any agreement with the Bidder nor shall the Lead Bank be liable to consummate or deal with such Bidder on the basis of such discussion, negotiation or information sought.

6. Neither BDO nor the Lenders makes any representation as to the correctness, validity, adequacy, sufficiency or otherwise of any information pertaining to Existing Facilities, the Company, including the liabilities, encumbrances and statutory dues of the Company. The Bidders are required to conduct their own due-diligence to verify the same. Upon receipt of EOIs, the Process Advisor in consultation with the Lead Bank shall determine the qualified bidders and share the detailed process document for the auction process with such qualified bidders. Further, such qualified bidders may conduct due diligence of the loan and security documents pertaining to the Existing Facilities, as made available by the Process Advisor.

7. The Lead Bank may, at its sole discretion, add, amend, vary, modify, delete, any of the conditions of this Document as may be deemed necessary by it and also issue one or more addenda, corrigendum etc. as required without giving any reasons for the same. The Bidders are advised to regularly check the website of Bank of Baroda (www.bankofbaroda.in) for updates.
8. The Lead Bank may, at any time and for any reason, without giving any reason thereof, cancel the sale process or change / extend the deadlines / time-lines outlined in this Document.

9. The Bidder will not be allowed to withdraw or modify the EOI and subsequent bid once submitted, unless the Bidder has been selected to be a part of the process where the bid has to be resubmitted to match the revised bid of the highest bidder.

10. In the event of any dispute and or difference on the point of meaning or definition of any particular word or term used in this Document or in respect to the interpretation of any clause of this document or this document as a whole, the decision of the Lead Bank, shall be final and binding on all the Bidders.

11. Disputes, if any, arising between parties in relation to this Document or Proposed Transaction shall be settled by way of mutual discussion and in case an amicable settlement is not reached, the same shall be subject to the jurisdiction of courts situated at Mumbai, and governed in accordance with the laws in force in India.

12. The Bidders are requested to note that any Lender may choose to opt out of the bid process and/or sell only a part of its respective Existing Facilities, prior to the proposed sale, and may sell their individual loan exposures or part thereof in the Company independently.

13. In case of a consortium of Banks/ Financial Institutions/ Asset Reconstruction Companies/ NBFCs submitting an EOI for the Proposed Transaction, the consortium may nominate any of the Banks/ Financial Institutions/ Asset Reconstruction Companies/ NBFCs for the purpose of discussion during the Proposed Transaction. Relevant documents pertaining to the nomination must be furnished to the Process Advisor along with the EOI.

14. The Lenders have decided a reserve price of **INR 654 crores** for the assignment of the Existing Facilities and any bids received for less than the reserve price shall be liable to be rejected.

D. **Clarifications**

Any queries or request for clarification/additional information concerning this EOI shall be submitted by way of email to RASbidgarden@bdo.in
Date: 
To  
General Manager (NPA recovery)  
Bank of Baroda, Baroda Corporate Centre,  
C-26, G Block, Bandra Kurla Complex,  
Bandra East, Mumbai - 400 051. 

Sub: Expression of Interest (EOI) for participating in the Auction for Sale of certain Existing Facilities of Garden Silk Mills Limited 

Dear Sir,  

We refer to the advertisement dated [●] published in [Insert name of newspaper(s)] regarding the auction for sale of Existing Facilities of Garden Silk Mills Limited (“Company”). 

Being duly authorized to represent and act for and on behalf of ____________, the undersigned hereby expresses its interest in participating in the Proposed Transaction. 

We further undertake that the information furnished by us in this EOI, its annexures and other documents submitted in connection therewith is true, correct, complete and accurate. We further understand and confirm that: 

1. This EOI is made with full understanding that:  
   - The offer will be unconditional, irrevocable and binding on us in all respects.  
   - The Lenders reserve the right to reject or accept any offer, cancel the process for the Proposed Transaction, and/ or reject one or more or all the EOIs. 

2. We are eligible and have the financial capacity to conclude the Proposed Transaction in accordance with the applicable laws of India and the said advertisement. 

3. Subject to the due diligence exercise to be conducted by us, we intend to participate in the auction process for the Proposed Transaction to be conducted by the Process Advisor, acting on the instructions of the Lead Bank as per process document to be released by the Process Advisor or the Lead Bank. 

4. We are in compliance with applicable laws and regulations relating to the combat against money laundering (AML) and combating the financing of terrorism (CFT), and have implemented written procedures and internal control mechanisms in order to
ensure compliance with such domestic and international laws and regulations such as Financial Action Task Force (FATF) recommendations etc.

5. In undertaking the Proposed Transaction, we have no conflict of interest with and are not related, directly or indirectly to any or all of the Lenders.

6. Along with our EOI, we have also enclosed information/documents as required in the Invitation for EOI including a signed copy of the non-disclosure agreement as per the format provided, which we confirm is valid, subsisting and binding as on date.

7. Capitalised terms not defined herein shall have the meaning ascribed to them in the Invitation for EOI and the relevant process document.

Yours Sincerely,

On behalf of __________________________

Signature: __________________________

Name of Signatory:

Designation:

Company Seal/Stamp
Annexure B

FORMAT OF NON-DISCLOSURE AGREEMENT

[To be executed on Stamp Paper of INR 500]

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement is made and entered into at MUMBAI this ...... day of ........ 2019 (hereafter referred to as “Agreement”).

BETWEEN

_________________, a [bank/ asset reconstruction company/ financial institution/ NBFC], incorporated under the laws of India, having its registered office at ________________________________ (hereinafter referred to as “the Receiving Party”), which expression unless repugnant to the meaning or context thereof, be deemed to include its successors and assigns of the FIRST PART;

AND

Bank of Baroda, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Corporate Office at Baroda Corporate Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as “BOB” which expression unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the SECOND PART;

AND

BDO India LLP, a limited liability partnership constituted under the Limited Liability Partnership Act, 2008 and having its registered office at Level 9, The Ruby, NW Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400 028, India (hereinafter referred to as “Process Advisor” which expression unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the THIRD PART.

Receiving Party, BOB and Process Advisor are hereinafter collectively referred to as “the Parties” and individually as the “the Party”. BOB and Process Advisor are hereinafter collectively referred to as “the Disclosing Party”.

WHEREAS

The Parties intend to engage in discussions and negotiations concerning the establishment of a business relationship between themselves. In the course of such discussions and
negotiations, it is anticipated that BOB may disclose or deliver to the Receiving Party certain or some of its trade secrets or confidential or proprietary information in respect of sale of impaired financial assets for the purpose of enabling the Receiving Party to evaluate the feasibility of such business relationship (hereinafter referred to as “the Purpose”).

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

1. Confidential Information: “Confidential Information”, means all information disclosed/ furnished by either of the Parties to the other Party in connection with Purpose. Confidential Information shall include any copy, abstract, extract, sample, note or module / softcopies thereof.

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 rightfully obtained by the Receiving Party from a source other than the Disclosing Party without any obligation of confidentiality, (d) was developed by or for the Receiving Party independently and without reference to any Confidential Information and such independent development can be shown by documentary evidence, or (e) is disclosed pursuant to an order of a 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.

2. Non-disclosure: The Receiving Party shall not commercially use or disclose any Confidential Information or any material derived therefrom to any other person or entity other than persons in the direct employment of the Receiving Party who have a need to have access to and knowledge of the Confidential Information solely for the Purpose authorized above. The Receiving Party may disclose Confidential Information to consultants only if the consultant has executed a non-disclosure agreement with the Receiving Party that contains terms and conditions that are no less restrictive than these. The Receiving Party shall take appropriate measures by instruction and written agreement prior to disclosure to such employees to assure against unauthorized use or disclosure. The Receiving Party agrees to notify in writing the Disclosing Party as soon as reasonably practicable, when it learns of any use or disclosure of the Disclosing Party's Confidential Information in violation of terms of this Agreement.

3. Publications: Neither Party shall make 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 other Parties.

4. Term: This Agreement shall be effective from...... day of ........ 2019 and shall terminate on the Expiry Date, being the earlier of:-
a) the date falling [6] months from ...... day of ......... 2020 hereof or
b) the consummation of the transaction contemplated herein.

The obligations of the Receiving Party respecting disclosure and confidentiality shall continue to be binding and applicable except and until such information enters the public domain or the Expiry Date, whichever is earlier.

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, patents or copy right, or application for the 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 mark, symbol or logo on such Confidential Information.

6. Return of Confidential Information: Upon expiration or termination as contemplated in Clause 4 above and upon written demand of the Disclosing Party, the Receiving Party shall (i) cease using the Confidential Information, (ii) return the Confidential Information and all copies, abstract, extracts, samples, notes or modules/ softcopies thereof to the Disclosing Party within seven (7) days after receipt of notice and save to the extent that the Receiving Party is required to retain any Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or rules of any stock exchange provided always that the Confidential Information so retained shall continue to be subject to the obligations contained in the Agreement, save and except when the same enters the public domain.

7. Remedies: The Receiving Party acknowledges that if the Receiving Party fails to comply with any of its obligations hereunder, the Disclosing Party may suffer immediate irreparable harm for which monetary damages may not be adequate. The Receiving Party agrees, in addition to all other remedies provided at law or in equity, the Disclosing Party shall be entitled to injunctive relief hereunder.

8. Entire Agreement, Amendment, Assignment: This Agreement constitutes the entire Agreement between 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.

9. Governing Law: The provisions of this Agreement shall be governed by and construed in accordance with the laws of India and the competent courts in Mumbai shall have non-exclusive jurisdiction in relation to all matters arising out of or in connection with this Agreement.

10. General: The Receiving Party shall not reverse-engineer, decompile, disassemble or otherwise interfere with any software disclosed hereunder. All Confidential Information is provided “as is”. In no event shall the Disclosing Party be liable for the inaccuracy or
incompleteness of the Confidential Information. None of the Confidential Information disclosed by the Parties constitutes any representation, warranty, assurance, guarantee or inducement by either Party to the other Party with respect to the fitness of such Confidential Information for any particular purpose other than for the Purpose.

11. The Disclosing Party warrants that it has the legal right and authority to make the disclosures under this Agreement.

In Witness whereof, the Parties hereto have executed these presents the day, month and year first herein above written.

For and on behalf of

Bank of Baroda

(Name & Designation) (Authorised Signatory)

For and on behalf of [●]

(Name & Designation) (Authorised Signatory)

For and on behalf of BDO India LLP

(Name & Designation) (Authorised Signatory)