

## Web Notice

### Transfer of Stressed Loan Exposure of Kay Bouvet Engineering Limited to ARC and other Permitted Transferees Under Swiss Challenge Method

PNB Investment Services Limited (“**PNBISL**” or “**Process Advisor**”), has been mandated by IDBI Bank Limited (“**Lender**”) on behalf of consortium of lenders viz. IDBI Bank Limited, Punjab National Bank, Bank of Maharashtra, Bank of Baroda, India Exim Bank and STCI Finance Limited (the “**Lenders**”), for assisting and advising the Lender on the bid process and matters incidental thereto in connection with transfer of stressed loan exposure of **Kay Bouvet Engineering Limited** under Swiss Challenge Method to eligible ARCs/ Banks/ NBFCs/ FIs/ any other permitted transferees (“**Prospective Bidders**”), in accordance with the regulatory guidelines issued by Reserve Bank of India, including the RBI guidelines on Transfer of Stressed Loan Exposures (the “**Guidelines**”) as may be amended, modified or substituted from time to time.

PNBISL, on behalf of the lender invites Expressions of Interest (“**EOI**”) from ARCs/ NBFCs/ FIs/ Banks/ any other permitted transferee under the Guidelines, to acquire the stressed loan exposure of Kay Bouvet Engineering Limited (“**Debtor**” or “**Company**”) (CIN U57909PN1993PLC074309). The Lender is proposing to undertake a Swiss Challenge Bid Process (the “**Bid Process**”) on “**All Cash**” basis only. The transfer of stressed loan exposure shall be on “*As is where is*”, “*As is what is*” “*As is howsoever is*”, “*Whatever there is*” and “*Without Recourse Basis*” without any representation, warranty or indemnity by the Lender, based on existing offer in hand (“**Anchor Bid**”). Considering that the auction is under the ‘Swiss Challenge Method’, on the Anchor Bid, the anchor bidder shall have specific preferential rights as set out in the Bid Process Document and further have the right to match the highest bid in the manner as elaborated in the Bid Process Document.

#### **Background of the Company:**

**Kay Bouvet Engineering Ltd.** is an Indian heavy engineering company engaged in the design, engineering, and manufacturing of specialized equipment and systems for strategic and industrial sectors such as nuclear power, defence, space, and sugar industries. The company has experience in the heavy engineering industry and has established capabilities in precision engineering, fabrication, and turnkey project execution.

The company operates manufacturing facilities located at **Satara, Maharashtra** and **Yamunanagar, Haryana**, equipped with advanced infrastructure to produce high-precision engineering equipment. The company has built a reputation for delivering complex and high-specification equipment required for critical applications in sectors such as atomic energy, aerospace, and defence.

The company aims to maintain its competitive advantage in the heavy engineering sector. The company provides engineering products and turnkey project solutions across multiple industries:

- 1. Nuclear Industry:** The company has collaborated with the Government of India for more than two decades in the development of the **Indian Nuclear Power Programme**. It manufactures critical and high-precision components required for nuclear power plants.
- 2. Defence Industry:** Kay Bouvet works closely with the Defence Research and Development Organisation (DRDO) to develop and manufacture heavy engineering equipment used in next-generation defence systems.
- 3. Space Industry:** The company supplies critical components and engineering support to the Indian Space Research Organisation (ISRO) for space launch vehicles and related infrastructure.

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4. **Turnkey Sugar Projects:** With over four decades of experience, Kay Bouvet executes turnkey sugar plant projects, including the design, manufacturing, supply, and commissioning of sugar machinery and related equipment.
5. **Sugar Development Projects:** The company also undertakes sugar development initiatives, including the establishment of new sugar plantations globally, supported by expert advisory services on agricultural practices and sugar industry development.
6. **Power Plants:** Kay Bouvet provides engineering solutions for power generation projects, with increasing focus on renewable and sustainable energy solutions for industrial clients.
7. **Distillery Plants:** Through technological collaborations with international partners, the company manufactures advanced distillery plant equipment used for ethanol and alcohol production.
8. **General Heavy Engineering:** Leveraging its large-scale manufacturing infrastructure, Kay Bouvet produces a wide range of **specialized engineering components and equipment** for industries such as cement, paper, and other heavy manufacturing sectors.

#### **Lender Wise Details:**

Lender details with exposure and share as on June 30<sup>th</sup>, 2025 is as follows:

(Rs. in Crores)				
<b>Bank Name</b>	<b>Principal Outstanding</b>	<b>Interest and Other Charges</b>	<b>Exposure</b>	<b>% share</b>
IDBI Bank Limited	109.81	119.72	229.53	26.20%
Bank of Maharashtra	127.66	206.61	334.27	38.16%
Punjab National Bank	54.94	79.81	134.75	15.38%
Bank of Baroda	44.35	37.26	81.61	09.32%
India Exim Bank	16.88	20.25	37.13	04.24%
STCI Finance Ltd	22.61	36.01	58.62	06.69%
<b>Total</b>	<b>376.25</b>	<b>499.66</b>	<b>875.91</b>	<b>100.00%</b>

#### **Bid Process Steps:**

1. Expression of Interest (“**EOI**”) along with other documents shall be submitted by all the Prospective Bidders expressing their willingness to participate in the Swiss Challenge Process (“**SCP**”). Interested Bidders should submit the EOI with Annexure A to D electronically vide email to [projectmachine@pnbisl.com](mailto:projectmachine@pnbisl.com) or physically at “PNB Investment Services Limited, PNB Pragati Towers, 2nd Floor, C-9, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051”. **The deadline for submission of EOI and Annexure A to D is 9<sup>th</sup> March, 2026 by 6.00 p.m.**
2. Non-Disclosure Undertaking (“**NDU**”) is to be executed in Favor of PNBISL in the prescribed format (Annexure C of EOI) and an Undertaking for Compliance under Sec 29 A of IBC (Annexure D of EOI) to be provided along with EOI before initiating due diligence. The Prospective Bidders are requested to furnish their complete contact details with E-mail addresses for correspondence along with the EOI.
3. PNBISL shall evaluate the EOI, Documents to be submitted with EOI, NDU and Undertakings to ensure that the Prospective Bidders meet the eligibility requirements as published by PNBISL on 08<sup>th</sup> March,

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2026. The list of eligible Bidders shall be presented to the Lead Bank for declaration of the shortlisted eligible Bidders (“**Bidders**”).

4. Upon completion of the above process, the Bidders will be provided with access to Virtual Data Room (“**VDR**”), which shall contain details of the Non-Performing Asset including but not limited to, the files containing available financial, legal and other information with respect to the Non- Performing Asset.
5. On the date of E-Auction, Bidders would be invited to place counter bids.
6. Acceptance of the offers of the Bidders shall be at the sole discretion of the Lenders and shall be subject to the approval of the competent authority of the Lenders.
7. The Lenders reserve the right to modify the terms of sale at any stage without assigning any reason. The Lenders reserve the right to reject and/or cancel or defer the sale of the Financial Asset at any stage without assigning any reason.
8. The terms of the bid for E-Auction as decided by the Lenders are as follows:
  - a) The Reserve Price shall be Rs.130.00 crores
  - b) The starting price for the first challenger bid shall be Rs 143 Crores i.e Rs 130 Crores + Rs 13 Crores (10% of the Reserve Price) (“**First Challenger Bid**”)
  - c) The bid multiplier between the First Challenger Bid and the subsequent challenger bids shall be in the multiples of Rs.1.30 crores (1% of the Reserve Price).
  - d) All bids by Bidders are invited on 100% cash basis only.
9. On the conclusion of the E-Auction and on approval of the Lender, the highest bidder (“**H1 Bidder**”) shall be intimated by PNBISL/ Lenders.
10. The respective anchor bidder shall be invited to match H1 Bid. If the respective anchor bidder matches the H1 Bid or bids higher than the H1 Bid of E-Auction, the said anchor bidder for the respective bidder shall become the winning bidder; else, the H1 Bidder of E-Auction shall be the winning bidder.
11. The Swiss Challenge Process timelines are as follows:

<b>Particulars</b>	<b>Date</b>
Advertisement Date / EOI start date	08 <sup>th</sup> March, 2026
Last Date of Submission of EOI along with other documents NDU & Undertakings	09 <sup>th</sup> March, 2026 till 6:00 p.m.
Period to Access of Data Room for Due Diligence to Shortlisted Eligible Bidders (Eligible Bidders who have submitted EOI along with all required documents to the satisfaction of Lender, represented by the PNBISL)	Starting from 10 <sup>th</sup> March, 2026 to 23 <sup>rd</sup> March, 2026 till 4:00 p.m.
Tentative Date of Swiss Auction (through E- Auction platform)	24 <sup>th</sup> March, 2026 time 10.30 am to 11.30 am with unlimited extension of five (5) minutes.
Acceptance or Rejection of bid from concerned delegated authority of the Bank and issuance of Letter of Approval (LoA)	Subject to approval of the competent authority of IDBI Bank Limited
Time frame for receipt of transfer consideration	Within 3 working days from the date of issuance of LoA by IDBI Bank Limited
Time frame for execution of deed of transfer	Within 15 days from deposit of entire transfer consideration.

*The timeline, as aforesaid, may be changed and / or Bank may decide not to go ahead with the proposed transfer of any stage without assigning any reason at its exclusive discretion. The discretion of the Bank in this regard shall be final and binding on all the participants.*

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### **Base Offer (Anchor Bid):**

1. The Consortium Lenders have received an offer for purchase and acquisition of Non-Performing Asset for a base price of Rs.130 Crores.
2. The purchase consideration is to be paid out of the funds received by issuance of Security Receipts (“SRs”) structure of 15:85 from the anchor bidder (“Anchor Bid”).
3. SR structure the anchor bidder has agreed to pay 15% of the offer price and the balance 85% shall be subscribed by the assigning lenders.
4. A brief snapshot of the sale/assignment of the Non-Performing Asset as given in the Anchor Bid is provided below:

Financial Assets	<p>(i) All debts and receivables owed to the Lenders under or in relation to the Facilities (including all amounts outstanding in relation to the Facilities under the Facility Documents, whether as principal, interest, redemption/ prepayment premium, default interest, any other costs, indemnities, expenses, amounts, payments and/or fees or otherwise but shall exclude any undisturbed commitment of the Lender under the Facility Documents);</p> <p>(ii) All security interest, contractual undertakings/comforts, assurances, credit enhancements, supports and guarantees created or provided by the borrower or any third party in favor of or for the benefit of the Lender; (including any exclusive security interest created in favour of the Lenders);</p> <p>(iii) All rights, claims and interest (including beneficial, incidental and ancillary right and claims), whether existing, future, accruing, conditional or contingent, in respect of such debt or receivables arising under the Facility Documents and otherwise under law; and</p> <p>(iv) Without prejudice to the generality of the foregoing, the rights and claims of the Lender under any resolution plan/settlement agreement, any order of court/ tribunal, and any related documents in relation to the Facilities (together, the “<b>Financial Assets</b>”)</p>
Cutoff Date	<p>October 31<sup>st</sup>, 2025</p> <p>The Lenders shall not be entitled to, or otherwise receive, any amounts pertaining to the Financial Assets, or any part thereof, after the Cut-off Date. In case, any such amount is received by the Lender after the Cut-off Date, it shall hold all such amounts, as the case may be, free of any set off or counterclaim, in trust for the benefit of Anchor or the relevant trust and shall forthwith, upon receipt thereof, hand over such amounts over to Anchor or the relevant trust as may be intimated by Anchor</p>
Mode of Acquisition	Absolute assignment and transfer of all Financial Assets on a non-recourse basis
Acquirer	Anchor bidder and/or the trust set up by it who are eligible to acquire and act as lender in respect of the Financial Assets

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Transfer of amount deposited in No lien account/ towards settlement proposal	All such amounts deposited and lying in No lien account/any other account with the Lender by the Company /its promoters/its guarantors towards their settlement proposal, shall be transferred to Anchor's trust account as a part of assignment on the date of transaction.
Management Fee Payable to Anchor as Trustee	An amount equal to 2% per annum payable quarterly as a percentage of the Net Asset Value ("NAV") of SRs issued by the trust and calculated at the lower end of Recovery Rating of outstanding security receipts specified by the Credit Rating Agency. Before availability of the NAV of security receipts, Management Fee shall be calculated on the basis of face value of security receipts as outstanding in the beginning of the respective quarter. In addition, the Trustee shall be entitled to recover any Indirect Tax including goods and services tax ("GST"), cess, or any other statutory levy, as applicable on the Management fee.
Recovery Fee	Recovery Fee being an amount equal to 2% of the gross recovery received or realised from the underlying assets of the Trust, shall be payable to Anchor as the Trustee as and when any amount is realised in respect of any Assets of the Trust. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, cess, or any other statutory levy, as applicable on the Recovery fee.
Upside Sharing	Any recovery/ realization over and above the SR redemption amount shall be shared among SR holders in the ratio of SR Holding i.e. 15:85 for Anchor and other security receipt holders (Lenders) respectively.
Estimated Upside	As per our estimates, based on Financial Due Diligence, post redemption of Security Receipts we expect an additional net recovery by way of Estimated Upside for Selling Lenders of Rs. 49.00 Cr over the Offer Price.  It is further clarified that if any amount is recovered over and above the Estimated Upside as mentioned above, it shall also be shared between Anchor and other SR holders (i.e. lenders) in the ratio of 15:85.

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## **Eligibility Criteria for the BID:**

### **The eligibility criteria for Prospective Bidders, as approved by the Lenders, is as follows:**

1. Persons eligible as per the RBI Guidelines are eligible to participate in the bid process as Prospective Bidders. The Prospective Bidders that are eligible as per the RBI Guidelines include Scheduled Commercial Banks, All India Financial Institutions (NABARD, NHB, India EXIM Bank, SIDBI and NaBFID), Small Finance Banks, all Non-Banking Finance Companies (NBFC) including Housing Finance Companies (HFC) and Asset Reconstruction Companies (ARCs) etc.
2. The Prospective Bidders shall be duly registered under the applicable laws and eligible for purchase of identified stressed asset/ Non-Performing Asset.
3. In case the Prospective Bidders is an NBFC, they should be eligible for assignment of debt with valid RBI license, as per the applicable laws.
4. The Prospective Bidder shall not be disqualified in terms of Section 29A of the Insolvency and Bankruptcy Code, 2016 as on date of submission of the EOI, the date of submission of the offer and the date of implementing the offer.
5. The Prospective Bidders who belong to the existing promoter group and/ or are a subsidiary / associate / related party etc. (domestic as well as overseas) of any person belonging to the existing promoter group of the Company shall not be eligible to participate in the bid process.

*Bidders shall be provided access to the data room upon fulfilment of above criteria, execution of NDU and undertakings and any other document as provided under the EOI.*

### **Contact Information:**

Contact details:

<b>Name of the Bank</b>	<b>Contact details of Bank official</b>
IDBI	Mr. Rajendra Shenoy, DGM, IDBI, NMG Dept <b>Contact:</b> +91-8494939091 <b>Email Id:</b> <a href="mailto:assignment@idbi.co.in">assignment@idbi.co.in</a>  Mr. Abhirup Das, AGM, IDBI, NMG Dept. <b>Contact:</b> +91-9233378006 <b>Email Id:</b> <a href="mailto:assignment@idbi.co.in">assignment@idbi.co.in</a>
PNBISL	Ms. Komal Gupta, VP <b>Contact:</b> +91- 7405250342 <b>Email Id:</b> <a href="mailto:projectmachine@pnbisl.com">projectmachine@pnbisl.com</a>  Ms. Samruddhi Khawas, DM, PNBISL <b>Contact:</b> +91- 7028058699 <b>Email Id:</b> <a href="mailto:projectmachine@pnbisl.com">projectmachine@pnbisl.com</a>

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