

## Web Notice

### TRANSFER OF STRESSED LOAN EXPOSURE OF BAREILLY HIGHWAYS PROJECT LIMITED TO THE ELIGIBLE ARCs THROUGH e-AUCTION UNDER SWISS CHALLENGE METHOD

1. IDBI Capital Markets & Securities Limited (“**ICMS**”), mandated by State Bank of India (“**SBI**” or “**Lead Bank**”) on behalf of consortium of lenders (viz State Bank of India, Punjab National Bank, IIFCL, Bank of Baroda, Indian Overseas Bank & Union Bank of India) (“**Lenders**”), is seeking Expression of Interest (“**EOI**”) to undertake Swiss Challenge Method Bidding (“**SCM**”/ “**SCM Bidding**”) for transferring their stressed loan exposure (as detailed in Para 2 below)(“**Stressed Loan Exposure**”) on “All Cash” and/ or “Cash- Security Receipts (“**SRs**”)” structure and is soliciting binding bids in the form of irrevocable offers from eligible ARCs (“**Permitted Entities**” or “**Bidders**”) in accordance with RBI/ Bank’s Policy on Transfer of Stressed Loan Exposures, in line with the regulatory guidelines and applicable laws. However, please note that the transfer of Stressed Loan Exposure will be subject to final approval by the respective competent authorities of the Lenders.

#### **2. Brief details of Stressed Loan Exposure showcased:-**

Name of the Company	Principal O/s as on 30.06.2024	Reserve price
BAREILLY HIGHWAYS PROJECT LIMITED (“ <b>BHPL</b> ”)	Rs. 1772.70 crore	Rs. 300 crore (Rupees Three Hundred crore only)

#### **3. Lender wise Details:**

S.No	Name of the Lenders	Principal O/s (Rs. crore)	Reserve Price (Rs. crore)	Terms (cash & cash cum SR ratio)
1	State Bank of India	693.21	300.00	15:85 Cash: SR or better as well 100% Cash
2	IIFCL	253.45		
3	Punjab National Bank	257.71		
4	Bank of Baroda	181.90		
5	Indian Overseas Bank	193.15		
6	Union Bank of India	193.28		
	TOTAL	1772.70	300.00	

**Note:** Proposed Offer Price has also factored non-fund based o/s in the books of Banks / FIs (if any). These non-fund-based o/s include bank guarantees (“**BGs**”) and letter of credits (“**LCs**”), issued by the Lenders on behalf of the BHPL, that are still subsisting and have not yet been invoked/ devolved by the beneficiary of such BGs and LCs (“**Uncrystallized NFBs**”). The Base Bidder has assumed that Uncrystallized NFBs shall remain o/s in the books of respective Banks / FIs at the time of assignment and once particular Uncrystallized NFB, gets devolved/ invoked and converted into Fund Based, it will be transferred to Successful Bidder without any further consideration.

4. The transfer of Stressed Loan Exposure to the eligible Permitted Entities will be on “As is where is, as is what is”, “whatever there is” and “without recourse” basis, i.e. with all the risks such as credit risk, operational risk, legal or any other type of risks associated with the Stressed Loan Exposure(s) being transferred to the acquirer and the transfer shall not be liable to be revoked for any breach including antecedent breach of any representation and warranty. In the event of non-realization of amount out of assets/ securities, the Lenders (jointly or individually) are not liable to refund anything in part or full. Lenders reserve right to execute the Deed of Assignment as per SBI’s format.
5. The eligible Permitted Entities may conduct due diligence of the Stressed Loan Exposure with immediate effect, after submitting EOI and executing a Non-Disclosure Agreement (“NDA”) with the ICMS. The EOI along with all the requisite documents duly stamped and signed are to be submitted to the Deputy Vice President, IDBI Capital Markets & Securities Limited, 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005 (email to project.gokul@idbicapital.com) as per the timelines. The eligible Permitted Entities shall be solely responsible for conducting due diligence at its own cost and employing its own resources and under no circumstances, any lender shall be deemed to have made any representation, whatsoever, in respect of the Stressed Loan Exposure.
6. **Requisite documents:**
  - a. The profile of the Bidder (promoter/ and promoter group, key managerial personnel, shareholders and shareholding pattern). However, it shall be the sole obligation of the Bidders to ensure that they are eligible for buying the Stressed Loan Exposure.
  - b. RBI registration certificate/ other Regulatory Authorities Certificate as applicable.
  - c. Certificate of Latest net-owned Funds/ net worth.
  - d. Financial Profile of the Bidder (annual reports/ audited financial statements for last 3 years).
  - e. Copies of certificate of incorporation/ registration and constitutional documents (MoA, AoA).
  - f. KYC of the Authorised Signatory (PAN/Passport for signature proof and Aadhaar for Address proof).
  - g. Any other documents as may be required as per regulatory requirement and or by SBI/ Lenders.
7. Further details of the account will be sent in the form of PIM (Preliminary Information Memorandum) on the email, the Swiss Challenge Bidding Process Note shall be made available to the Bidders in the Electronic - Data Room (“EDR”) (online available @ 24 hrs) for conducting due diligence on execution of the NDA. The Bidder shall be allotted with user ID and password for accessing the EDR (online available @ 24 hrs) upon submission of authorization letter from the authorized signatory.
8. Eligible Permitted Entities can participate on “All Cash” and/or “Cash- Security Receipts” (SRs) structure, minimum 15:85 under Cash – SR structure or better Cash – SR structure and also submit unconditional and irrevocable guarantee from a Scheduled Commercial Bank (First Class Bank - acceptable to Lenders) excluding Cooperative Bank for a period of 5 years on SR portion. (Note: - A Permitted Entity who is unable to provide the guarantee as detailed above

shall provide full cash for the SR portion.)

9. Cut-off date denotes the date upto which all realization/ recoveries made shall be retained by the lenders. The cut-off date in the instant case is June 30, 2024.
10. The present process is run under Swiss Challenge Method where Lenders have a primary offer of INR 300.00 crore in hand at 15:85 Cash-cum-SR structure {Cash (INR 45 crore): SR (INR 255 crore)} on Cash:SR::15:85 structure termed as “**Base Bid**” or “**Anchor Bid**” from a primary bidder ( “**Base Bidder**” or “**Anchor Bidder**”) and invite bids from eligible Permitted Entities on comparable terms. The terms offered by the Base Bidder which are agreed by the Lenders are mentioned in **Annexure-I**.

#### **11. Swiss Challenge Bidding Process**

- a. The minimum mark up over the Base Bid required for the challenger bid to be considered shall be minimum increase of INR 15.00 Crores or multiples thereof (*which is well within the percentage limits of markup provided under the applicable RBI Circular*) from the Base Bid. For this purpose, mark up shall be calculated as the difference between challenger bid and Base Bid. The minimum mark-up is kept at Rs. 15 Crores, on Cash/ Cash: SR basis, as the case may be. The first bid for Cash/Cash - SR would be Reserve Price plus minimum markup
  - b. If no challenger bid crossed the minimum mark-up specified in the invitation, the Base Bid becomes the winning bid, subject to final approval by competent authority of the respective Lenders.
  - c. If challenger bid(s) crosses the minimum mark-up specified at point (a) above, the highest challenger bid becomes the challenger bid (“**Challenger Bid**”) and the challenger bidder will be considered as highest bidder (“**Challenger Bidder**”).
  - d. The Base Bidder who has provided the Base/ Anchor Bid would be invited to match the NPV (Net Present Value) of the Challenger Bid, if any (after discounting the offered SRs @ 1 Year MCLR rate of Lead Bank (Sate Bank of India) currently @ 8.95 % p.a. for 3 years). If the Base/ Anchor Bidder, either matches the Challenger Bid or bids higher than the Challenger Bid then such bid shall become the winning bid, else the Challenger Bidder shall become the winning bidder (the “**Acquirer**”/ “**Successful Bidder**”).
  - e. Acceptance of the offer shall be at the sole discretion of the Lenders and shall be subject to approval of the competent authority of the respective Lenders.
12. In case of any bid in the Cash – SR Structure, the bids would be evaluated based on the following conditions:
- a. Minimum 15 – 85 under the Cash – SR Structure or better Cash – SR Structure.
  - b. Minimum mark-up between challenger bid and Base Bid shall be 15.00 Crores as detailed above in point 11 (a).
  - c. The offer received under Cash – SR Structure must provide an acceptable guarantee of First-Class Bank on SR portion for a period of five year from the SR issuance date. (*Note: - A Permitted Entity who is unable to provide the*

*guarantee as detailed above shall provide full cash for the SR portion.)*

- d. SR portion will be discounted for a period of three years with 1 Year MCLR rate of lead Bank (SBI) currently @ 8.95 % p.a.
- e. For Cash - SR bids, the Discounted SR amount will be added to cash amount and this adjusted amount will be treated as cash equivalent for evaluation of bids.
- f. Upside sharing shall be applicable only on cash – SR structure. The minimum upside sharing would have to be given in 85:15 (or better) in favour of Lenders (SR Holders) and Bidder.
- g. No other terms of the Bidders to be inferior to the terms of the Base Bidder.

13. Please note that any taxes, stamp duty, any other imposition that may be arising out of the transaction shall be payable by the Acquirer.

14. Lenders reserve the right to declare account as fraud or No Fraud on a future date even after assigning the Stressed Loan Exposure.

15. The time schedule for completion of the process is given below, which may be noted:

S. No.	Particulars	Timelines
1	Date of Publication of advertisement	September 30, 2024
2	Last Date for the submission of EOI	October 07, 2024
3	Due Diligence by interested parties (who have executed NDA)	From October 08, 2024 to October 28, 2024 through Electronic Data Room ("EDR") (available online 24 hours)
4	Interested parties to submit the documents mentioned in Web Notice and also inform names of Authorized Official(s) along with their mobile no. & official email id to enable us to issue passwords & explain them the procedure to bid through e-auction portal.	October 29, 2024 by 2.30 p.m.
5	Allotment of user ID password for e-auction	October 29, 2024 after 5.00 p.m.
6	E- Auction	October 30, 2024 (Time 11:30 p.m. to 1:30 p.m.) with unlimited extension of 5 minutes and an incremental amount of Rs. 15 crores (5% of Rs. 300 crores)
7	Declaration of the Final Challenger Bidder	October 30, 2024 after closure of e-auction process
8	Option to Base Bidder to match/outbid or better the Final Challenger Bid	November 11, 2024 till 4.00 p.m.
9	Declaration of Successful Bidder Issuance of Letter of Award ("LOA") to Successful Bidder by Lead Bank, Subject to approval of the competent authority of the	November 11, 2024

	lenders	
10	Timeframe for receipt of assignment consideration and for execution of Deed of Assignment (“DoA”)	Within 3 working days as mentioned in the date of LOA
<p><i>ICMS and/ or the Lenders reserve the right to modify the time schedule and/ or not to go ahead with the proposed sale/ assignment at any stage without assigning any reason at their sole discretion. The decision of the ICMS and/ or the Lead Bank in this regard shall be final &amp; binding on all the Bidders/ participants.</i></p>		

16. The transfer/sale is on “**as is where is**”, “**as is what is**”, “**whatever there is**” and “**without recourse**” basis to the Lenders. Lenders will not assume any operational, legal or any other type of risks relating to the Stressed Loan Exposure.
17. The Lenders reserve the right not to go ahead with the proposed transaction or modify any terms & conditions at any stage, without assigning any reason. The decision of the Lenders in this regard shall be final and binding.
18. The Lenders reserve the right to negotiate with the successful bidder under the Swiss Challenge Bidding Process for improvement in the bid amount as Lenders may deem fit and seek revised bid.
19. The Bidder(s) shall be under its/ their own obligation to follow all extant guidelines/notification issued by SEBI/ RBI/ IBA/ GoI/ other regulators from time to time pertaining to transfer of Stressed Loan Exposure.
20. The Bidder(s) should not have any direct or indirect link/ connections/ interest/ relationship with BHPL or the promoters/ guarantors and/ or any of their related parties of BHPL.
21. The Bidder(s) should not take any considerations directly or indirectly from BHPL or the promoters/ guarantors and/ or any of their related parties of BHPL.
22. The Bidder(s) are expected to carry out their own investigations, due diligence and other examination in relation to this transfer transaction before submitting the EOI.
23. The Bidder(s) shall bear all costs associated with the preparation and submission of the EOI and all costs associated with conducting the due diligence. ICMS/ Lenders shall not under any circumstances, be responsible or liable for any such costs, whether direct, incidental or consequential and no cost incurred by the Bidders shall be borne by ICMS/ Lenders.
24. The proposed transfer of Stressed Loan Exposure by way of sale/ assignment should not be funded and backed by promoters/ company/guarantors and /or any of their related parties of BHPL and Bidders shall be deemed to represent and warrant that the ultimate

transferee of Stressed Loan Exposure is not of the borrower/guarantor or its affiliates. Further, before transfer, a stamped undertaking is to be furnished by the Bidders that they are eligible as per Section 29A and other provisions of Insolvency and Bankruptcy Code, 2016.

25. It is clarified that Lenders/ ICMS shall bear no responsibility for non-receipt of EOI/ any other correspondence sent by post/ email/ courier/ fax by the Permitted Entities or for non-receipt of documents sent by post/ courier.
26. Lenders shall reserve the exclusive right to deal with the claims pertaining to ECGC/ CGTMSE (both present & future)/cash margin/insurance claim/subsidy reserve fund/margin etc. of the Stressed Loan Exposure (s) and the successful Acquirer/bidder has no right or authority or claim thereon.
27. The EOI and all related correspondence and documents in relation to the EOI shall be in English Language.
28. Any extension in timelines/modifications in the content of this web notice will not necessarily be carried out through another advertisement but may be notified directly on the website ([https://bank.sbi/web/sbi-in-the-news/auction-notices/arc- drt](https://bank.sbi/web/sbi-in-the-news/auction-notices/arc-drt) or [https://idbicapital.com/bids tender.asp](https://idbicapital.com/bids_tender.asp)) and Bidders should regularly visit the website to keep themselves updated regarding clarifications, modifications, amendments or extensions.
29. Upon declaring the Acquirer in accordance with this Web Notice, the Deed of Assignment and other legal formalities will be completed in the shortest possible time as mutually agreed upon. After completion of legal formalities, Acquirer may arrange to take over the relative correspondence mentioned above and other legal documents including the available details of the suit filed accounts from the concerned branches at a mutually convenient date and time, within 45 days from the date of execution of the Deed of Assignment. If any document has been executed/ deposited with Lenders on behalf of or jointly with other institutions/ banks, such documents shall either be handed to any of such participating institution/ bank or released by Lenders to Acquirer, after receipt of NOC from all concerned institutions/ banks/parties.
30. Notwithstanding anything contained hereinabove, ICMS/ Lenders reserves the right to examine the Eoi and accept or reject any or all or some of the Eois at their sole discretion, and neither this web notice nor delivery of an Eoi nor the consideration thereof by ICMS/ Lenders shall be construed as creating any kind of right or interest in any interested party to be considered any further in the process or entitle them to any recourse against ICMS/ Lenders. Upon such action, ICMS/ Lenders decision in this behalf shall be final and binding on all the Bidders.
31. Notwithstanding anything contained in this web-notice, neither ICMS/ Lenders, nor its employees or its advisors accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, completeness or reliability of information, and shall incur no liability, under any law, statute, rules or regulations as to

the accuracy, reliability or completeness of this publication, even if any loss or damage is caused by any act or omission on the part of ICMS/ Lenders or its employees or its advisors, whether negligent or otherwise.

32. The invitation shall in no case be considered as an invitation to invest under any of the SEBI regulations.
33. The Successful Bidder will be intimated by Lenders / ICMS. After approval/ confirmation of transfer by the Appropriate Authority of the respective banks, the same will be intimated to the Successful Bidder. The Successful Bidder shall contact the concerned branches of the respective banks for other details about the execution of the assignment deed and completion of other legal formalities. The Successful Bidder/ Acquirer shall arrange to take security documents including the available details of the suit-filed accounts from the concerned branches of the respective banks at a mutually convenient date and time, within 45 days from the date of execution of the Assignment Deed.
34. We would like to know whether you are interested in the above account(s). If interested, we look forward to receive an EOI at the earliest. In case of any further clarification, you may contact the following officials of process advisor:

**Contact details of Process Advisor officials:**

<b>Name of the Process Advisor</b>	<b>Contact details of official of Process Advisor</b>
<b>IDBI Capital Markets &amp; Securities Limited</b>	Mr. Abhishek Bedbak, Deputy Vice President Contact:- 022-4069 1934 / 9920425544 Email id:- <a href="mailto:project.gokul@idbicapital.com">project.gokul@idbicapital.com</a>  Ms. Nikita Velip, Manager Contact:- 022-22171890 /9594943616 Email id:- <a href="mailto:project.gokul@idbicapital.com">project.gokul@idbicapital.com</a>

**Contact details of Lead bank officials:**

<b>Name of the Bank</b>	<b>Contact Details of the 1st Dealing Official, Contact Number &amp; email Id</b>	<b>Contact Details of the 2<sup>nd</sup> Dealing Official, Contact Number &amp; email Id</b>
State Bank of India	Mr. Ranjeet Singh Mob: +91 97795 81090 Email id: agm3metal1.sarg@sbi.co.in	Mr. Sanjay Kumar Goyal Mob: +91 91679 78261 Email id: team3samb1.del@sbi.co.in



**Annexure-I**

<b>Financial Assets</b>	<ol style="list-style-type: none"><li>1. All debt 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 undisbursed commitment of the Lenders under the Facility Documents);</li><li>2. All security interest, contractual undertakings/comforts, assurances, credit enhancements and guarantees created or provided by the Company/ borrower or any third party in favour of or for the benefit of the Lenders (including any exclusive security created in favour of any of the Lenders); and</li><li>3. All rights, claims and interest (including beneficial incidental and ancillary rights and claims) whether existing, future, accruing, conditional or contingent, in respect of such debt or receivables arising under the facility documents or otherwise under law;</li><li>4. Without prejudice to the generality of the foregoing, the rights and claims of the Lenders under the resolution plan/settlement agreement and any related documents in relation to the facilities.</li></ol> <p>(hereafter collectively referred to as the “<b>Financial Assets</b>”)</p>
<b>Cut-Off Date</b>	June 30, 2024 (“ <b>Cut-off Date</b> ”)  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 amount is received by the Lenders after the Cut-off Date, it shall hold all such amounts free of any set off or counterclaim, in trust for the benefit of the Anchor Bidder or the relevant trust and shall forthwith, upon receipt thereof, hand over such amounts to the Anchor Bidder or the relevant trust as may be intimated by the Anchor Bidder.
<b>Mode of Acquisition</b>	Absolute assignment and transfer of all Financial Assets on a non-recourse basis.
<b>Offer Price</b>	Rs.300 crore to be paid out of the funds received by issuance of Security Receipts (SRs). Anchor Bidder shall subscribe to SRs equivalent to 15% of the offer price and the balance 85% shall be subscribed by the lenders.  The principal amount of security receipts issued to the Lenders will be backed by a guarantee, which shall be valid until the earlier of: <ol style="list-style-type: none"><li>a) Redemption of all SRs issued by such Trusts in accordance with the terms of the SRs; or</li><li>b) Expiry of 5 years from the date of issuance of SRs by such Trust.</li></ol>

<b>Management Fee</b>	An amount equal to <b>2%</b> per annum payable quarterly as a percentage of the Net Asset Value (“NAV”) of SRs issued by the trust and calculated at the lower of end of recovery rating of outstanding SRs specified by the Credit Rating Agency. Before availability of the NAV of SRs, Management Fee shall be calculated on the basis of face value of SRs as outstanding in the beginning of the respective quarter. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, cess, or any other statutory levy as applicable on the Management fee.
<b>Recovery Fee</b>	Recovery Fee being an amount equal to <b>2%</b> of the gross recovery received or realised from the underlying assets of the Trust, shall be payable to the Anchor Bidder as the trustee as and when any amount is realised in respect of the 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.
<b>Upside Sharing</b>	Net recoveries made by the Trust after full redemption of SRs shall be shared in the ratio of <b>15:85</b> between the Trustee and security receipt holders (other than the Anchor Bidder) after adjusting all expenses and fee payable under the Offer Document.
<b>Estimated Upside</b>	As per Anchor Bidder’s estimates, based on financial due diligence, post redemption of SRs, they expect an additional net recovery of Rs. 120.00 Crore (“ <b>Estimated Upside</b> ”),  It is further clarified that if any amount is recovered over and above the Estimated Upside as mentioned above, shall also be shared between the Anchor Bidder and other SR holders (i.e. Lenders) in the ratio of 15:85.