



INVITATION FOR EXPRESSIONS OF INTEREST

FOR

THE ACQUISITION OF IL&FS' INTERESTS IN EDUCATION AND RELATED BUSINESSES

This refers to the advertisement issued in *The Economic Times* dated December 21, 2018 and *Maharashtra Times* dated December 21, 2018 regarding the proposed sale of interests of Infrastructure Leasing & Financial Services Limited (“**IL&FS**”) in its education and related businesses. Pursuant to the Report on Progress and Way Forward dated October 30, 2018 (“**Report**”) submitted by IL&FS to the Ministry of Corporate Affairs, Government of India, which, in turn, was filed with the Hon’ble National Company Law Tribunal Mumbai (Special) Bench (“**NCLT**”), expressions of interest (“**EOIs**”) are hereby being invited from interested parties (“**Applicant**”) for the potential acquisition of education and related businesses owned by IL&FS.

In context of the same, the investors/ bidders are being offered the opportunity to acquire:

- A. 68.90% of the issued and outstanding equity shares of **IL&FS Education & Technology Services Limited (“IETS”)** owned by IL&FS; and/ or
- B. the business of **Skill Training Assessment Management Partners Limited (“STAMP”)** on a slump sale basis; and/ or
- C. the business of **IL&FS Cluster Development Initiative Limited (“ICDI”)** on a slump sale basis.

The proposed sale of 68.90% of the issued and outstanding equity shares of IETS owned by IL&FS along with the businesses of STAMP and/ or ICDI on a slump sale basis may be carried out as a basket/ individually or in any combination thereof (“**Potential Transaction(s)**”). The process for the Potential Transaction(s) is an integral part of the steps outlined in the Report, and is expected to assist the Board of Directors of IL&FS appointed pursuant to the orders of the NCLT in October 2018 (“**Board**”), in part, in evolving the resolution plan(s) outlined in the Report

A. Background

1) IETS

IETS provides ed-tech services to K-12 schools and students through its proprietary digital content, devices, platforms and solutions. IETS, through its subsidiary, IL&FS Skills Development Corporation Limited (a joint initiative with National Skills Development Corporation), offers job linked vocational skills programmes for the youth.

IL&FS is the promoter shareholder of IETS and owns 68.90% of the equity shares of IETS. The other shareholders of IETS are: (i) IL&FS Employee Welfare Trust (4.80%), (ii) individual shareholders (0.20%) and (iii) India Equity Partners (through its portfolio company, LEHL) (26.10%). IL&FS Employee Welfare Trust, India Equity Partners (through its portfolio



company, LEHL) and the individual shareholders are expected to sell their shareholding in IETS along with IL&FS, subject to their agreeing to the terms being offered for their respective shares in IETS.

2) **ICDI**

The business of ICDI is to provide advisory and project management services to Central and State governments and industries for development of common infrastructure and common facilities in brownfield and greenfield industrial clusters.

3) **STAMP**

The business of STAMP is to provide technology led knowledge management and assessment services for education, vocational skills and corporates.

EOIs are sought by the Board from Applicants interested in the Potential Transaction(s). Consummation of any transaction pursuant to the process initiated by this EOI will be subject to requisite approvals, including, the approval of the Board, approvals required under applicable law and approval of the NCLT. The Board has engaged **Arpwood Capital Private Limited** and **JM Financial Limited** to assist in the Potential Transaction(s).

B. Net Worth and related Eligibility Criteria

To be eligible to participate in the Potential Transaction(s) process, Applicants must comply with the following criteria:

1) **Financial Criteria**

- a) Financial Criteria for the proposed sale of 68.90% of the issued and outstanding equity shares of IETS owned by IL&FS along with the businesses of STAMP and/ or ICDI on a slump sale basis:
 - (i) For body corporate, minimum net worth (“NW”) of INR 3,00,00,00,000/- (Indian Rupees Three Hundred Crores only) as per the latest audited balance sheet.
 - (ii) For investment funds, including private equity funds: (i) minimum assets under management in India of INR 12,00,00,00,000/- (Indian Rupees One Thousand Two Hundred Crores only) as of March 31, 2018 or later; or (ii) committed funds available for investment/ deployment in companies incorporated in India of at least INR 12,00,00,00,000/- (Indian Rupees One Thousand Two Hundred Crores only), as of March 31, 2018 or later.
- b) Financial Criteria for the proposed sale of the businesses of STAMP and/ or ICDI on a slump sale basis:
 - (i) For body corporate, minimum net worth (“NW”) of INR 50,00,00,000/- (Indian Rupees Fifty Crores only) as per the latest audited balance sheet.



(ii) For investment funds, including private equity funds: (i) minimum assets under management in India of INR 2,00,00,00,000/- (Indian Rupees Two Hundred Crores only) as of March 31, 2018 or later; or (ii) committed funds available for investment/ deployment in companies incorporated in India of at least INR 2,00,00,00,000/- (Indian Rupees Two Hundred Crores only), as of March 31, 2018 or later.

c) Notes on NW:

(i) NW shall be computed in the manner set out in Section 2(57) of the Companies Act, 2013, as amended;

(ii) NW requirement can be met either by: (I) the Applicant; or (II) if the Applicant is a subsidiary with at least 51% equity shareholding (on a fully diluted basis) being held by the parent company or a promoter, as the case may be, in each case on a consolidated basis;

(iii) For calculation of NW, any compulsorily convertible instrument can also be included;

(iv) In case the Applicant is a consortium, then the NW requirement must be met based on a weighted average basis of the consortium members' stake in the consortium;

(v) Applicants, who are not domiciled in India, should convert all monetary amounts into Indian Rupees at the foreign exchange rate stipulated by RBI (as of December 20, 2018);

(vi) NW has to be computed as per the latest audited balance sheet, which balance sheet date shall be for a financial year ending between July 01, 2017 and June 30, 2018 or later.

2) Other Eligibility criteria for all Applicants

a) The Applicant shall not have been debarred or restrained by any regulatory authority from making investments;

b) The Applicant shall not have been blacklisted by the Central or any State Government ministry/ agency for bidding in any Central or State Government projects/ contracts;

c) The Applicant is not ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the Potential Transactions(s).

C. Guidelines for the Submission of EOI

Interested Applicants must submit:

a) duly executed EOIs in the format set out in **Annexure A**,

b) a profile of the Applicant; and



- c) proof of authorization for the execution of the EOIs.

Such submission shall be by e-mail to ilfs.edu@ilfsindia.com, with a copy to ilfs.edu@jmfl.com and ilfs.edu@arpwood.com.

Emails should clearly set out the subject as “***Expression of Interest for Education and Related Businesses***” and should be submitted no later than **5 pm Indian Standard Time, Friday, January 11, 2019**.

D. Other information

- a) Unless any changes or modifications to this invitation for EOI are uploaded on www.ilfsindia.com/ad/, the terms of this invitation for EOI shall be final and binding on all Applicants.
- b) If, at any time during the process for the Potential Transaction(s), IL&FS determines (at its sole discretion) that any Applicant does not fulfill any of the above conditions, then IL&FS shall have the right to immediately cease to engage with such Applicant without providing any reasons or incurring any liability whatsoever.
- c) IL&FS reserves the right, at its sole discretion, to reject all or any of the EOIs, without providing any reasons or incurring any liability whatsoever.
- d) IL&FS reserves the right to suspend, terminate or modify the process for the Potential Transaction(s), without providing any reasons or incurring any liability whatsoever.
- e) The Applicant shall maintain confidentiality of the information received as part of the Potential Transaction(s) process and shall not use such information to cause any undue gain or undue loss to itself or any other person.
- f) Eligible Applicants shall be determined by IL&FS at its sole discretion and will be intimated in due course. Such eligible Applicants will be: (I) required to execute a non-disclosure undertaking/ agreement in a prescribed format; and (II) provided an information memorandum containing details of the assets under the Potential Transaction(s), the proposed transaction structure, process letter and other information in relation to the Potential Transaction(s).



Annexure A

Format of Expression of Interest

[On the letter head of the Applicant]

Date: [●]

To

The Board of Directors,

Infrastructure Leasing & Financial Services Limited.

Subject: INVITATION FOR EXPRESSIONS OF INTEREST FOR THE ACQUISITION OF IL&FS' INTERESTS IN EDUCATION AND RELATED BUSINESSES

Respected Directors,

We refer to the advertisement issued in *The Economic Times* dated December 21, 2018 and *Maharashtra Times* dated December 21, 2018, and the invitation for Expression of Interest available at www.ilsindia.com/ad/, regarding the proposed sale of interests of IL&FS in its education and related businesses (“**Potential Transaction(s)**”).

We hereby confirm that we are desirous of participating in the Potential Transaction(s), and would like to submit this expression of interest (“**EOI**”).

We confirm that we have understood the terms and conditions applicable to the submission of EOI. We confirm and undertake that the information furnished by us in this EOI and supporting documents is true, correct, complete, and accurate.

We confirm that we fulfil each of the ‘eligibility criteria’ mentioned in the invitation for EOI for [proposed sale of 68.90% of the issued and outstanding equity shares of IETS owned by IL&FS along with the businesses of STAMP and/ or ICDI on a slump sale basis] OR [proposed sale of the business of STAMP and/ or ICDI on a slump sale basis]. Please find attached our profile along with the documents (and details of the eligible consortium, if any) in support of our submission

[Our net worth as per the last audited balance sheet dated ____ is [●].] OR [Our minimum assets under management in India as of ____, 2018 is [●]] OR [Our committed funds available for investment/ deployment in companies incorporated in India as of ____, 2018 is [●]].

We agree, acknowledge and declare that:

- (a) The person signing this EOI and other supporting documents is an authorized signatory who is supported by necessary board resolutions/ authorization letter of the applicant (*as enclosed*);
- (b) The Applicant has not been debarred or restrained by any regulatory authority from making investments;



- (c) The Applicant has not been blacklisted by the Central or any State Government ministry/ agency for bidding in any Central or State Government projects/ contracts;
- (d) The Applicant is not ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the Potential Transaction(s) process; and
- (e) The Applicant shall maintain confidentiality of the information received as part of the Potential Transaction(s) process and shall not use such information to cause any undue gain or undue loss to itself or any other person.

With respect to the Potential Transaction(s), we agree and confirm to IL&FS that:

- (a) We are aware that the consummation of any transaction pursuant to the process initiated by this EOI will be subject to requisite approvals, including, the approval of the Board, approvals required under applicable law and approval of the National Company Law Tribunal;
- (b) If we do not meet any of the eligibility criteria throughout the Potential Transaction(s) process, then IL&FS shall have the right, exercisable at its sole discretion, to forthwith terminate our involvement in the Potential Transaction(s). We will promptly intimate IL&FS of any material adverse change or any ineligibility in respect of the conditions set out in the Invitation for EOI issued by IL&FS, including any developments that impact our ability to complete the transaction envisaged in the Potential Transaction(s);
- (c) IL&FS reserves the right to request for additional information or clarification(s) from us for the purposes of the EOI and we shall promptly comply with such requirements;
- (d) IL&FS reserves the right to determine at its sole discretion, whether or not we are eligible for the Potential Transaction(s) and may reject the EOI submitted by us without assigning any reason or without incurring any liability whatsoever;
- (e) We have provided, and will provide, all information and data during the Potential Transaction(s) process, in a manner that is true, correct, accurate and complete and no such information, data or statement provided by us is (nor, when provided, will it be) inaccurate or misleading in any manner; and
- (f) IL&FS reserves the right to suspend, terminate or modify the process under this EOI or subsequent steps at any time, without providing any reasons or incurring any liability whatsoever.

Yours sincerely,

On behalf of [*name of applicant*]

Signature:



Name of Signatory:

Designation:

Contact No.:

E-mail ID:

Address:

Enclosures:

1. Profile of the Applicant;
2. Authority Letter