



**INVITATION FOR EXPRESSIONS OF INTEREST FOR
THE ACQUISITION OF IL&FS GROUP'S INTEREST
IN THE
DOMESTIC ROADS VERTICAL**

This refers to the advertisement issued in Economic Times dated December 18, 2018 and Maharashtra Times dated December 18, 2018 regarding the proposed sale of the interests of Infrastructure Leasing & Financial Services Limited and its group companies (“**IL&FS Group**”) in its domestic road vertical. Pursuant to the *Report on Progress and Way Forward* dated October 30, 2018 and the Second Report on Progress and Way Forward dated December 03, 2018 (“**Reports**”) submitted by Infrastructure Leasing & Financial Services Limited (“**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 a potential acquisition of domestic road and other assets / businesses held by the IL&FS Group.

It is the intent of the IL&FS Group to divest its interest in its domestic road vertical including its domestic EPC & O&M businesses. In context of the same, the investors/ bidders will be offered the opportunity to acquire –

- (a) one or more individual company(ies)/ business(es) in any Asset Category listed below **or** any combination of company(ies)/business(es) **or**
(b) an undertaking comprising of all the offered company(ies) and business(es) under all Asset Categories (1 to 4) (“**Potential Transaction(s)**”) ¹.

I Asset Description :

(A) Asset Category 1: Operational BOT Annuity Assets

- (i) **Asset 1A: Jharkhand Infrastructure Implementation Company Limited (“JIICL”)**, operating and managing approximately 160 lane kms of the Ranchi Ring Road, Section VII, Jharkhand under a concession from Government of Jharkhand on annuity basis;
- (ii) **Asset 1B: Chenani Nashri Tunnelway Limited (“CNTL”)**, operating and managing the approximately 38 lane kms tunnel from Chenani to Nashri, Jammu & Kashmir under a concession from the National Highways Authority of India (“NHAI”), on annuity basis;
- (iii) **Asset 1C: Jorabat Shillong Expressway Limited (“JSEL”)**, operating and managing approximately 262 lane kms of national highway from Jorabat,

¹ Note: The total stake available to be acquired in the JV entities (TRDCL, MBEL, PSRDCL and WCBTRL), will be disclosed in the confidential information memorandum post the execution of a non-disclosure agreement

Assam to Shillong, Meghalaya under a concession from NHAI on annuity basis;

- (iv) **Asset 1D: Hazaribagh Ranchi Expressway Limited (“HREL”)**, operating and managing the approximately 319 lane kms national highway from Hazaribagh to Ranchi, Jharkhand under a concession from NHAI on annuity basis;
- (v) **Asset 1E: Jharkhand Road Projects Implementation Company Limited (“JRPICL”)**, operating and managing approximately 664 lane kms of roads developed under the Jharkhand Accelerated Road Development Programme under a concession from Government of Jharkhand on annuity basis;
- (vi) **Asset 1F: East Hyderabad Expressway Limited (“EHEL”)**, operating and managing approximately 173 lane kms of the Hyderabad Outer Ring Road from Pedda Amberpet to Bonulur, Telangana under a concession from Hyderabad Urban Development Authority on annuity basis. The shareholding of ITNL in EHEL is governed by pre-emptive & consent rights of KMC Constructions Limited (“KMC”). The intention of the IL&FS Group to divest will be subject to the outcome of the discussion with KMC; details will be provided in the Confidential Information Memorandum (“CIM”)/ Data Room; and
- (vii) **Asset 1G: Thiruvananthapuram Road Development Company Limited (“TRDCL”)**, operating and managing selected stretches of the city roads in Thiruvananthapuram, Kerala comprising of approximately 158 lane kms under a concession from Kerala Road Fund Board on annuity basis.

(B) Asset Category 2: Operational BOT Toll Assets

- (i) **Asset 2A: Sikar Bikaner Highway Limited (“SBHL”)**, operating and managing approximately 540 lane kms of the national highway from Sikar to Bikaner, Rajasthan under a concession from the Public Works Department, Rajasthan (on behalf of MoRTH) on toll basis;
- (ii) **Asset 2B: Barwa Adda Expressway Limited (“BAEL”)**, operating and managing approximately 727 lane kms of the Barwa Adda to Panagarh section of national highway in the states of Jharkhand and West Bengal under a concession from NHAI on toll basis;
- (iii) **Asset 2C: Baleshwar Kharagpur Expressway Limited (“BKEL”)**, operating and managing approximately 477 lane kms of the Baleshwar to Kharagpur national highway in the state of Orissa and West Bengal under a concession from NHAI on toll basis;
- (iv) **Asset 2D: Moradabad Bareilly Expressway Limited (“MBEL”)**, operating and managing approximately 522 lane kms of national highway from Moradabad to Bareilly, Uttar Pradesh under a concession from NHAI on toll

basis;

- (v) **Asset 2E: Pune Sholapur Road Development Company Limited (“PSRDCL”)**, operating and managing approximately 571 lane kms of the national highway from Pune to Sholapur, Maharashtra under a concession from NHAI on toll basis;
 - (vi) **Asset 2F: West Gujarat Expressway Limited (“WGEL”)**, operating approximately 389 lane kms of the national highway from Jetpur to Rajkot, Gujarat under a concession from NHAI on toll basis; and
 - (vii) **Asset 2G: Road Infrastructure Development Company of Rajasthan Limited (“RIDCOR”)**, operating approximately 3,071 lane km of state roads developed under the Mega Highways Project in Rajasthan under a concession from Government of Rajasthan on toll basis. The shareholding of IL&FS Group is governed by pre-emptive & consent rights of the Government of Rajasthan (“GoR”). Intention of IL&FS to divest, along with the total stake available to be acquired, will be subject to the outcome of the discussion with GoR; details will be provided in the CIM / Data Room; and
 - (viii) **Asset 2H: Warora Chandrapur Ballarpur Toll Road Limited (“WCBTRL”)**, operating approximately 275 lane kms of state roads developed under a concession from the Public Works Department, Maharashtra on toll basis. The shareholding of ITNL in WCBTRL is governed by pre-emptive rights of Vishvaraj Infrastructure Limited and Diva Media Private Limited (“WCBRTL Promoters”). The intention of the IL&FS Group to divest will be subject to the outcome of the discussion with WCBRTL Promoters; details will be provided in the CIM/ Data Room
- (C) Asset Category 3: Under Construction BOT Assets
- (i) **Asset 3A: Srinagar Sonmarg Tunnelway Limited (“SSTL”)**, with a design, build, finance operate and transfer concession from National Highways and Infrastructure Development Corporation Limited, on annuity basis for the Z-Morh Tunnel, Jammu & Kashmir of approximately 34 lane kms which is under construction;
 - (ii) **Asset 3B: GRICL Rail Bridge Development Company Limited (“GRBDCL”)**, with a build, operate and transfer concession from Government of Gujarat on annuity basis for 8 railway over bridges in Gujarat which are under construction;
 - (iii) **Asset 3C: Amravati Chikli Expressway Limited (“ACEL”)**, with a design, build, finance operate and transfer concession from NHAI on toll basis for a stretch of approximately 970 lane kms from Amravati to Chikhli section of NH-6, Maharashtra which is currently under construction; and

- (iv) **Asset 3D: Fagne Songadh Expressway Limited (“FSEL”)**, with a design, build, finance operate and transfer concession from NHAI on toll basis for a stretch of approximately 698 lane kms from Fagne to Maharashtra/Gujarat border of NH-6, Maharashtra which is currently under construction.

(D) Asset Category 4: Other Assets / Business(es)

- (i) **Asset 4A: Karyavattom Sports Facilities Limited (“KSFL”)**, operating and managing a sports complex in the city of Thiruvananthapuram, Kerala under a concession from the Government of Kerala, on an annuity plus user fee basis;
- (ii) **Asset 4B: The engineering, procurement and construction business of ITNL (“EPC”)**; and
- (iii) **Asset 4C: Elsamex Maintenance Services Limited (“EMSL”)**, a company providing consultation, supervision, construction, operations and maintenance, repairing and other related activities in connection with infrastructure projects;

The **Potential Transaction(s)** and the process thereof are an integral part of the steps outlined in the Reports, and are 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 Reports.

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, approvals of the relevant holders of securities, the approval of the Board, approvals required under applicable law or contracts in relation to the relevant asset/business, including any relevant approvals from joint venture partners in the relevant assets and various concessioning authorities, including NHAI and various state government authorities, and approval of all relevant courts or tribunals, including the NCLT and, where necessary, the relevant High Courts.

The Board has engaged Arpwood Capital Private Limited and JM Financial Limited to assist in the Potential Transaction(s).

II Net Worth and related Eligibility Criteria :

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

(A) Financial Criteria for Asset Category 1 to Asset Category 3

- (i) For body corporates, domestic or international (other than those covered specifically by (ii) below), minimum net worth (“**NW**”) of INR 300,00,00,000 (Indian Rupees Three Hundred Crores only) as per the latest audited balance sheet;

- (ii) For private equity investors/infrastructure funds: (a) minimum assets under management in India of INR 1,200,00,00,000 (Indian Rupees One Thousand Two Hundred Crores only) as of March 31, 2018 or later; or (b) committed funds available for investment / deployment in companies / assets in India of INR 1,200,00,00,000 (Indian Rupees One Thousand Two Hundred Crores only) as of March 31, 2018 or later. Further, for trusts registered with SEBI under the SEBI (Infrastructure Investment Trusts) Regulations-2014, as amended (“**InvIT Regulations**” and “**InvIT**” respectively), minimum Value of the InvIT assets (latest disclosed), of INR 1,200,00,00,000 (Indian Rupees One Thousand Two Hundred Crores only).
- (B) Financial Criteria for Asset Category 4 (i.e for those interested only in this Asset Category)
- (i) For body corporate, domestic or international (other than those covered specifically by (ii) below), minimum NW of INR 50,00,00,000 (Indian Rupees Fifty Crores only) as per the latest audited balance sheet;
 - (ii) For private equity investors/infrastructure funds: (a) minimum assets under management in India of INR 200,00,00,000 (Indian Rupees Two Hundred Crores only) as of March 31, 2018 or later; or (b) committed funds available for investment / deployment in companies / assets in India of INR 200,00,00,000 (Indian Rupees Two Hundred Crores only) as of March 31, 2018 or later.

Notes on NW :

- (i) NW shall be computed in the manner set out in Section 2(57) of the Companies Act, 2013, as amended. For non-Indian entities, NW shall be calculated in accordance with applicable law in the country of registration of the relevant applicant;
- (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 then by such parent company or 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. Any entity may only be part of any one Applicant consortium;
- (v) Applicants, who are not domiciled in India, should convert all monetary amounts into Indian Rupees at the foreign exchange rate stipulated by the Reserve Bank of India (as of December 17, 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.

Notes on Value of InvIT :

The Value of the InvIT assets shall be as defined under regulation 2(zzg) of the InvIT Regulations and carried out by the Valuer in accordance with Regulation 21 of the InvIT Regulations.

(C) Other Eligibility criteria for all Applicants

- (i) The Applicant (and in case of a consortium, a member of the consortium) shall not have been debarred or restrained by any regulatory authority from making investments.
- (ii) The Applicant (and in case of a consortium, a member of the consortium) is not ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the process relating to the Potential Transaction(s).

III Guidelines for the Submission of EOI

Interested Applicants must submit:

- (i) duly executed EOIs in the format set out in Annexure A;
- (ii) a profile of the Applicant; and
- (iii) proof of authorization for the execution of the EOIs.

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

Emails should clearly set out the subject as “***Expression of Interest for Domestic Roads and other Assets/ Businesses of IL&FS Group***” and should be submitted no later than **5 pm Indian Standard Time, Tuesday, January 08, 2019.**

IV 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 relating to the Potential Transaction(s), IL&FS Group

determines (at its sole discretion) that any Applicant does not fulfil any of the above conditions, then IL&FS Group shall have the right to immediately cease to engage with such Applicant without providing any reasons or incurring any liability whatsoever.

- (C) IL&FS Group 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 Group reserves the right to suspend, terminate or modify the process for the Potential Transaction(s), including modifying the portfolio of individual assets comprised in the Potential Transaction, without providing any reasons or incurring any liability whatsoever.
- (E) The Applicant shall maintain confidentiality of the information received as part of the process relating to the Potential Transaction(s) 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 Group 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 opportunity (including details of the total stake available with respect to each of the assets), the proposed transaction structure, process letter and other information in relation to the Potential Transaction(s).
- (G) This invitation for expression of interest is governed by the laws of India and the courts at Mumbai shall have exclusive jurisdiction.



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 (“IL&FS”)

Subject: INVITATION FOR EXPRESSION OF INTEREST FOR THE ACQUISITION OF IL&FS GROUP’S INTEREST IN THE DOMESTIC ROADS VERTICAL

Respected Directors,

We refer to the advertisement in Economic Times dated December 18, 2018 and Maharashtra Times dated December 18, 2018, the invitation for Expression of Interest (“EOI”) and the preliminary teaser available at www.ilfsindia.com/ad/, in respect of the proposed sale of stake(s) in one or more individual company(ies)/ businesses in any Asset Category listed below or any combination of company(ies)/businesses or an undertaking comprising of all the offered company(ies) and businesses from all the Asset Categories (1 to 4) (“**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’ for [Asset Category 1 to Asset Category 4] OR [Asset Category 4] and mentioned in the invitation for EOI. 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 INR [●].] OR [Our minimum assets under management in India as of [●], 2018 is [●]] OR [Our committed funds available for investment / deployment in companies / assets in India as of [●], 2018 is [●] OR [minimum Value of the InvIT assets of our Trust in India is [●] as per the latest disclosures]

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 is not ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the process relating to the Potential Transaction(s);
- (d) The Applicant shall maintain confidentiality of the information received as part of the process relating to 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 Group 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 of IL&FS and the respective IL&FS Group companies who are party to such transaction(s), approvals required under applicable law or contracts in relation to the relevant assets/businesses, including from joint venture partners in the assets (if any) and various concessioning authorities, including NHA1 and various state government authorities, and approval of the National Company Law Tribunal;
- (b) If we do not meet any of the eligibility criteria throughout the Process, then IL&FS Group shall have the right, exercisable at its sole discretion, to forthwith terminate our involvement in the Process and the Potential Transaction(s). We will promptly intimate IL&FS Group of any material adverse change or any ineligibility in respect of the conditions set out in the Invitation for EOI issued by IL&FS Group , including any developments that impact our ability to complete the Potential Transaction(s) as envisaged pursuant to the Process;
- (c) IL&FS Group 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 Group reserves the right to determine at its sole discretion, whether or not we are eligible for the proposed transaction 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 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 Group reserves the right to suspend, terminate or modify the process under this EOI or subsequent steps at any time, including modifying the portfolio of individual assets comprised in the Potential Transaction, 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