

Clarification 1: RIDCOR EOI-Pre IEOI Queries- July 04, 2023

Sl. No.	Reference Clause	Query	Clarification / Response
1.	B. (1) (a) "Financial Eligibility for all Applicants"	Please clarify, that in the case of a consortium, the financial eligibility criteria (net worth > INR 300 Cr) can be met by the Lead Partner alone without the need of weighted average net worth of the consortium members' stake in the consortium being more than INR 300 Cr	It is hereby clarified that as per IEOI, in case the Applicant is a Consortium, then the minimum Net Worth requirement of INR 300 Crores shall be met either by the Lead Partner OR by weighted average of the Consortium members' stake in the Consortium
2.	B. (3) a. (ii) "Technical eligibility for all Applicants"	Power projects including renewable power projects should be considered as eligible projects under the list of infrastructure projects	As per IEOI, the Applicant should demonstrate experience in the infrastructure sector, which includes but shall not be limited to ports, roads, tunnels, bridges, airports, railways, metro rail, industrial parks/ estates, logistic parks, pipelines, irrigation, water supply, oil and gas, sewerage, real estate development. For the purposes of the IEOI, Infrastructure shall include Energy Sector (which comprises of Electricity Generation, Electricity Transmission, and Electricity Distribution) and other sectors as prescribed by RBI ¹ .
3.	B. (3) a. (ii) "Technical eligibility for all Applicants"	Infrastructure projects which were constructed more than five years ago and are since being owned and operated by the same entity, should be considered as eligible projects	No change.
4.	B. (3) a. (ii) "Technical eligibility for all Applicants"	In case of infrastructure projects constructed more than five years ago, a cost escalation formula should be allowed to arrive at the 'expenditure incurred for the project'	No change.
5.	B. (3) a. (ii) "Technical eligibility for all Applicants"	Projects in the Petro-chemical sector should be considered as eligible projects under the list of infrastructure projects	It is hereby clarified that, Petro-chemical sector comes under Oil & Gas, which is covered under 3.a.(ii)
6.	B. (1) (d) "Financial Eligibility for all Applicants"	The Applicant should be allowed to use the credentials of its existing (as on the date of submission of the EOI) Associate Company as well for fulfilment of Financial	No change

¹ <https://www.rbi.org.in/commonperson/English/Scripts/FAQs.aspx?Id=1108>



Sl. No.	Reference Clause	Query	Clarification / Response
	Applicants” and B. (3) b. “Technical eligibility for all Applicants”	and/or Technical Eligibility criteria, whether as a member of a Consortium or on its own account	
7.	B. (2) (s) “Definitions”	Please clarify that a Parent Company whose credentials are being used to qualify under the technical/ financial eligibility criteria can be multiple levels above (with more than one majority owned company in between) the applicant who is submitting the EOI	Yes, the same has been clarified in the definition of Parent company in the Invitation for EOI. However, the Applicant should submit the requisite shareholding pattern evidencing the shareholding of the Parent Company, either through itself or through its’ Subsidiary, in the Applicant.
8.		<ul style="list-style-type: none"> • Project wise revenue, O&M exp. for FY 23 • Last 2 year financials of each SPV • Debt outstanding at latest available date 	<ul style="list-style-type: none"> • Two years Financials abstract for FY 20-21 / 21-22 of RIDCOR / RIPL are available on RIDCOR website. • Further details to be provided in VDR at stage II i.e., RFP.
9.		Shall the bidder be allowed to float an SPV (subject to it fulfilling the eligibility criteria) for the purpose of acquisition of shares at the Pre/Post bid submission stage?	We are still deliberating on this aspect and further details in this regard shall be provided at the RFP stage.
10.		I understand that RIDCOR has a substantial amount of debt outstanding from various banks, which may be liable for some disputes with regard to overdue interest and penalties, etc. Will that be crystallized at the RFP stage, for the bidder to make an informed decision on the bid value?	Yes, the requisite details will be provided at the RFP stage.
11.		I also understand that both the major shareholders have provided a significant amount of sub-debt to RIDCOR, terms of which may also come into some dispute post transfer of shareholding. Would IL&FS be open to a simultaneous bid for assignment of its sub-debt as well?	Payment of sub debt to respective shareholder is part of transaction along-with Equity Value. Necessary details will be provided at RFP stage.



Sl. No.	Reference Clause	Query	Clarification / Response
12.		Suggestion: We see a conflict of interest with Roadstar and its sponsors. Either they should not be allowed as eligible bidders, or it should be run as a swiss challenge process	<p>The Process is run by RIDCOR under the overall guidance and supervision of the Evaluation Committee. The members of the Evaluation Committee, represent the interest of (i) the shareholders namely IL&FS and GoR and (ii) the Company.</p> <p>The IL&FS representatives on the Evaluation Committee will also ensure that the same is in line with the NCLAT approved divestment process.</p> <p>RIDCOR and IL&FS shall ensure that none of the officials of Roadstar Infra Investment Trust or any other Infrastructure Trust / Entity (InvIT) sponsored by IL&FS shall henceforth be involved at any stage in the bid Process.</p> <p>Roadstar Infra Investment Trust will submit its Financial Proposal to GoR prior to the due date for submission of Bid by the other Applicants. The Financial Proposal shall be submitted by Roadstar Infra Investment Trust in a sealed cover / password protected file and the same shall be opened only after the bids from all the other Applicants have been received.</p>
13.		Finally, a clear 2 weeks time should be allowed to applicants AFTER all the queries submitted till today are addressed	The same shall be extended up till 7 th July 2023.
14.		Please clarify that the term 'Subsidiary' includes companies in which an investment fund has majority shareholding (i.e. more than 51%).	As per IEOL, "Subsidiary" shall have the meaning as specified in Section 2(87) of the Act. Hence, in case the Applicant is an investment fund, then the term 'Subsidiary' shall include companies in which an investment fund has majority shareholding (i.e. more than 51%).
15.		Whether the O&M cost (including Major Maintenance) of the project can be considered as expenditure as per Cl.3.a (ii) of Part B of the EOI.	It is clarified that under Clause 3.(a)(ii) of Part B of IEOL, only Major Maintenance Expenditure of the project can be considered as expenditure, provided that Applicant meets the eligibility criteria



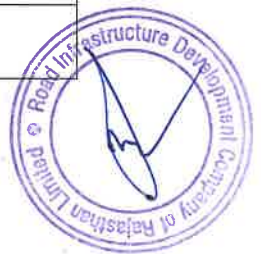


Sl. No.	Reference Clause	Query	Clarification / Response
			as stipulated in the IEOI. The same shall be suitably mentioned in the corresponding Annexures of the EOI.
16.		Will submission of EOI in soft copy through email is acceptable? Can applicants be allowed additional time to submit physical copies of EOI documents given physical submission will be done at Jaipur where we do not have any office?	As per the IEOI, only physical submission of EOI is acceptable. Please note that the timeline for submission of EOI in physical form shall be extended up till July 07, 2023.
17.		Will a general board resolution granting authorisations in general to sign, negotiate or execute any document on behalf of an Applicant be accepted? Its difficult to call board meetings in short span of time and usually general authorisations are used to sign & submit EOIs.	No change.
18.		Can the requirement of BR & POA be removed for investment funds? Investment funds typically are in form of trust and are operated through their investment manager which are usually a company or LLP. Its complicated to call a board meeting of investment manager for transaction specific purpose and that too in a limited time. Nevertheless, investment funds will be required to seek approval from their investment committees to submit bid hence BR or POA requirement may serve the purpose as far as investment funds are concerned.	No change. Both BR & POA shall be required for the submission of Bids and EOI. However, in case the Applicant is an Investment Fund, the Applicant shall have an option to submit the previously issued Board Resolution and POA, by the Investment Mangers authorising the investment committee to act on its behalf. In case the Applicant avails the aforesaid option, the Applicant shall also be required to execute and submit a nomination letter issued by the investment committee nominating an individual to act as the authorised representative of the Applicant, to take part in the Bid Process.
19.		Will any reserve price for this transaction be declared at RFP stage? Is there any financial benchmark below which any bid will be rejected?	Details may be declared at stage 2 i.e., RFP stage, at the discretion of the Sellers.
20.		What is the amount that has been submitted by IL&FS entity in its resolution proposal to NCLT expected to be raised from monetisation of 50% stake of IL&FS entity in RIDCOR? Has NCLT or Credit committee fixed any minimum reserve price for 50% stake of IL&FS?	Details may be declared at stage 2 i.e., RFP stage at the discretion of IL&FS.





Sl. No.	Reference Clause	Query	Clarification / Response
21.	Bid Process	As highlighted during the meeting, we would like to understand whether the process, post submission of the EOI, would be a single -stage or multiple stage process. —	It is hereby clarified that the Process shall entail 2 stages viz. Stage 1 i.e., EOI and Stage 2 i.e., RFP stage, where shortlisted applicants will be invited to submit Bids.
22.		<p>We understand from our discussions today that basis response received during EOI stage, GOR will decide whether GOR will sell it's stake in RIDCOR. In order to ensure deal certainty, we would suggest the following 2-stage process:</p> <p>i. Stage 1 - NBO Stage: Interested participants will be given the opportunity basis the data uploaded on the data room to submit a non-binding offer. The purpose of this stage is to assess whether the conditions and bid price is acceptable to both ITNL and Govt. of Rajasthan (GoR).</p> <p>ii. Stage 2 - Binding Offer Stage: Basis receipt of non-binding offers, GOR can convey it's decision of divestment of it's stake in RIDCOR and subsequently, interested bidders can conduct due diligence and submit binding offers.</p>	<p>The construct of the Bid Process is as follows:</p> <p>i) At the Stage 1 (IEOI) stage the Applicants will submit their preference for the respective scenarios (i.e., either 100% stake sale or 50% stake sale or both options).</p> <p>ii) In Stage 2, the Applicant will then submit the Bid for the preferred scenario. The Applicants will have the option to change the preference selected (at the EOI) at the RFP stage. However, the scenario once opted by the Bidder at the RFP stage shall be final and binding on the Bidder.</p> <p>iii) Prior to evaluation of the Bids or post the evaluation of the Bids as per its discretion, GoR will take a call whether it wants to sell its stake in RIDCOR or not. Basis the decision of GoR the respective scenario will be selected ("Selected Scenario"). Pursuant to the decision of the GoR the Bid Process for the Selected Scenario will proceed further</p>
23.		We understand that the sale process is time critical, and thus would suggest that the documentation for submitting the EOI be reduced to a letter confirming that the interested bidder has sufficient AUM / net worth (similar to that considered during bid process floated by ITNL for sale of it's highway assets). Other technical and financial criteria can be evaluated in binding offer stage.	The forms and annexures stipulated under this EOI is essential to assess the prospective Applicants credentials and their respective management approvals to allow them to participate in the Stage 2 of the Process. Thus, the requisite documents and Annexures are essential for EOI submission. However, it may be noted that deadline for submission of EOI has been extended till 7 th July 2023.
24.		Whether EPC contractor shall be eligible to participate (project executed for more than Rs 2000 Cr over last 5 years as EPC Contractor)	It is clarified that EPC contractor shall be eligible to participate in the Process provided that the EPC Contractor meets the eligibility criteria as specified under Clause 3.(a) of the IEOI.
25.		The provision of participation of IL&FS sponsored Roadstar Infra Investment Trust or any other InvIT	



Sl. No.	Reference Clause	Query	Clarification / Response
		<p>sponsored by IL&FS in the proposed EoI process gives IL&FS undue advantage over other bidders.</p> <p>We suggest that IL&FS group entities should not be allowed to participate in Potential Transaction. Alternatively, this exercise of Potential Transaction should be taken up with IL&FS group entities before other bidders.</p> <p>If the process remains inconclusive with IL&FS group entities only then it should be open to other bidders (excluding IL&FS) for evaluation and submission of EoI</p>	<p>Refer reply at Point No 12</p>
26.		<p>Basis our discussion today, we understand that Roadstar has already submitted an offer to GOR and subsequently, GOR is running the current process for price discovery. Considering that a binding offer is already available with GOR, we would suggest that the process be converted into a Swiss challenge process, instead of an Open bid process. This is in interest of GOR as this will ensure that bidders quote a value higher than Roadstar's offer. For instance, if none of the bidders are able to submit a non-binding offer at a value higher than Roadstar's offer, then there would be no need to run the entire process. Further, there seems to be a conflict of interest considering Roadstar team would have a much better understanding of RIDCOR assets</p>	<p>Refer reply at Point No 12</p>
27.		<p>We understand that Roadstar Infra InvIT is also participating in the proposed bidding process. However, in our personal view Roadstar InvIT is an IL&FS promoted IL&FS managed Trust and IL&FS being one of the major shareholder of the project, Roadstar InvIT may be considered as a related party in relation to proposed transaction and having related party alongwith independent bidders in the bidding process may not be the fair treatment. In this regard we</p>	<p>Refer reply at Point No 12</p>



Sl. No.	Reference Clause	Query	Clarification / Response
		are of the view that decision be 1 st taken on Roadstar Offer by stakeholders and if decision is not arrived at then the bidding process is followed and Roadstar should not be allowed to participate in the bidding process	

