

**BEFORE THE HON'BLE NATIONAL COMPANY LAW
APPELLATE TRIBUNAL, NEW DELHI
(APPELLATE JURISDICTION)**

COMPANY APPEAL (AT) NO. 346 OF 2018

IN THE MATTER OF:

Union of India ... Appellant

Versus

Infrastructure Leasing and Financial
Services Limited & Ors. ... Respondents

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THROUGH



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Dated: 28/10/2024
Place: New Delhi

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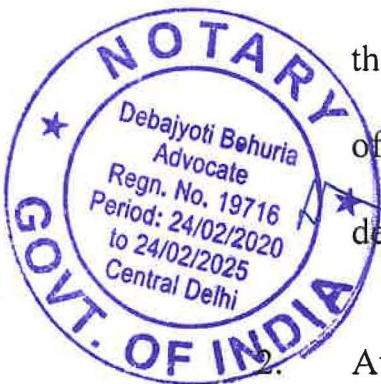
... Respondents

**AFFIDAVIT ON BEHALF OF INFRASTRUCTURE LEASING &
FINANCIAL SERVICES LIMITED PLACING ON RECORD THE
STATUS UPDATE REPORT OF THE IL&FS GROUP AS OF
SEPTEMBER 30, 2024**

I, Nand Kishore, son of Mr. Nathu Singh, aged about 65 years, working as the Director of Infrastructure Leasing and Financial Services Limited (“IL&FS” / “Respondent No. 1”), having my office address at IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, presently at New Delhi, do hereby solemnly affirm and state as under:-

- I am authorized to file the instant affidavit on behalf of IL&FS in the captioned appeals. I have made myself acquainted with the facts of the present case based on the records of IL&FS and am able to depose thereto.

At the outset, IL&FS repeats, reiterates, confirms and adopts the contents of:



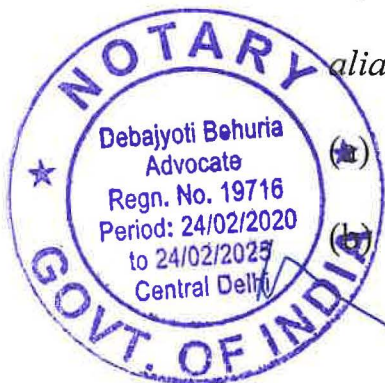
- i. the affidavit dated January 24, 2019 filed by the Union of India with this Hon'ble Appellate Tribunal in the present Appeal on January 25, 2019 (January 25th Affidavit) bringing on record (a) Third Progress Report - 'Proposed Resolution Framework' dated December 17, 2018 ("**Initial Resolution Framework**" or "**Third Report**"), and (b) the Addendum to the Third Progress Report dated January 15, 2019 ("**First Addendum**"); and
- ii. the affidavit dated January 9, 2020 bringing on record the Second Addendum to the Third Progress Report dated December 5, 2019 ("**Second Addendum**").

(The Third Report, the First Addendum and the Second Addendum are collectively referred to as the "**Resolution Framework**".)

3. The present Affidavit is being filed to place before this Hon'ble Appellate Tribunal the update and progress made so far in the resolution process of the IL&FS Group entities by way of a Status Update Report. The Status Update Report sets out in detail *inter*

alia the following:

- (a) brief background on the Respondent No. 1 Group;
- (b) overview on the progress made so far in the resolution of the Respondent No. 1 Group,
- (c) key challenges in relation to the ongoing asset monetisation process, InvIT and ITPCL restructuring;



- (d) other key challenges being faced by the Respondent No. 1 Group, including in relation to pending litigations, disputes with shareholders; and
- (e) way forward for the ongoing resolution process, along with the estimated timeline for completion of the resolution process and list of entities that can be removed from the moratorium and the need for continuation of the moratorium for certain entities

The Status Update Report (updated as of September 30, 2024) is annexed herewith and marked as **Annexure - 1**.

4. The said Status Update Report is being filed in larger public interest as well as in furtherance of the mandate of the newly appointed directors of the IL&FS Group to ensure an orderly resolution of the IL&FS Group entities. It is humbly requested that the present Affidavit (along with the annexure thereto) be taken on record. IL&FS craves liberty of this Hon'ble Appellate Tribunal to further file such status update reports in respect of the resolution of the IL&FS Group.

Identified
M. Rao
I identified the deponent who has signed in my presence.

[Signature]
DEPONENT

28 OCT 2024

VERIFICATION

I, Nand Kishore, the deponent abovenamed, do hereby verify that the contents of paragraph nos. 1 to 4 above are true to the best of my knowledge and nothing material has been concealed therefrom.

Verified at New Delhi on this _____ day of October, 2024.

NOTARY
★
Debajyoti Behuria
Advocate
Regn. No. 19716
Period: 24/02/2020
to 24/02/2025
Central Delhi
★
GOVT. OF INDIA

I, *Nand Kishore*
Smt./Km.....
S/o, W/o, D/o.....
do.....
identified by Shri/Smt.....
has Solemnly affirmed before me at
New Delhi on..... as Si. No.....
That the Contents of the affidavit which have
been read & explained to him are true and
correct to this knowledge.

[Signature]
DEPONENT

28 OCT 2024
Notary Public



STATUS UPDATE REPORT

As of: September 30, 2024¹

¹ Also includes update on certain developments that have occurred post September 30, 2024

I. Glossary

| | |
|---|--|
| BAEL | Barwa Adda Expressway Limited |
| BKEL | Baleshwar Kharagpur Expressway Limited |
| CNTL | Chenani Nashri Tunnelway Limited |
| CoC | Committee of creditors/ Creditors' Committee, constituted in terms of the Resolution Framework |
| December 2022 Affidavit | Affidavit filed by Respondent No. 1 before the Hon'ble NCLAT on December 6, 2022 |
| Domestic Group Entities | Respondent No. 1 Group entities that are incorporated in India |
| EHEL | East Hyderabad Expressway Limited |
| February 2020 Affidavit | Affidavit filed by the Union of India (through the MCA) before the Hon'ble NCLAT on February 7, 2020 |
| GEC | General Executive Committee constituted by the New Board that superseded the Asset Sale Committee ("ASC") |
| GoJ | Government of Jharkhand |
| Hon'ble NCLT | Hon'ble National Company Law Tribunal, Mumbai Bench |
| Hon'ble Tribunal | Hon'ble National Company Law Appellate Tribunal, New Delhi |
| HREL | Hazaribagh Ranchi Expressway Limited |
| IBC | Insolvency and Bankruptcy Code, 2016 (as amended) |
| ICDI | IL&FS Cluster Development Initiative Limited |
| IDML | IMICL Dighi Maritime Limited |
| IECCL | IL&FS Engineering & Construction Company Limited |
| IEDCL | IL&FS Energy Development Company Limited |
| IFIN | IL&FS Financial Services Limited |
| IMICL | IL&FS Maritime Infrastructure Company Limited |
| Interim Distribution Application | Application filed before the Union of India before the Hon'ble NCLAT on January 28, 2022, being I.A. 586 of 2022 |
| InvIT | Infrastructure investment trust established by the Respondent No. 1 Group under extant SEBI regulations |
| InvIT SPVs | MBEL, SBHL, EHEL, BAEL, PSRDCL, HREL, and TRDCL |
| IL&FS | Infrastructure Leasing and Financial Services Ltd. |
| IPRWL | IL&FS Paradip Refinery Water Limited |
| ITNL | IL&FS Transportation Networks Limited |
| ITPCL | IL&FS Tamil Nadu Power Company Limited |
| January 2019 Affidavit | Affidavit filed by the Union of India (through the MCA) before the Hon'ble NCLAT on January 25, 2019 |
| January 2020 Affidavit | Affidavit filed by the Union of India (through the MCA) before the Hon'ble NCLAT on January 9, 2020 |

| | |
|---------------------------------------|--|
| JIICL | Jharkhand Infrastructure Implementation Company Limited |
| JRPICL | Jharkhand Road Projects Implementation Company Limited |
| KSFL | Karyavottam Sports Facilities Limited |
| MBEL | Moradabad Bareilly Expressway Limited |
| MCA | Ministry of Corporate Affairs |
| MSEZ | Mangalore SEZ Limited |
| New Board | Members of the board of Respondent No. 1, appointed by the Hon'ble NCLT <i>vide</i> orders dated October 1, 2018, October 3, 2018, December 21, 2018 and October 3, 2022 |
| NHAI | National Highways Authority of India |
| NHIDCL | National Highways & Infrastructure Development Corporation Limited |
| NTADCL | New Tirupur Area Development Corporation Limited |
| Offshore Group Entities | Respondent No. 1 Group entities that are incorporated in jurisdictions other than India |
| Original Petition | Company Petition No. 3638 of 2018 filed by the Union of India (through the MCA) filed before the Hon'ble NCLT |
| PSRDCL | Pune Sholapur Road Development Company Limited |
| Resolution Consultant | Alvarez & Marsal India Private Limited |
| Resolution Framework | The resolution framework submitted by Respondent No. 1 to the Union of India and filed by the Union of India (through the MCA) before the Hon'ble NCLAT <i>vide</i> the January 2019 Affidavit, the January 2020 Affidavit and the February 2020 Affidavit |
| Respondent No. 1 | Infrastructure Leasing & Financial Services Limited |
| Respondent No. 1 Group | Entities forming part of the Respondent No. 1 group |
| Revised Distribution Framework | The "Revised Distribution Framework" filed by Union of India (through the MCA) before the Hon'ble NCLAT <i>vide</i> the January 2020 Affidavit and the February 2020 Affidavit and approved by the Hon'ble NCLAT <i>vide</i> order dated March 12, 2020 |
| RIDCOR | Road Infrastructure Company of Rajasthan Limited |
| RMGL | Rapid Metro Rail Gurgaon Limited |
| RMGSL | Rapid Metro Rail Gurgaon South Limited |
| SBHL | Sikar Bikaner Highway Limited |
| SCOL | Sabarmati Capital One Limited |
| SSTL | Srinagar Sonamarg Tunnelway Limited |
| STAMP | Skill Training Assessment Management Partners Limited |
| TEL | Tierra Enviro Limited |
| TRDCL | Thiruvananthapuram Road Development Company Limited |
| TWIC | Tamil Nadu Water Investment Company Limited |

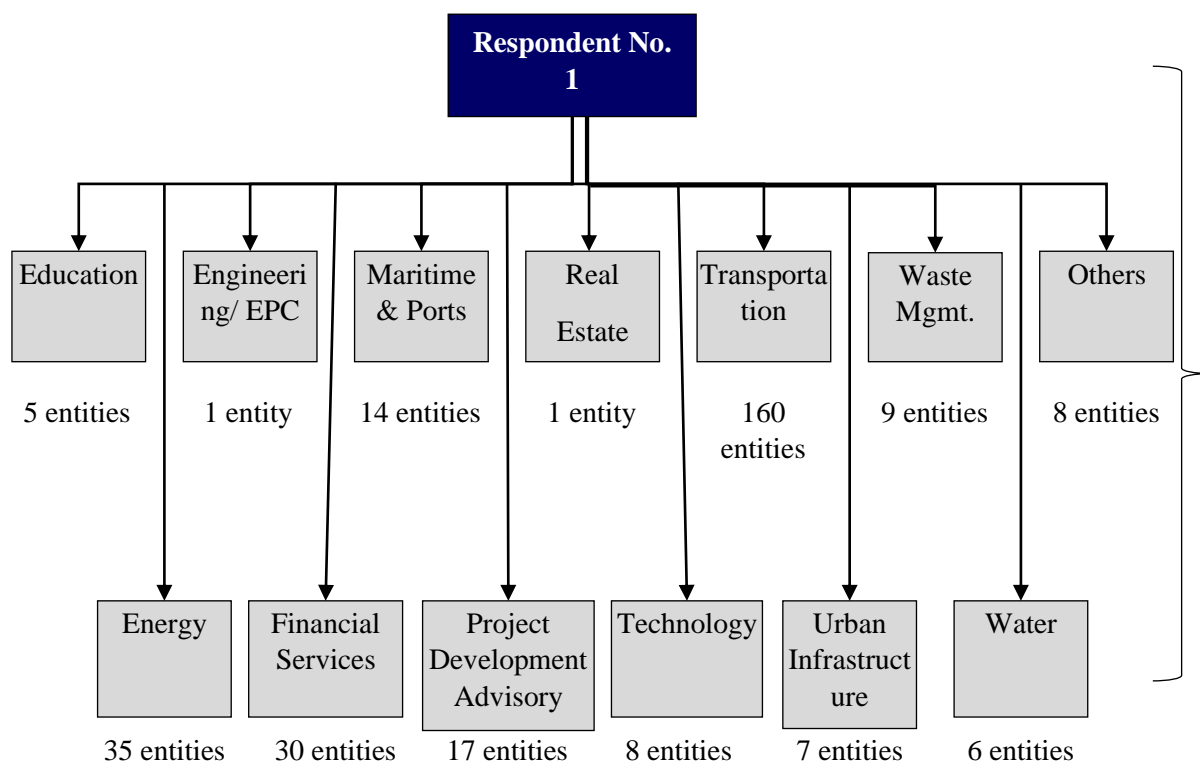
| | |
|-------------|---------------------------------|
| VPPL | Vejas Power Projects Limited |
| WGEL | West Gujarat Expressway Limited |

II. Introduction

1. For ease of reference, the present status update report has been divided as follows:
 - (i) brief background on the Respondent No. 1 Group;
 - (ii) overview on the progress made so far in the resolution of the Respondent No. 1 Group,
 - (iii) progress on certain ongoing asset monetisation processes, InvIT, ITPCL restructuring and a list of key challenges (where relevant) that are being faced by Respondent No. 1 Group;
 - (iv) other key challenges being faced by the Respondent No. 1 Group, including in relation to pending litigations, disputes with shareholders; and
 - (v) way forward for the ongoing resolution process, along with the estimated timeline for completion of the resolution process and list of entities that can be removed from the moratorium and the need for continuation of the moratorium for certain entities.

III. Brief Background

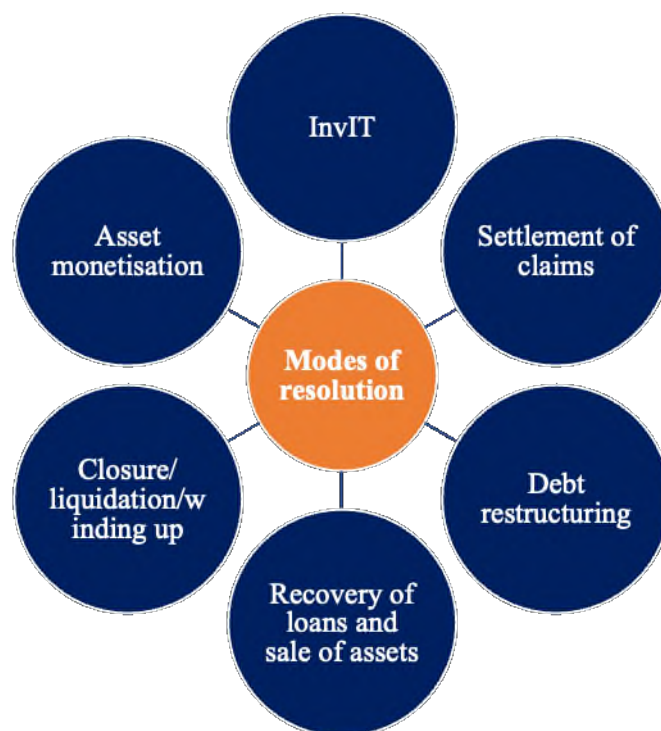
2. Respondent No. 1 is a systematically important non-banking finance company and a core investment company, registered with the Reserve Bank of India. The Respondent No. 1 Group, as of October 15, 2018, comprised of 302 entities, of which 169 entities are/were Domestic Group Entities, and the remaining 133 entities are/were Offshore Group Entities.
3. The systemic importance of the Respondent No. 1 Group was highlighted in the Original Petition. It was stated that the Respondent No. 1 Group is significant to financial markets because the majority of the debt obligations of Respondent No. 1 Group, an amount of INR 57,000 crores out of the INR 91,000 crores (estimated at the time of the Original Petition), is from the public sector banks and institutions and that the majority of the capital invested in Respondent No. 1 is by public financial institutions like the Life Insurance Corporation of India, State Bank of India, Central Bank of India etc.
4. The operations of the Respondent No. 1 Group were conducted through a complex maze of various direct and indirect holding companies, subsidiaries, associate companies as well as unincorporated entities (including where the Respondent No. 1 Group has non-controlling stakes), which is further complicated by a multi-layered structure. The Respondent No. 1 Group's structure was as follows when the New Board took charge:



5. The Respondent No. 1 Group, as of **October 8, 2018**, had availed aggregate external fund based debt of **INR 94,215 crores** (“**Aggregate External Fund Based Debt**”) (out of the total external debt outstanding of **INR 99,355 crores**), out of which **INR 48,000 crores** (i.e. almost 51% of the aggregate external fund based debt of the entire Respondent No. 1 Group) was availed by 4 key holding companies (i.e., Respondent No. 1 viz. Respondent No. 1, IFIN, ITNL and IEDCL. As set out in the February 2020 Affidavit, a significant amount of borrowings raised by the 4 key holding companies of the Respondent No. 1 Group (which account for almost 51% of the Aggregate External Fund Based Debt of the entire Respondent No. 1 Group) have been on-lent to other members of the Respondent No. 1 Group to help in financing the generation of assets and viable businesses, without which the creditors of the special purpose vehicles/ operating level companies also would not have been serviced fully.

IV. Progress made in the Resolution Process – Overview

6. The following modes of resolution are being undertaken by the New Board for resolution of the Respondent No. 1 Group, by following a multi-pronged approach:



7. The New Board was tasked with resolving the Respondent No. 1 Group, and on account of the various measures undertaken by it, the overall debt resolution across the Respondent No. 1 Group is estimated to reach approximately INR 61,000 crores, which aggregates to approximately **61.39%** of the total external debt outstanding of **INR 99,355 crores**.
8. As on September 30, 2024, the total debt discharged to creditors of the Respondent No. 1 Group aggregates to **INR 38,082 crores**.

INR In Crs.

| | | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 (as on 30 th Sep 2024) |
|-----------|---|---------------|---------------|---------------|--|
| A1 | Debt discharged to creditors | 20,968 | 28,926 | 37,104 | 38,082 |
| (i) | <i>Monetization/ termination</i> | 16,389 | 17,894 | 20,289 | 20,289 |
| (ii) | <i>Auto debits, green entity principal servicing, NFB release</i> | 4,579 | 5,036 | 7,245 | 8,140 |
| (iii) | <i>Interim distribution (FB)</i> | - | 5,996 | 9,570 | 9,653 |

The term “debt discharged to creditors” can be further categorised into the following:

(i) **Debt resolved through monetisation and termination:**

(a) This entails the following:

- (I) where a Category 1 bid (i.e. where equity value is attributed by the H1 bidder) is received from the H1 bidder in terms of the Resolution Framework, the debt of a Respondent No. 1 Group entity is taken over by the H1 bidder pursuant to sale of the relevant Respondent No. 1 Group entity;
- (II) where a Category 2 bid (i.e. where no equity value is attributed by the H1 bidder) is received from the H1 bidder in terms of the Resolution Framework, the debt of a Respondent No. 1 Group entity is **discharged**

pursuant to distribution of the bid process to the creditors of such Respondent No. 1 Group entity in accordance with the Revised Distribution Framework;

(III) where the concession agreement/ contract entered into by the relevant Respondent No. 1 Group entity is terminated/ settled, the termination payments/ settlement payments received by the relevant Respondent No. 1 Group entity from the concessioning authority (for example – NHAI)/ counterparty to the relevant contract. Such termination/ settlement amounts are subsequently distributed to the creditors of such Respondent No. 1 Group entity in accordance with the Revised Distribution Framework towards discharge of the debt owed by such Respondent No. 1 Group entity.

(b) As on September 30, 2024, the debt resolved through such monetisation and termination measures aggregates to **INR 20,289 crores**.

(ii) **Debt discharged and release of fund based and non-fund based limits:**

Since the New Board took charge, the New Board has been engaged in termination/ cancellation of the non-fund based limits availed by the Respondent No. 1 Group entities, pursuant to release/ termination/ cancellation of the relevant bank guarantees or letters of credits issued by such Respondent No. 1 Group entities from these non-fund based limits. These efforts (along with discharge of fund based debt) have resulted in debt resolution of approximately **INR 8,140 crores**

(iii) **Debt discharged by way of interim distribution**

(a) On January 28, 2022, the Union of India filed the Interim Distribution Application, seeking *inter alia* a relief to permit and approve a proposal for interim distribution (the process for which was set out in the Interim Distribution Application) of the cash and InvIT units in Domestic Group Entities. Subsequently, after hearing objections and considering their replies, *vide* orders dated May 31, 2022, July 6, 2022, January 19, 2023, February 13, 2023 and April 26, 2023, the Hon'ble NCLAT approved the application for interim distribution for certain Domestic Group Entities. Further, *vide* orders dated January 19, 2023 and order dated February 13, 2023, the Hon'ble NCLAT permitted interim distribution for all Respondent No. 1 Group entities.

(b) Subsequently, as on September 30, 2024, the interim distribution for RMGL for an amount of INR 636 crores, RMGSL for an amount of INR 1,273 crores, IFIN for an amount of INR 4,007 crores (Phase 1 + Phase 2 distributions), CNTL for an amount of INR 920 crores, IMICL for an amount of INR 160 crores, IEDCL for an amount of INR 874 crores (Phase 1 + Phase 2 distributions), IWEL for an amount of INR 650 crores, MPBCDCL for an amount of INR 415 crores (Phase 1 + Phase 2 distributions), ITNL for an amount of INR 796 crores and IL&FS for an amount of INR 810 crores has successfully been completed, after following the procedure approved by the Hon'ble NCLAT *vide* order dated May 31, 2022.

(c) Accordingly, as on September 30, 2024, the total debt discharged by way of interim distribution aggregated to INR 11,045 crores, out of which **INR 9,653 crores** has been discharged to external financial creditors.

- (d) In this backdrop, a brief snapshot on the interim distribution status for the Respondent No. 1 Group as on date is stated hereinbelow:

All amounts in INR crores

| Sr. No | Entity | Cash distributed till September 30, 2024 (External Creditors) | Cash distributed till September 30, 2024 (IL&FS Group Creditors) |
|--------|-----------------------------------|---|--|
| 1 | RMGL | 623 | 13 |
| 2 | RMGSL | 1,252 | 21 |
| 3 | IFIN (Ph 1+Ph 2 ¹) | 4,007 | - |
| 4 | RBEL (Ph 1 + Ph 2) | - | 52 |
| 5 | ICDI (Ph 1 + Ph 2) | - | 26 |
| 6 | STAMP (Ph 1 + Ph 2) | - | 47 |
| 7 | VPPL (Ph 1 + Ph 2) | - | 100 |
| 8 | CNTL | 920 | - |
| 9 | IDML | - | 86 |
| 10 | IMICL | 145 | 15 |
| 11 | IEDCL (Ph 1 + Ph 2) | 587 | 287 |
| 12 | IWEL | 253 | 397 |
| 13 | IL&FS | 810 | - |
| 14 | ITNL | 614 | 182 |
| 15 | MPBCDCL (Ph 1 + Ph 2) | 388 | 27 |
| 16 | EHEL | - | 35 |
| 17 | EMSL | 35 | 13 |
| 18 | TEL | - | 8 |
| 19 | IAL | - | 41 |
| 20 | SCOL | 17 | 44 |
| | Total | 9,653 | 1,392 |

9. In addition to the debt discharged to creditors (as set out in paragraph 8 above), the following progress has been made in the ongoing resolution process for the Respondent No. 1 Group:

- (i) **Cash and InvIT units**

As on September 30, 2024:

- (a) the cash balances across the Respondent No. 1 Group aggregates to **INR 10,873 crores** of which cash available for interim/ final distribution is **INR 1,913 crores**, cash held for going concern expenses, contingent and external routed claims is **INR 1,395 crores** and the balance cash of **INR 7,566 crores** is available in entities undergoing resolution (either filed or to be filed with courts).
- (b) Such cash includes the cash accumulated across Respondent No. 1 and its group entities owing to multiple factors, such as loan recoveries, business operations, amounts received by such entities pursuant to the resolution of another Respondent No. 1 Group entity;
- (c) the value of the InvIT units held by certain Respondent No. 1 Group entities aggregates to **INR 3,848 crores**. Such units have been received by the relevant Respondent No. 1 Group entities pursuant to transfer of certain InvIT SPVs to the InvIT, details of which are set out in paragraph 14.1 below.
- (ii) **Application approved by courts; pending closure**
- (a) In terms of the Resolution Framework, approval of the Hon'ble NCLT is required to be obtained prior to consummation of the resolution proposal/ mechanism identified for the relevant Domestic Group Entities. In respect of Offshore Group Entities, the Hon'ble NCLT is required to take on record the approval received by Justice (Retd.) D.K. Jain. Accordingly, various applications have been filed (and approved) before the Hon'ble NCLT.
- (b) In certain cases where approval of the Hon'ble NCLT has been received, the consummation of the resolution of such Respondent No. 1 Group entity is pending on account of various factors such as conditions precedent to closing. Some of the challenges faced by the Respondent No. 1 Group in this regard are set out in this affidavit.
- (c) The resolution value in respect of such Respondent No. 1 Group entities (where the application has been approved/ taken on record by the Hon'ble NCLT, but where closing is yet to take place) aggregates to **INR 2,035 crores (net of cash and debt already discharged)**, as on September 30, 2024.
- (d) Additionally, in I.A. No. 5815 of 2023 filed by SBI seeking interim distribution of the monies lying in the Escrow Account of BKEL, the Hon'ble NCLAT, *vide* its order dated September 19, 2024, directed that 75% of the amount in the Escrow Account be distributed to the lenders, with the balance to be utilized for O&M and other payments. Despite this, SBI proceeded to auto-debit an amount of ₹264.33 crores from BKEL's Escrow Account on September 20, 2024, contrary to the NCLAT order, which specifically directed a distribution of funds and not unilateral debiting by any party. Consequently, BKEL/IL&FS has filed an appeal before the Hon'ble Supreme Court against this action, being Diary No. 44374 of 2024, which is currently pending hearing, and is listed for hearing before the Hon'ble Supreme Court on November 4, 2024².

² Update post 31.09.2024.

(iii) **Applications filed with courts: pending approvals from courts**

Similarly, certain applications filed before the Hon'ble NCLT continue to be pending for approval/ noting. The resolution value in respect of such Respondent No. 1 Group entities (where the application is yet to be approved/ taken on record by the Hon'ble NCLT) aggregates to **INR 319 crores (net of cash and debt already discharged)**, as on September 30, 2024.

10. Additionally, it is pertinent to note that “Green” entities in the Respondent No. 1 Group have serviced/ been servicing their debt obligations in full, in terms of the order passed by the Hon'ble NCLAT on February 11, 2019. The debt to be serviced by such “Green” entities aggregates to **INR 2,865³ crores**.
11. Set out below is a brief snapshot on the progress made in terms of entity resolution till September 30, 2024:

| Domicile | Total | Fully resolved (A) | Approved by courts; pending transaction closure (B) | Applications filed with courts pending approvals (C) | Entities resolved basis court filings (A) + (B) + (C) | Entities remaining to be filed |
|----------|-------|--------------------|---|--|---|--------------------------------|
| Domestic | 169 | 63 | 3 | 21 | 87 | 82 |
| Offshore | 133 | 126 | - | - | 126 | 7 |
| Total | 302 | 189 | 3 | 21 | 213 | 89 |

12. Asset Monetisation

Set out below are details of progress made in relation to certain monetization/resolution initiatives undertaken by the Respondent No. 1 Group, and a list of key challenges that are being faced by the Respondent No. 1 Group.

12.1. **BKEL, JRPICL and JIICL**

- (i) Baleshwar Kharagpur Expressway Ltd (“**BKEL**”), Jharkhand Infrastructure Implementation Company Ltd (“**JIICL**”) and Jharkhand Road Projects Implementation Company Ltd (“**JRPICL**”) are all road assets and special purpose vehicles (“**SPVs**”) of ITNL, with ITNL holding equity stakes of 100%, 100% and 93.43% in BKEL, JIICL and JRPICL respectively. The balance 6.57% equity stake in JRPICL is held by IL&FS;
- (ii) The Boards of IL&FS and ITNL, in November 2023 (due to continued challenges and/or due to material change in viability, in transferring these entities to InvIT), approved the monetisation of IL&FS Group’s entire equity stake in BKEL, JIICL and JRPICL through a public sale process, as a means for resolution of these three SPVs.

³ Solvency reclassification of JRPICL to “Red” has been filed with NCLAT and is pending approval.

Further, the Boards of BKEL, JIICL and JRPICL, in November 2023, took on record the initiation of the public sale process for resolution of the respective entities. IL&FS has appointed a Financial and Transaction Advisor, Kroll, for the sale transactions;

- (iii) Expression of Interests (“EOI”) were invited from interested parties for participating in the three public sale processes, vide advertisement dated December 27, 2023. The last date for receipt of EOI was February 6, 2024. 22 EOIs were received for the BKEL public sale process, 20 EOIs were received for the JIICL public sale process and 18 EOIs were received for the JRPICL public sale process;
- (iv) The EOIs were reviewed by IL&FS’s legal counsel and Kroll and post curing of the EOIs, access of the Virtual Data Room for each of the three SPVs was provided to the applicants. Currently, the applicants are conducting their due diligence of these assets. The Request for Proposal (“RFP”) for each of the three SPVs and other transaction documents have been uploaded on the VDR. The bid due dates for the three SPVs are currently scheduled for November 22, 2024.

12.2. CNTL

- (i) Pursuant to receipt of binding bid(s) under a publicly solicited bid process for sale of Respondent No. 1 Group’s shareholding in CNTL and receipt of the requisite approvals (such as that of the New Board, the CoC and Justice (Retd.) D.K. Jain), a share purchase agreement was executed between *inter alia* ITNL and the H1 bidder (i.e. Cube Highways and Infrastructure II Pte. Limited) (“Cube”) on December 10, 2020 (“CNTL SPA”), post which an application was filed before the Hon’ble NCLT on December 19, 2020 (“CNTL Sale Application”) seeking approval for consummation of the sale of CNTL to Cube. Certain disputes subsequently arose between the parties in relation to the validity of the CNTL SPA, resulting in disputes before the Hon’ble High Court of Bombay and the Hon’ble NCLT.
- (ii) In June 2022, in order to find an amicable resolution to the sale transactions, Cube approached Respondent No. 1 Group with revised, enhanced and conditional bids. Respondent No. 1 Group and Cube, without prejudice to their stand *qua* the initial bid(s), had engaged in amicable discussions and ironing out the conditionalities associated with the respective enhanced conditional bids. Respondent No. 1 and Cube had not been able to arrive at a consensus on all aspects of the transaction inspite of engaging for 4-5 months on arriving at an amicable settlement. In context of the above, the New Board resolved to proceed with the alternative option of transfer of CNTL to the InvIT for resolution of CNTL and restructuring of its debt subsequent to the transfer to InvIT. However, this proposal for the resolution of CNTL was subject to the outcome of pending legal proceedings.
- (iii) Subsequently, additional affidavits were filed by IL&FS before the Hon’ble NCLT to place on record *inter alia* the following:
 - (a) affidavit dated April 18, 2022 placing on record the approval of the creditors’ committee of CNTL (the “CNTL CoC”) on December 8, 2021, by a majority of 69.59% by value, for the proposal for restructuring the debt of CNTL, subject to and conditional upon the entire shareholding in CNTL held by the Respondent No. 1 Group being transferred to the InvIT;
 - (b) affidavit dated April 3, 2023 setting out the interim distribution of an amount aggregating to INR 920 crores to creditors of CNTL after following the procedure approved by the Hon’ble NCLAT *vide* order dated May 31, 2022.

- (iv) In September 2023, Cube again approached IL&FS for an amicable settlement of disputes and submitted a revised non-binding conditional offer with an indicative break up of Lump Sum (LS) Consideration and as interest payment to external lenders. The IL&FS Board, vide circular resolution dated October 3, 2023, accepted the revised non-binding conditional bid offered by Cube and *inter alia* permitted Cube to proceed conducting due diligence to enable it to submit a binding bid.
- (v) Thereafter, Cube submitted a revised binding bid for CNTL (“**Binding Offer**”) in February 2024.
- (vi) The Boards of IL&FS, ITNL and CNTL approved Cube’s Binding Offer in February 2024. Acceptance of Cube’s Binding Offer was communicated to Cube and thereafter the CNTL CoC was informed about the receipt of the Binding Offer from Cube and acceptance of its same by the IL&FS Group.
- (vii) Subsequently, the meeting of the CNTL CoC took place on March 22, 2024. The voting window was opened on April 5, 2024 and closed on May 7, 2024 with 98.29% (ninety eight point two nine per cent) of the members of the CNTL COC approving change in capital structure and control of CNTL in favour of Cube and/ or its affiliate, in accordance with the terms of the Restated CNTL SPA. The Binding Offer was submitted for Justice (Retd.) D.K. Jain’s consideration and approval vide memoranda dated May 15, 2024 which was followed up with clarifications in the form of additional submissions and memoranda, as desired by Justice Jain. By a letter dated August 4 2024, Justice (Retd.) D.K. Jain has *inter alia* while according his approval for Cube’s Binding Offer, made certain observations in relation to the payment of interest only to external CNTL lenders. However, Justice Jain has provided the IL&FS Board the option to go ahead with the transaction with Cube, in case the Board was of the opinion that revival of negotiations with Cube would be time consuming and would delay the entire resolution process of CNTL, subject to the final approval of the Hon’ble NCLT. The observations made by Justice Jain in his approval were shared with Cube with a request to modify their bid basis Justice Jain’s observations. Cube reverted, *inter alia*, stating that any change in terms of the offer resulting in change in recovery to the external CNTL lenders would require approval of the CNTL COC which would cause a further delay in closure of the transaction and requested the IL&FS Board to exercise the discretion granted by Justice Jain to go ahead with the transaction and approach the NCLT for its approval. The IL&FS Board, in its meeting held in September 2024, approved the proposal for approaching the NCLT for its approval of the proposed transaction with Cube. IL&FS is in the process of filing the necessary affidavit with the NCLT.
- (viii) The CNTL Sale Application along with the applications filed by Cube Highways are now scheduled to be listed before the Hon’ble NCLT on November 29, 2024.⁴

12.3. KSFL

- (i) Pursuant to receipt of binding bid(s) under a publicly solicited bid process in 2019 for sale of ITNL’s shareholding in KSFL to a consortium led by Premier International (“**Premier**”) and receipt of the requisite approvals (such as that of the New Board, the CoC), an application was filed with Justice (Retd.) D.K. Jain in November 2020, for approval of the sale of shares held by ITNL in KSFL.

⁴ Update post September 30, 2024.

- (ii) 2 bids were received in the public bid process. The H1 bid was provided by Premier. In January 2020 and June 2020, applications were filed by the H2 bidder before the Hon'ble NCLT alleging that the sale process was not run in a fair manner by IL&FS. Justice (Retd.) D.K Jain was also made a respondent to these applications ("**Braavos Applications**").
- (iii) In view of the above, Justice (Retd.) D.K Jain did not approve the transaction for sale of KSFL to the H1 bidder and further indicated that he would withhold his approval till the Hon'ble NCLT provided its decision on the Braavos Applications. After various submissions to Justice (Retd.) D.K Jain, in May 2021, Justice (Retd.) D.K Jain indicated that his approval was not required for going to the Hon'ble NCLT and Respondent No. 1 could go ahead if it so desired.
- (iv) Accordingly, IL&FS filed an application on July 15, 2021 before the Hon'ble NCLT seeking approval for consummation of the sale of KSFL to Premier ("**KSFL Sale Application**").
- (v) The NCLT, in its hearing on May 3, 2023, dismissed the Bravos Applications in view of the withdrawal of the applications by Braavos and directed IL&FS to place the KSFL Sale Application before Justice (Retd.) D.K. Jain for seeking his approval.
- (vi) The draft SPA, agreed to with Premier in August 2020 was simplified by modifying certain clauses for expeditious closure and sent to Premier for its acceptance in June 2023.
- (vii) Subsequently, Premier approached IL&FS with a request for reduction in the bid value inter alia for the delay in closure of the transaction thereby affecting the business dynamics and returns from the project vis-à-vis the bid submitted by Premier. After deliberations at the GEC and IL&FS Board in their respective meetings in June 2023, it was agreed to place the revised bid, which was revised downward to its original value, before the CoC for its consideration.
- (viii) On account of the lenders of KSFL expressing their concern with respect to the downward revision of Premier's bid, Premier agreed to re-instating its original bid having a value of INR 175 crores as well as agreeing to sharing 50% of additional annuities with IL&FS (as was originally contemplated).
- (ix) In view of the above development, the New Board in its meeting held in August, 2023, decided to approach the CoC for providing an update on the KSFL resolution and the revised draft of the SPA. Accordingly, a meeting of the KSFL CoC was convened on October 4, 2024, to update KSFL CoC of the development on the sale / resolution process of KSFL.
- (x) Thereafter, IL&FS filed an application dated November 21, 2023 with Hon'ble Justice D.K. Jain (Retd.) for his approval for the sale/ resolution of KSFL which was granted *vide* his letter dated December 14, 2023, and IL&FS thereafter issued a letter of intent dated December 21, 2023, to the bidder. Premier communicated its acceptance of the LoI on January 8, 2024. Premier submitted the requisite Performance Bank Guarantees aggregating Rs 3 crores by February 20, 2024. The Restated SPA was executed on February 27, 2024.
- (xi) IL&FS has also filed a further affidavit dated March 7, 2024 before the NCLT, Mumbai in CA 209 of 2021 placing on *record inter alia* the approval of Justice

(Retd.) D.K. Jain. The KSFL Sale Application has been approved by the Hon'ble NCLT by an order dated June 4, 2024 (as modified by an order dated July 9, 2024).

- (xii) Pursuant to the letter dated June 21, 2024 sent to the Authority, Government of Kerala, seeking a joint meeting between IL&FS and Government of Kerala (GoK) to discuss the way forward on the proposed sale transaction, a meeting was held on August 14, 2024 between IL&FS and GoK. In the aforesaid meeting, the GoK *inter alia* proposed to take over the project and forwarded minutes of aforesaid meeting. IL&FS proposes to respond to the same shortly. In the interim, Premier was updated on the aforesaid discussions with the GoK when Premier indicated that it would approach Courts against the decision taken by the GoK. Basis the decision taken at the IL&FS Board meeting held on August 28, 2024, Premier was advised to resolve the matter of the proposed takeover of the facility by the GoK.
- (xiii) Premier has filed a Writ Petition before the Hon'ble Kerala High Court (being WP (C) No. 31370 of 2024). The Hon'ble Kerala High Court has *vide* interim order dated September 5, 2024 stayed the decision of GoK to take over the project. IL&FS has filed a response to the Writ Petition supporting the Writ Petition to the extent that it aids in consummation of the proposed transaction with Premier. On the last date of hearing, i.e. October 9, 2024, the Hon'ble Kerala High Court directed the GoK to file a counter to the Writ Petition and extended the interim order for a period of two months. The matter is next listed for hearing on December 6, 2024.⁵

12.4. MSEZ

- (i) Certain shareholders of MSEZ had invoked the provisions of the existing shareholders' agreement to acquire Respondent No. 1 Group's stake in this entity at a discount to fair market value. This was subsequently referred by the Hon'ble NCLAT to Justice (Retd.) D.K. Jain. Justice (Retd.) D.K. Jain, *vide* his order dated December 12, 2019, has directed to follow the provisions of the shareholders agreement.
- (ii) IL&FS issued a right of first refusal notice based on the average of the valuation reports provided by independent valuers (prepared basis projections provided by the management of MSEZ). IL&FS also proposed a process for sale of its shareholding (49.99%) in MSEZ to ONGC, in accordance with the Resolution Framework and the existing shareholders' agreement ("SHA"), and sought confirmation from ONGC on the price per share of MSEZ.
- (iii) Pursuant to a couple of iterations, , ONGC issued a letter informing ONGC Board's approval for acquisition of 23.04% stake of IL&FS in MSEZ under the ROFR provisions pursuant to Clause 9.3 of the SHA and had also made a stock exchange filing on April 9, 2023 to this effect
- (iv) IL&FS, thereafter, received a letter from GAIL (India) Limited ("GAIL") dated May 18, 2023, indicating that GAIL would be interested in acquiring the remaining 26.96% of IL&FS's equity stake in MSEZ at the share price agreed between IL&FS and ONGC and on the same terms and conditions as offered to ONGC. The GEC approval followed by IL&FS Board approval was received on June 5, 2023 for the proposed sale of 49.99% of the equity stake held by IL&FS in MSEZ to ONGC

⁵ Update post September 30, 2024.

(23.04%) and GAIL (26.96%) respectively, at a price of INR 35 per equity share. However, the GAIL transaction could not be progressed due to breakdown in negotiations between ONGC and GAIL regarding passing on certain voting rights to GAIL. In view thereof, GEC decided to annul ONGC GAIL Transaction

- (v) Pursuant to issuance of a fresh RoFR letter dated February 19, 2024 by IL&FS, under the provisions of Clause 9.3 of the SHA (**subsequent RoFR Notice**), ONGC responded vide letter dated March 13, 2024 that ONGC, along with its affiliate MRPL, would be acquiring all of IL&FS stake in MSEZ, for a total consideration of INR 87,50,00,000/- (Indian Rupees Eighty Seven Crores and Fifty Lakhs only)
- (vi) Thereafter, ONGC's offer was evaluated by IL&FS Board at its meeting on March 13, 2024 and IL&FS board decided to proceed with the Proposed Transaction and to conclude the Proposed Transaction including obtaining the relevant approvals as per IL&FS Resolution Framework. This was communicated to ONGC on March 15, 2024 and their ROFR acceptance letter was received on April 1, 2024 followed by board resolution approving acquisition of IL&FS' Stake in MSEZ.
- (vii) On March 22, 2024, MRPL made a stock exchange filing indicating their board approval for acquisition 26.96% equity shares of MSEZ from IL&FS
- (viii) Pursuant to receipt of IL&FS Board approval vide Circular Resolution dated April 18, 2024 to proceed with the transaction at a sale value of INR 87,50,00,000/- (Indian Rupees Eighty Seven Crores and Fifty Lakhs only) (determined in accordance with the valuation mechanism prescribed under the SHA, and as determined through the Valuation Reports provided by RBSA and PwC ("Valuers"); without obtaining a performance guarantee from ONGC and MRPL (as the Proposed Transaction is under the relevant provisions of the SHA, and both ONGC and MRPL are public sector enterprises), COC Meeting was held on May 2, 2024. Based on the feedback received from the lenders and the outcome of CoC voting, the requisite percentage (for approval of the transaction) could not be attained due to a relatively dated valuation of the Sale Shares.
- (ix) As advised by GEC and IL&FS Board, a letter was sent to ONGC and other shareholders on August 29, 2024 seeking formal confirmation to initiate requisite steps, as required under the relevant clause(s) of SHA, for undertaking fresh valuation process as on September 30, 2024 and ONGC's confirmation for their continued interest in the transaction as per provisions of the SHA.
- (x) ONGC, vide email dated September 5, 2024 has consented to the appointment of the valuers (RBSA and PWC) and confirmed their continued intent to exercise the right of first refusal, under Clause 9.3 of the SHA, to acquire all but not less than all of the Sale Shares. Valuers have been appointed and valuation process is underway

13. Key Challenges

Set out below are details of the key challenges that are being faced by the Respondent No. 1 Group in the resolution of 5 Domestic Group Entities:

13.1. IECCL

- (i) The resolution of IECCL through sale of Respondent No. 1 Group's entire equity stake (42.25%) in IECCL ("**IECCL Transaction**") commenced in October 2020 through launch of a public bid process. 10 expressions of interest were received, including an expression of interest from key management personnel of IECCL ("**IECCL Management**"). After running the public bid process twice over a period of around 8 months, no bids were received and hence IL&FS decided to terminate the public bid process. In view of the interest evinced by IECCL Management in the resolution of IECCL, a swiss challenge process was launched with the initial bidder being a consortium comprising Almas Global Opportunity Fund ("**Almas**"), IECCL Management and Markolines Pavement Technologies Ltd ("**Consortium**"). The binding bid submitted by the Consortium is approximately 27% of the average liquidation value of IECCL, computed by independent valuers.
- (ii) In view of the low bid value, the New Board directed the Resolution Consultant to advise on the way forward for IECCL resolution. As per the analysis presented by the Resolution Consultant to the New Board, Respondent No. 1 had two options – to either continue with the ongoing sale process under the Swiss Challenge Method or file for insolvency of IECCL under Section 7 of the IBC. As per the Resolution Consultant, the preferred option for Respondent No. 1 would be to continue with the ongoing swiss challenge process given higher potential for recovery by the lenders and quicker completion of resolution. Basis the recommendation of the Resolution Consultant, the New Board approved the bid submitted by the Consortium as the initial bid.
- (iii) Subsequently, a counter-bid process was launched in April 2022 in which Roadway Solutions India Infra Limited was the only counter-bidder. On the bid due date, Roadway Solutions India Infra Limited did not submit a responsive bid in terms of the request for proposal issued for the IECCL Transaction. Hence, the Consortium was chosen as the H1 bidder and the bid submitted by it as the highest bid.
- (iv) In the IECCL CoC, Respondent No. 1 Group companies have a voting share of approximately 66.3%. As per the distribution working prepared by the Resolution Consultant, Respondent No. 1 Group would be entitled to receive approximately INR 2 crores from the H1 bid value. The highest bid was presented to the IECCL CoC in November 2022. The e-voting window for the IECCL CoC was opened on February 2, 2023.
- (v) ICICI Bank, on behalf of the consortium of lenders of IECCL, expressed concerns of the external lenders to Justice (Retd.) D.K. Jain against the IECCL resolution process conducted by IL&FS and the bid submitted by the Consortium. ICICI Bank also has filed an application (I.A. No. 31 of 2023) before with the Hon'ble NCLT requesting it to set aside the plan for IECCL resolution proposed by IL&FS and to direct for re-starting the resolution process. The main issues of the consortium of lenders of IECCL were: (a) the bid value was significantly lower than the average liquidation value as well as the cash with IECCL; (b) Respondent No. 1 Group should not be allowed to vote in the IECCL CoC; and (c) while the lenders are required to take a significant haircut, non-IL&FS equity shareholders would benefit post resolution of IECCL. IL&FS filed its response in the Hon'ble NCLT in I.A. No. 31 of 2023 *inter alia* highlighting that the challenges raised therein were premature, since the sale/ resolution process of IECCL was still at the stage of CoC voting and since as per the Resolution Framework, approval of Justice (Retd.) D.K. Jain and thereafter the Hon'ble NCLT was required in order to conclude the sale/ resolution process of IECCL to the Consortium. The reliefs sought in the Application challenging the downward revision of ICICI Bank's admitted claims by the Claims Management

Consultant were rejected by the Hon'ble NCLT by an order dated May 15, 2024, and thereafter ICICI Bank has withdrawn I.A. No. 31 of 2023, as recorded by the Hon'ble NCLT in its order dated August 13, 2024 with liberty to approach the appropriate forum at the appropriate stage.

- (vi) Representatives from Respondent No. 1 met ICICI Bank officials on March 2, 2023, to address concerns of the lenders and to find a solution for resolution of IECCL. It was discussed that ICICI Bank along with other lenders would deliberate on the possible solutions and present these to Respondent No. 1. A joint lenders meeting was held on March 23, 2023 to discuss the way forward for resolution of IECCL. In the meeting, the lenders did not suggest any alternate solutions for resolution of IECCL nor did they put forth any demands for making the offer by the consortium acceptable to the lenders. At the request of the IECCL CoC members, the deadline for e-voting was extended up to June 30, 2023. The bid submitted by the consortium was expiring on June 30, 2023.
- (vii) Since the IECCL COC had not accepted the bid submitted by the consortium, prior to expiry of the e-voting window, IL&FS requested the consortium to extend validity of its bid. The consortium agreed for extension of its bid up to July 31, 2023 subject to IL&FS allowing it to interact directly with the external lenders of IECCL to convince them for accepting its offer. The GEC agreed to the consortium's condition and extended the e-voting window up to July 15, 2023.
- (viii) The consortium initiated a discussion with the external lenders of IECCL and presented to it an improved offer. Since the discussion between the external lenders and the consortium was still underway on the improved offer, the e-voting window was extended up to July 31, 2023. The consortium then submitted its final improved offer on July 24, 2023. As per the improved offer, in addition to the original bid, the Consortium has agreed to offer the following: (a) commitment to get released, bank guarantees amounting to INR 300 crore; in case it fails to do so, it shall pay an additional amount of 75% of the devolved bank guarantee; (b) commitment to share 10% of the Nagaland project arbitration award in access of INR 100 crore and subject to a maximum of INR 25 crore; and (c) commitment to offer up to 5% equity stake in IECCL against the undischarged liabilities subject to the consortium having at least 75% equity stake in IECCL on a post-issue basis. Further, the consortium has extended its bid validity up to December 31, 2023.
- (ix) On July 4, 2023, IL&FS became aware that the successful consortium for Pawan Hans Transaction (divestment of Government of India's stake in Pawan Hans) which *inter alia* included Almas, was disqualified from the transaction. IL&FS hence wrote a letter to Almas seeking clarifications on (a) whether Almas had been disqualified from Pawan Hans transaction; (b) whether any action had been initiated against Almas or its officials by any authority or government body and (c) whether Almas had been debarred or blacklisted from making investments in India. Almas responded to the letter mentioning that (a) it had not received any notice pertaining to disqualification from Pawan Hans transaction; (b) it was not aware of any action initiated against it or its officials and (c) it had not been debarred nor blacklisted from undertaking investments in India.
- (x) Post review of all the correspondences between Almas and IL&FS, various documents pertaining to the adverse NCLT order and subsequent NCLAT order and DIPAM notice on Pawan Hans disqualification, CAM has provided the following opinion on Almas' continued eligibility for IECCL Transaction to IL&FS Board:

- (a) Almas (being part of the Star 9 Mobility consortium which has been disqualified from Pawan Hans divestment) has not contravened any of the listed eligibility criteria for IECCL Transaction as per process note for IECCL Transaction and hence to that extent it remains eligible for IECCL Transaction. However, upon being questioned on the Pawan Hans disqualification by IL&FS, as per CAM's opinion, Almas has misrepresented facts in its responses to these questions (raised by IL&FS), which as per CAM's opinion forms a reasonable basis for attracting provisions of fraudulent practices as per provisions of the process note for IECCL Transaction; and
 - (b) CAM has further opined that “given the fact that the Central Government disqualified Star 9 Mobility with the approval of the Alternate Mechanism (duly empowered by Cabinet Committee on Economic Affairs) comprising of amongst others the Minister of Finance (who is also in charge of the Ministry of Corporate Affairs), if IL&FS still wishes to proceed with Almas as the Initial Bidder in the IECCL Transaction, it may consider seeking the views of the Ministry of Corporate Affairs in this regard”.
- (xi) The Boards of IL&FS, IFIN and IECCL, took the following decisions in September 2023:
- (a) Approval the Improved Offer provided by the Consortium for the IECCL Transaction and place the same before the IECCL COC for its approval; and
 - (b) In parallel, IL&FS to inform the Ministry of Corporate Affairs (“MCA”) about it continuing with the Consortium for the IECCL Transaction and the rationale for the same. It should also provide CAM’s opinion on the issue of Almas’ eligibility in light of its disqualification from the Pawan Hans Transaction, to the MCA.⁶
- (xii) As per the directions of IL&FS Board, a letter dated October 11, 2023 has been sent to the MCA informing about IL&FS engaging with Almas for the IECCL Transaction, along with CAM’s opinion on this issue. IL&FS has not received any response / communication from MCA post issuance of this letter.
- (xiii) In October 2023, external lenders of IECCL informed IL&FS that in an independent search carried out by them (through an external agency) on the eligibility of the Consortium members for IECCL Transaction under section 29A of the IBC, it was found that IEA Garrison LLP is ineligible. Subsequent to this, IL&FS held couple of rounds of discussions with the Consortium to find a solution to this issue. Post these discussions IEA Garrison informed IL&FS that it has decided to exit the Consortium. Subsequent to this, in December 2023, the Consortium provided necessary documents in relation to the change in composition of the Consortium. The Revised Consortium now comprises of Almas and Markolines. CAM reviewed the documents and found them to be in order. Subsequently, the Board of IL&FS in January 2024 approved the change in the composition of the Consortium.

⁶ As decided by the boards of IL&FS, IFIN and IECCL, IL&FS vide letter dated October 11, 2023 has informed the MCA regarding IL&FS continuing the IECCL Transaction with Almas led Consortium and have sought directions, if any, from the MCA

- (xiv) The 3rd meeting of the IECCL COC was held on February 5, 2024 for presenting the Improved Offer made by the Consortium. Subsequent to this, IECCL COC members raised several queries in relation to (a) the mechanics of the Improved Offer; (b) indicative distribution of the Improved Offer as per IL&FS Distribution Framework; and (c) eligibility of Howen (aka Almas) for the IECCL Transaction in view of its disqualification by DIPAM from the Pawan Hans Divestment. All queries raised have been responded to.
- (xv) The e-voting window for the IECCL COC to vote on the Improved Offer was opened on April 15, 2024 for 30 days, which was further extended to May 31, 2024. However, Howen, pursuant to further negotiations with certain external lenders of IECCL, submitted, prior to closing of voting on the Improved Offer, a Second Improved Offer on May 25, 2024 for IL&FS' consideration. In view of the receipt of the Second Improved Offer the voting on the Improved Offer was stopped.
- (xvi) The IL&FS Board in its meeting held on June 17, 2024 approved the Second Improved Offer made by the Consortium for the IECCL Transaction. Further, vide an email addressed to IL&FS Management, the external lenders of IECCL requested for a discussion with the Consortium on the Second Improved Offer made by the Consortium for IECCL Transaction. Hence, the IL&FS Board in the aforementioned meeting also approved any subsequent improved bid that the Consortium may provide for the IECCL Transaction. It also provided its approval for placing the Second Improved Offer and any subsequent improvements to it to the IECCL COC for its approval.
- (xvii) Negotiations continued between the external lenders of IECCL and the Consortium and after a couple of round of discussions, the Consortium vide letter dated July 7, 2024 provided the '**Third Improved Offer**'; valid up to August 14, 2024. As per the Third Improved Offer, the Consortium has offered the following in addition to that offered as part of the earlier offers: (a) shall offer to the IECCL lenders, 1 equity share of IECCL for every 15 shares of IECCL held by the Consortium, irrespective of the Consortium holding at least 75% post issue equity in IECCL; (b) the Consortium shall pay a minimum of INR 400 crore towards lump sum consideration (INR 295 crore) and devolved New BGs; and (c) the Lump Sum Consideration attributable towards Resolution Process Cost and Statutory Dues shall be compensated by the Consortium to the IECCL lenders.
- (xviii) The Third Improved Offer was approved by the GEC vide memo dated July 16, 2024. Further, basis the IL&FS Board approval received on June 17, 2024, the Third Improved Offer has been placed before the IECCL COC in the 4th meeting of the IECCL COC held on July 29, 2024. The e-voting window for voting on the Third Improved Offer has been opened on August 26, 2024 and is currently slated to be kept open till October 30, 2024. Further, the Consortium has extended the validity of its Third Improved Offer up to October 30, 2024
- (xix) Separately, IL&FS had filed before this Hon'ble Tribunal Application No. 5036 of 2023 *inter alia* seeking relief for capital write down of CAT II entities/entities that receive CAT II Bids. IL&FS filed an affidavit in the aforesaid application, *inter alia* clarifying that the relief sought are not in relation to the monetisation process currently being conducted for IECCL, including that any capital write down relief granted should not be applicable to the current monetisation process being conducted

for IECCL. ICICI Bank on behalf of the external lenders filed an application (being I.A. No. No. 3587 of 2024) *inter alia* seeking extension of capital write down relief, if granted, to the current monetisation process of IECCL. The same was opposed by IL&FS as well as the Consortium on account of the same possibly derailing the monetisation process for IECCL. The Hon'ble NCLAT *vide* order dated 26.09.2024 *inter alia* passed the following directions: (a) the resolution process of IECCL which commenced from 13.01.2021 needs to be completed irrespective of pendency of I.A. No. 5036 of 2023 and it is clarified that the prayers made in I.A. No. 5036 of 2023, IECCL shall be treated to be excluded; (b) it is clarified that the ICICI led lenders consortium shall be at liberty to press for its objection on the extinguishment of its debt for payment of 42.25% shareholding of IECCL in the ongoing resolution process. I.A. 5036 of 2023 is listed for hearing of objections filed by ICICI Bank and Maytas Estate Private Limited on November 22, 2024.

13.2. RIDCOR

- (i) RIDCOR is a 50:50 joint venture company between Respondent No. 1 and the Government of Rajasthan, which has been engaged in improvement and management of various state highways under partnership and development agreements entered into with the Government of Rajasthan on build operate transfer toll basis. It has under its management more than 1500 kms of state highways in Rajasthan which are all operational and toll is being collected from users of these stretches.
- (ii) RIDCOR is currently categorized as a “Red” entity and resolution of this entity is being evaluated for transfer to the InvIT subject to requisite approvals. In accordance therewith, Respondent No. 1 requested Government of Rajasthan for its approval to transfer its equity stake to the InvIT under the provisions of the share purchase agreement executed between Respondent No. 1 and Government of Rajasthan. In addition, it has been proposed to Government of Rajasthan that the InvIT may buy their 50% stake at the same value.
- (iii) Basis various deliberations with Government of Rajasthan, they have suggested running an independent public bid process to determine independent value of RIDCOR basis the bids received and suitable steps to be taken thereafter. Based on the approval received from the government, an evaluation committee consisting of 7 members has been formed (including 2 members from Respondent No. 1) and the public bid process has commenced with the appointment of legal and financial transaction advisors by RIDCOR.
- (iv) In June, 2023 Expression of Interest (EOI) was floated and ten (10) bidders have submitted their interests. All of them have been shortlisted by RIDCOR. Subsequently, VDR (Virtual Data Room) was opened for all the bidders. The due diligence is in progress for the shortlisted bidders. The Request for Proposal (RFP) is under finalisation by the Evaluation Committee and SBI Caps, which will subsequently be circulated to the bidders.
- (v) RIDCOR has a wholly owned subsidiary called RIDCOR Infra Projects Limited (“**RIPL**”) which is outside the resolution framework and moratorium approved by the NCLAT. RIPL is currently in default to its lenders and a debt restructuring plan has been submitted to the lenders which is under approval. RIPL had filed an application before the Hon'ble NCLAT *inter alia* praying to collapse transactions entered into between IFIN, RIDCOR and other IL&FS Group entities (“**IFIN-RIPL Transactions**”) (being I.A. No. 5058 of 2023). The New Board of IL&FS and the

board of IFIN have also approved the proposal received to collapse such loans of around Rs. 250 Crores. Accordingly, a Substitution Agreement dated 6.08.2024 was executed between IFIN, RIPL, Hill County Properties Ltd. (“**HCPL**”), IL&FS Airport Limited, and IECCL. The Hon’ble NCLAT *vide* order dated August 8, 2024 has taken the said Substitution Agreement on record and permitted the unwinding and collapse of the IFIN-RIPL Transactions and directed GT to recognise IFIN as the lender of HCPL in place of RIPL.

13.3. IPRWL

- (i) IPRWL, a 100% subsidiary of IL&FS, is a special purpose vehicle for transportation of water from the Mahanadi river at Cuttack to Paradip for the Paradip Refinery Project of Indian Oil Corporation Limited (“**IOCL**”). *Vide* contract dated January 29, 2010, IPRWL and IOCL set out the terms governing the project on a build-own-operate-transfer (“**BOOT**”) basis for a period of 25 years from the commercial operations date i.e. June 2014. In terms of the said contract, IL&FS must own at least 51% equity stake in IPRWL till the end of the contract period i.e. May 2039 and IOCL has the right to stake ownership for upto 49% of the share capital when offered on sale. Additionally, IOCL’s consent is required for (i) sale of IL&FS’ 51% or more equity stake and (ii) change in ownership and operational and management control of IPRWL.
- (ii) In October 2018, IL&FS had approached IOCL to ascertain its interest in acquiring IPRWL at a fair value, however, after consideration IOCL in year 2019 conveyed its inability to acquire 100% equity stake in IPRWL.
- (iii) Parallely, IL&FS had during August 2019 engaged with Morgan Stanley Investment Management Private Limited, for acquisition of IL&FS’s 100% equity stake in IPRWL. However due to continued absence of consent/waiver from IOCL *qua* the change in ownership and operational and management control of IPRWL, including clearance of the technical parameters for and/or the technical partner for the proposed bidder, this monetisation effort had to be aborted in or around September 2021.
- (iv) In November 2022, IL&FS received an email from Indian Oil Tanking Ltd. (“**IOTL**”) expressing preliminary interest in acquiring IL&FS 100% equity stake in IPRWL. IOCL has 49.38% in IOTL with the balance shareholding held by Adani Group (49.38%) and UTI Fund (1.24%). The New Board had approved bilateral discussions with IOTL subject to necessary waiver/consent.
- (v) IL&FS has requested upfront waivers from IOCL, in relation to prior consent requirements and pre-emptive rights of IOCL under the BOOT Agreement, RFP, conditions to contract and bid documents (including addendums and modifications), to engage with IOTL. However, IOCL’s revert is still awaited with respect to the way forward on the upfront waivers for bilateral discussions with IOTL.
- (vi) On account of IOCL failing to provide any response / grant its waiver despite several requests, IL&FS on May 24, 2023 filed an application before the Hon’ble NCLAT (being I.A. 2834 of 2023) *inter alia* seeking a direction to be issued to IOCL to either: (i) acquire 100% (one hundred percent) shareholding in IPRWL on an ‘as is where is basis’ at a fair valuation, or in the alternative; (ii) forthwith grant its consent/ waiver as per the terms of the BOOT Agreement and the RFP to enable IL&FS to sell its 100% shareholding to a successful bidder, per the process contemplated under the

Resolution Framework. The application is scheduled to be listed for hearing on November 22, 2024.⁷

13.4. SSTL Settlement

- (i) NHIDCL, the concessioning authority and SSTL have arrived at a settlement under the MoRTH Guidelines *qua* stuck projects in relation to the project which entailed construction, operation and maintenance of Z-Morh Tunnel including approaches on the Srinagar Sonmarg Gumri Road section National Highway No. 1. The settlement envisages a net settlement payment of INR 409.36 crores to SSTL. Implementation of the settlement is subject to receipt of approvals under the Resolution Framework. Currently this settlement proposal is pending consideration of Justice (Retd.) D.K. Jain.
- (ii) NHIDCL has provisionally insisted and continues to insist on withholding INR 122.48 Crores from the net settlement payment of INR 409.36 Crores, citing restrictions on the encashment of performance bank guarantees provided by ITNL for the Zojila tunnel EPC contract. This restriction stems from the order dated October 15, 2018, of the Hon'ble NCLAT. ITNL objects to this withholding, including the amount withheld, due to the projects' separate nature and the distinction between SSTL and ITNL as distinct corporate entities. Moreover, NHIDCL's insistence on withholding the INR 122.48 Crores persisted even after the extension of the performance bank guarantees, as mandated by the Hon'ble NCLAT's order dated December 20, 2022, in IA 1796 of 2020. The order instructed the guarantee issuing banks to extend the guarantees for another six months. However, in anticipation of an imminent settlement, ITNL/SSTL has been extending the bank guarantees periodically through mutual agreement and with the expectation of a prompt resolution. Further, SSTL and ITNL have proposed to NHIDCL to consider having only one security i.e. either hold the performance bank guarantees which would be extended from time to time or release the said guarantees and withhold cash from the settlement.
- (iii) As of January 31, 2023, all performance bank guarantees have been extended. NHIDCL is yet to respond to SSTL's request to lift the withholding of INR 122.48 crores from the settlement. Additionally, NHIDCL has filed another application, I.A. 5066 of 2023, seeking an extension of the aforementioned Bank Guarantees but the IA 5066 of 2023 would be deemed infructuous given that the performance bank guarantees are already active.
- (iv) Additionally, NHIDCL has written to SSTL to finalize the settlement with the ITNL sub-contractor, who was involved in the project, in accordance with the Resolution Framework. Based on discussions with the GEC (General Executive Committee of IL&FS) the ITNL sub-contractor has agreed to settle all dues against payment of a certain amount from the proposed settlement. Subject to the withholding/bank guarantee impasse getting addressed, SSTL/ITNL and subject to the eventual settlement terms being acceptable to SSTL/ITNL, SSTL/ITNL will be filing a supplementary memorandum before Justice (Retd.) D.K. Jain.
- (v) In the interim, I.A. 2919 of 2023 filed by IL&FS before the Hon'ble NCLAT *inter alia* seeking a direction to be issued against NHIDCL to grant its consent for the foreclosure of the SSTL project and to execute the Agreed Form Settlement

⁷ Update post September 30, 2024.

Agreement (subject to the approval of Hon'ble Justice (Retd.) D.K. Jain) without imposing any further conditions or insisting on any further deductions / withholding, is scheduled to be listed on November 22, 2024 before the Hon'ble NCLAT⁸.

- (vi) ITNL/SSTL have proposed a revisions to the draft settlement agreement and sent the revised draft to NHIDCL on September 16, 2022 incorporating changes to address the issue of double security by proposing to NHIDCL to either withhold Rs. 122.48 Cr from the settlement amount or retaining the current bank guarantees. Further, the draft also incorporated settlement with the EPC sub-contractor for settlement of their dues from the settlement amount. However, despite rigorous follow up from IL&FS side, NHIDCL is yet to revert on the proposed settlement.

13.5. TWIC and NTADCL

- (i) Government of Tamil Nadu (“GOTN”) has requested that stake of Respondent No. 1 in TWIC and NTADCL be sold to Tamil Nadu Infrastructure and Fund Management Corporation Limited (“TNIF”). Appointment of valuers had been undertaken for TWIC and NTADCL, and post receipt of the valuation report for TWIC and NTADCL, Respondent No. 1 had received a non-binding offer from TNIF for acquisition of Respondent No. 1’s stake in TWIC and NTADCL, which offer was negotiated, discussed, evaluated and subsequently accepted by Respondent No. 1. However, TNIF did not wish to proceed with this transaction and the process terminated in December 2021.
- (ii) Thereafter, in January 2022, GOTN informed Respondent No. 1 that it was interested in purchasing the shares held by Respondent No. 1 in TWIC only, and that GOTN would nominate Tamil Nadu Urban Finance & Infrastructure Development Corporation Limited, a GOTN undertaking functioning under the Department of Municipal Administration and Water Supply, for purchasing the shares. While Respondent No. 1 had requested GOTN to select an independent valuer which will be jointly appointed by Respondent No. 1 and GOTN/ nominee of GOTN, there has been no response from GOTN on the same.
- (iii) The New Board has noted specific provisions in the NTADCL and TWIC shareholder agreements that, amongst others, requires the consent of AIDQUA (an investor shareholder, who has litigated the validity of an approved corporate debt restructuring scheme of NTADCL, which matter is currently sub-judice before the Hon'ble Supreme Court). In the past, AIDQUA was approached to discuss the non-binding offer of TNIF, however, AIDQUA has briefly alleged that Respondent No. 1’s actions are not in a manner consistent with requirements of the various agreements and that Respondent No. 1 is attempting to side step the actions awaiting the judgement of the Hon'ble Supreme Court. Once the final judgement of the Hon'ble Supreme Court is pronounced, renewed efforts will be undertaken to resolve this deadlock and proceed towards finalisation of a transaction for sale of shares held by Respondent No. 1 in TWIC and NTADCL, which will be subject to the requisite approvals that are required to be obtained in terms of the Resolution Framework.
- (iv) With respect to the proceedings before the Hon'ble Supreme Court filed by AIDQUA (being Civil Appeal 6857 of 2018), AIDQUA vide Affidavit dated May 4, 2023 filed before the Hon'ble Supreme Court has stated its intention to exit NTADCL by either:
 - (i) selling its shares back to NTADCL by way of buy-back (or via cancelation of its

⁸ Update post September 30, 2024.

shares); or (ii) selling its shareholding to the other disputing shareholders of NTADCL in consideration of appropriate price based upon the terms of various contracts between AIDQUA, TWICL and/or NTADCL. For determining the appropriate price, AIDQUA has proposed the following 3 (three) valuation mechanisms:

- (a) **Valuation Mechanism 1:** Cost of capital at the rate of 10.9% compounded annually – purportedly equivalent to the rate that was applicable for debts provided by senior lenders of NTADCL prior to CDR, resulting in current valuation of AIDQUA’s shares at INR 709.19 crores;
 - (b) **Valuation Mechanism 2:** Cost of capital at the rate of 10.6% compounded annually – purportedly equivalent to the average compounded rate offered to various lenders whose debt was converted to equity, resulting in current valuation of AIDQUA’s shares at INR 678.69 crores;
 - (c) **Valuation Mechanism 3:** Cost of capital at the rate of 9.4% compounded annually - purportedly equivalent to the rate claimed by NTADCL from IL&FS in relation to deductions made by IL&FS in 2002, resulting in current valuation of AIDQUA’s shares at INR 539.45 crores.
- (v) Subsequently, when the matter was listed for hearing on April 24, 2024, the counsel appearing for Government of Tamil Nadu as well as NTADCL stated that the valuation mechanisms proposed by AIDQUA are not agreeable to them. In view of AIDQUA’s request to consider an exit proposal, the Hon’ble Supreme Court vide order dated April 24, 2024 has directed the Government of Tamil Nadu to obtain instructions on whether they would like to buy out AIDQUA’s share in NTADCL and to indicate a figure in this regard. AIDQUA has been directed to obtain instructions for the same and come up with a reasonable exit valuation
- (vi) Subsequent to the aforesaid order, AIDQA has filed an Affidavit dated July 9, 2024 before the Hon’ble Supreme Court *inter alia* stating the following:
- (a) AIDQUA is agreeable to directions that may be passed by the Hon’ble Supreme Court as to a reasonable per annum cost of capital, for the purpose of valuation of AIDQUA’s shares, and
 - (b) GOTN may be directed to purchase AIDQUA’s shares or alternatively, NTADCL may be directed to buy back AIDQUA’s shares.
- (vii) Furthermore, GoTN has filed Affidavit dated May 7, 2024 (received on July 19, 2024) before the Hon’ble Supreme Court *inter alia* stating the following:
- (a) GoTN has infused public funds in NTADCL without any returns and further investing public funds by buying AIDQUA’s shares is neither financially prudent nor is it in public interest;
 - (b) The present matter is a dispute between Tamil Nadu Water Investment Company, IL&FS, Tirupur Infrastructure Development Company and AIDQUA;
 - (c) In any event, the present proceedings are arising out of an interim order passed in the proceedings by TWICL, Tirupur Infrastructure Development Company and IL&FS in relation to oppression and mismanagement. GoTN was neither a party to the original share purchase agreement nor the original proceedings and was impleaded later by way of an application for implementation of CDR;
 - (d) Therefore, the Hon’ble Supreme Court ought to direct the proceedings in CP 18/2007 pending before Hon’ble NCLT, Chennai to be decided expeditiously.

- (viii) The next date of hearing before the Hon'ble Supreme Court is yet to be notified.

Repayments Defaults by NTADCL qua IL&FS

- (ix) IL&FS had, in 2002, sanctioned to NTADCL a total amount of INR 180 crores (“**IL&FS Senior Loan**”), a subordinate debt of INR 66.50 crores (“**IL&FS Subordinate Debt**”) and a subordinate debt in the nature of Debt Service Reserve Funds of INR 15 crores (“**DSRF**”) to NTADCL (collectively, the “**IL&FS Funding Support**”) towards the Project.
- (x) Of the total amount of the IL&FS Senior Loan, INR 90 crores was raised and further disbursed to NTADCL by raising long term borrowings through debt securities of 30 years tenor in the US market under the United States Agency for International Development (“**USAID**”) Program (“**USAID Portion**”). The remaining portion of the IL&FS Senior Loan i.e., the balance INR 90 crores were disbursed by IL&FS to NTADCL in tranches. These disbursements were subsequently reimbursed by/ refinanced through loan proceeds from Asian Development Bank (“**ADB**”) (the “**ADB Refinancing**”), as per the Loan Agreement dated August 5, 2002 bearing Loan reference no. 1871-ND (“**ADB Loan Agreement**”) with ADB read with letter dated July 19, 2005 by which ADB had approved a commitment of INR 156.50 crores to the Project. Since ADB had approved a commitment of INR 156.50 crores to the Project, the IL&FS Subordinate Debt was also refinanced through the ADB Refinancing. The loan advanced to IL&FS by ADB in terms of the ADB Loan Agreement was also guaranteed by the Government of India in terms of a Guarantee Agreement dated August 5, 2002 (the “**Guarantee Agreement**”).
- (xi) Thereafter, due to the weakening financial position of NTADCL, it entered into corporate debt restructuring schemes from time to time, resting with the third corporate debt restructuring (“**Third CDR**”) formulated on or about 2010. To this intent, a Master Restructuring Agreement (“**MRA**”) dated March 29, 2012 was entered into by NTADCL with its lenders.
- (xii) Subsequently, NTADCL in or about January 2020 had filed CA No. 511 of 2020 before the Hon'ble NCLT, Mumbai *inter alia* seeking (i) set-off of dues payable by NTADCL to IL&FS against alleged dues payable by IL&FS to NTADCL and (ii) an order exempting NTADCL to continue with its debt service obligations to IL&FS pending disposal of Company Application No. 32 of 2010 in Company Petition No. 18 of 2007 before the Chennai Bench of this the Hon'ble NCLT. However, the Hon'ble NCLT had not granted NTADCL the interim relief sought in CA 511 and NTADCL continued making scheduled repayments of its admitted dues till November 2022, even during the pendency of CA 511.
- (xiii) Thereafter, since December 2022, NTADCL has stopped servicing its scheduled debt obligations towards IL&FS and has defaulted on the repayments to IL&FS. Furthermore, NTADCL also issued a letter dated December 20, 2022 to its consortium of lenders including IL&FS (“**Consortium**”) setting out a prepayment plan seeking early settlement of all the outstanding loans of NTADCL aggregating to Rs. 47.12 crores to the Consortium. It is pertinent to note that as a part of such prepayment plan, NTADCL has unauthorizedly and unilaterally shown its debt to IL&FS as ‘NIL’, despite a sum of Rs. 144.05 crores (as on March 31, 2022) being due and payable by it to IL&FS. As of April 2023, NTADCL has prepaid the other outstanding term loans (as on March 31, 2023) to all Consortium members except IDBI Bank. It is the stand of IL&FS that the prepayment proposal prepared and implemented by NTADCL is a unilateral, deliberate and unauthorised attempt at

disregarding the loan extended by IL&FS to NTADCL, which was also acknowledged by NTADCL at various instances prior to the prepayment proposal being prepared and implemented by it.

- (xiv) In view of the above unilateral action taken by NTADCL, IL&FS filed an application, being CA 52 of 2024 (“**CA 52**”), before the Hon’ble NCLT seeking *inter alia* for NTADCL to continue repaying the repayment instalments as and when they fall due. Thereafter, the Hon’ble NCLT passed an order dated March 5, 2024 (“**March 5 Order**”) in CA 511 of 2020 directing NTADCL to “*not exercise any set off right till final disposal of the present application, and the loan shall be paid as falls due*”. Pursuant to an appeal filed against the March 5 Order, the Hon’ble NCLAT has partially modified the March 5 Order. The direction to NTADCL is now only to “*not exercise any set off right till final disposal of the present application*”. Pertinently, the Hon’ble NCLAT has expressly noted that it has not commented on the merits of the pending applications before the Hon’ble NCLT. CA 511 and CA 52 are both pending at the stage of final hearing before the Hon’ble NCLT and are scheduled to be listed on December 9, 2024.
- (xv) In the meanwhile, NTADCL also filed a complaint dated January 2, 2024 (referred to as the “**NTADCL RoC Complaint**”) with the Registrar of Companies-Coimbatore (“**RoC-Coimbatore**”) seeking directions from the RoC-Coimbatore to (i) restrain directors nominated directly or indirectly by IL&FS on the board of NTADCL (“**IL&FS Nominee Directors**”) to not participate on the agenda items related to the IL&FS Senior Loan as it is allegedly a “conflict of interest” agenda item and (ii) refer to the SFIO to investigate the disbursement of the IL&FS Senior Loan.
- (xvi) The RoC-Coimbatore had issued a letter dated March 5, 2024 *inter alia* advising the IL&FS Nominee Directors against participating on conflict of interest agenda items till the time the matter is under consideration (“**RoC Interim Letter**”). IL&FS has filed a response to the NTADCL RoC Complaint and the RoC Interim Letter *vide* letter dated March 11, 2024. The aforesaid matter is presently under consideration before the RoC-Coimbatore, and further directions are yet to be passed in the matter.
- (xvii) Subsequently, IL&FS was in receipt of a letter dated July 1, 2024 from the RoC-Coimbatore, seeking its representation in respect of NTADCL’s request for registration of satisfaction of charge created on assets of NTADCL. In response, by a letter dated July 11, 2024, IL&FS apprised the RoC-Coimbatore:
 - a. of the facts and circumstances surrounding NTADCL’s repayment default in respect of the IL&FS Senior Loan and the pending proceedings relating thereto;
 - b. that in terms of the MRA lenders of NTADCL, including IL&FS, have the “right of recompense” (“**RoR**”), i.e., if, in the opinion of the lenders, the profitability and cash flows of NTADCL so warrant, the lenders shall be entitled to receive “recompense” for the reliefs and sacrifices extended by them to NTADCL in terms of the Third CDR and the MRA (aggregating to INR 210 crores at the time), subject to the conditions in the relevant financing documents. M/s S. Sonny Associates, Chartered Accountants, appointed by the lenders of NTADCL for validating and certifying the computation of the RoR amount payable by NTADCL, has computed the total RoR amount in line with the applicable CDR guidelines as INR 69.83 crores (with IL&FS’s share being INR 14.53 crores) by a letter dated June 3, 2023;

- c. a sum of INR 62,50,00,475 (as of July 10, 2024) was outstanding, due and repayable to IL&FS by NTADCL in respect of the IL&FS Senior Loan in addition to the RoR amount of INR 14.53 crores; and
- d. in light of the above, IL&SF is objecting to the proposed removal/ vacation/ modification/satisfaction of charge created by NTADCL over its assets.

There has been no response and/or action from the RoC Coimbatore with respect the said matter.

14. InvIT –Progress Update

14.1. SPV Transfer Update: Initially, 10 domestic group entities (SPVs) were planned to be transferred to the InvIT in 2 or more phases, and the approval of the Hon'ble NCLT has been received for transfer of:

- (i) 6 Phase 1 SPVs, being MBEL, SBHL, EHEL, BAEL, BKEL and JRPICL, on September 15, 2021;
- (ii) 4 Phase 2 SPVs, being JIICL, PSRDCL, HREL and TRDCL, on October 14, 2022.

14.2. Out of aforementioned 10 entities, MBEL, PSRDCL, SBHL, HREL, TRDCL and BAEL have been transferred to the InvIT post receipt of the requisite approvals/sanctions/consents amongst others, under the Resolution Framework on the dates and at valuations mentioned below:

| Sr.No. | SPVs | Enterprise Value in Crores | Valuation Date | Transfer Date |
|--------|------------------------|----------------------------|--------------------|---------------------------|
| 1. | SBHL | 1014.68 | January 31, 2021 | Mar 22, 2022 |
| 2. | MBEL 1st Portion 84.5% | 3280.56 | January 31, 2021 | Dec 23, 2021 |
| 3. | MBEL 2nd Portion 14.5% | 3277.83 | March 31, 2023 | May 13, 2024 |
| 4. | TRDCL | 119.48 | September 28, 2021 | Dec 19, 2022 |
| 5. | HREL | 859.19 | September 28, 2021 | Dec 16, 2022 |
| 6. | PSRDCL | 2007.46 | September 28, 2021 | May 16, 2023 |
| 7. | BAEL | 2118.68 | June 30, 2024 | Oct 17, 2024 ⁹ |

14.3. Exclusion of certain SPVs from transfer to InvIT: IL&FS on December 13, 2023 filed an additional affidavit updating the Hon'ble NCLAT about removal of JRPICL, JIICL and BKEL from the prayers made in IA 2560/2023 *inter alia* on grounds that these entities would not be transferred to InvIT as they had been rendered unviable for transfer to the InvIT due to deteriorating feasibility of the project(s), particularly BKEL, including for the inordinate delay in grant of approval/consent by the Lenders/Concessing Authorities. While JRPICL, JIICL and BKEL have now been earmarked for resolution through monetisation (for which the public process has already been launched), insofar as EHEL is concerned - due to

⁹ Development post September 30, 2024

expiry/termination of its concession on 09.12.2022, this entity not being in a position to be transferred to the InvIT, has been excluded from the InvIT. Post termination/expiry of the concession, EHEL has initiated arbitration against Hyderabad Metropolitan Development Authority (HMDA) for recovery of various claims. While the final resolution of EHEL (i.e. post the termination/expiry of the concession) was contemplated through voluntary liquidation, the shareholders ITNL (74%) and KMC (26%) however are currently in discussion on possible alternate modes of resolution for EHEL.

14.4. Right to Recompense: In case of PSRDCL and BAEL, the Bank of Baroda, which held approximately 3.67% vote in PSRDCL's CoC and 20.22% in the BAEL CoC, has/had added provisions regarding the right to recompense and sought clarification on interest waiver. IL&FS has filed an application before the NCLAT on May 31, 2023 *inter alia* seeking directions to be issued to Lenders/Concessioning Authorities to grant their consents for the purposes of implementing resolution of the SPVs through transfer to the InvIT. The said application covered the issue of clarification in relation to the right to recompense qua PSRDCL. This application numbered IA 2650/2023 has been amended later to include BAEL. IA 2650/2023 is scheduled for hearing on November 22, 2024.

14.5. Progress qua consummation of the InvIT proposal

- (i) The Roadstar Infra Investment Trust (“Trust”/ “InvIT”) was registered with SEBI in Dec 2020 for a period of 3 years and has recently been accorded one year extension till Dec 2024 within which the listing of Trust has to be completed in line with SEBI (Infrastructure Investment Trust) Regulations, 2014 (“InvIT Regulations”). Further, SEBI vide its letter dated June 7, 2023 has instructed that the Trust has to file its Draft Placement Memorandum with SEBI not later than 31st March 2024.
- (ii) The SPVs mentioned in the table placed at para 14.2 above, were acquired against units issued by the Trust to ITNL and certain IL&FS Group Entities which is further proposed to be distributed by way of an initial offer of such units to the creditors of ITNL and certain other IL&FS Group Entities (“Unit Distribution”) in terms of the Resolution Framework approved by the Hon’ble NCLAT by way of its order dated March 12, 2020 and in terms of the interim distribution as approved by the Hon’ble NCLAT by way of its order dated May 31, 2022. The proposed Unit Distribution does not involve any fund raising and is being undertaken with the sole objective of debt resolution.
- (iii) Considering the unique construct of the InvIT and in the interest of the resolution of debt of the lenders, through transfer of certain entities to the InvIT in accordance with the Resolution Framework approved by NCLAT in its March 20, 2020 order, the registration of the InvIT was done with SEBI under the InvIT Regulations. SEBI had, by way of its letters dated September 2, 2020, December 3, 2021, June 23, 2022, and June 7, 2023, granted exemptions from compliance with certain provisions of the InvIT Regulations. Consequent thereto, there have been certain amendments to the InvIT Regulations which were likely to impose hindrances in the proposed listing of the InvIT. Accordingly, for the purposes of the Unit Distribution to the lenders of IL&FS Group entities, the InvIT applied for certain exemptions from the strict application of certain provisions of the InvIT Regulations and the Master Circular. These were granted by SEBI through its letter dated March 20, 2024. Thereafter, the Draft Placement Memorandum (DPM) was filed with SEBI on April 3, 2024 and the Updated DPM (UDPM) is expected to be filed by early November, 2024.

15. ITPCL Restructuring and stake sale process

- 15.1. Following this Hon'ble Tribunal's Order dated December 1, 2021 passed in Application No. 59 of 2021 ITPCL's financial debt stands restructured as of September 30, 2023 in terms of the circular issued by the Reserve Bank of India on June 7, 2019 titled "*Prudential Framework for Resolution of Stressed Assets*". Post implementation of the financial debt restructuring, ITPCL has been categorised as a Green entity.
- 15.2. Following this Hon'ble Tribunal's Order dated May 14, 2024 passed in Application No. 4471 of 2021, the Supplementary Plan for restructuring operational/capex debt of ITPCL is in the process of being implemented. As per the Supplementary plan (part of the overall restructuring plan), the revised payout of 33.16% of the admitted claim was agreed to be paid to the capex/operational creditors. Further, as part of implementing the Supplementary Plan, ITPCL will, insofar as claims of operational/capex creditors that remain the subject matter of adjudication (whether categorised as such by the GT – the Claims Management Agency as part of the claims management process and/or is *sub judice* before the Hon'ble NCLT under Section 66 of IBC/avoidance application(s) filed by IL&FS/ITPCL), as a without prejudice step, deposit their respective pay-out entitlement (as envisaged under the Supplementary Plan) in an escrow account till appropriate order(s) are passed *qua* such claims.
- 15.3. Documentation with the Unsecured Creditor of ITPCL (Aditya Birla Sunlife AMC Limited) was completed and disbursement made on October 14, 2024.
- 15.4. Transfer of license of the Jetty Project - The jetty project license is in the name of Porto Novo Maritime Ltd. (PNML). The same is proposed to be transferred to ITPCL on payment to license fee of Rs. 11.05 cr. The provision for this payout has been incorporated in the cashflow of the company under the Restructuring process. Approval for the same has been obtained from Hon'ble Justice Jain and NCLT.
- 15.5. Additionally, the New Board has also decided to take necessary steps towards re-launching the stake sale process of ITPCL on an '*as is where is*' basis, in parallel to the restructuring exercise underway. The New Board also directed ITPCL to make all efforts for the sale process, by which ITPCL will be resolved ultimately and accordingly accorded its approval for appointing a financial transaction advisor. A Financial Transaction Advisor ("**FTA**") has been appointed and the sale process is launched and ongoing. The amended and restated request for proposal ("**RFP**") has been issued to the interested applicants/ proposed bidders on June 10, 2024 (amended by first addendum dated August 13, 2024) and the proposed bid due date is November 29, 2024.

16. Other Key Challenges

16.1. TIFC – HDFC and Chronos Litigation:

- (i) Upon receipt of the approval from Justice (Retd.) D.K. Jain on March 8, 2022 for the sale/assignment of "*The IL&FS Financial Centre*" ("**TIFC**") commercial premises in Mumbai, an application bearing CA No. 248/2022 was filed before the Hon'ble NCLT, Mumbai, seeking approval for *inter alia* consummation of the sale/assignment of TIFC to the H1 bidder, on March 24, 2022. The Letter of Intent was signed between IL&FS and Chronos Properties Pvt Ltd (H1 Bidder) on March 21, 2022.
- (ii) During the pendency of CA No. 248/2022, Housing Development Finance Corporation Limited ("**HDFC**") filed an application on or around August 2022 seeking intervention, alleging certain rights in respect of the TIFC. HDFC had also

filed an application before the Hon'ble NCLAT in 2020 (bearing I.A. No. 2966/2020), seeking a stay on the proposed sale/assignment of TIFC.

- (iii) During the pendency of HDFC's intervention application, the Hon'ble NCLT, on September 23, 2022, passed an order allowing CA No. 248/2022, approving the sale of the TIFC. Subsequently, HDFC filed an appeal being CA (AT) No. 177/2022 before the Hon'ble NCLAT against Hon'ble NCLT's order dated September 23, 2022.
- (iv) The Hon'ble NCLAT while hearing CA (AT) No. 177/2022, tagged the appeal along with I.A. No. 2966/2020 and had observed *vide* order dated October 20, 2022, that even though the letter of intent has been issued to the H1 Bidder, the same shall not be given effect to till the next date of hearing. Subsequently, the Hon'ble NCLAT *vide* order dated February 28, 2023 was pleased to dismiss both CA (AT) No. 177/2022 and I.A. No. 2966/2020.
- (v) HDFC filed two appeals before the Hon'ble Supreme Court of India, being Civil Appeal No. 2752 of 2023 and Civil Appeal (Diary) No. 9713 of 2023, against the Hon'ble NCLAT's order dated February 28, 2023. The two appeals were dismissed by the Hon'ble Supreme Court vide a common order dated July 14, 2023.
- (vi) An application dated April 18, 2023 for obtaining the NOC for the sale / assignment of TIFC was made to the MMRDA, since the approvals were to be obtained, the parties extended the Initial Term of the LOI from time to time. The latest extension was agreed under the letter dated 18 December 2023, under which the Extended Term of the LOI was extended up to 30th June 2024.
- (vii) While an NOC was issued by MMRDA on 16th April 2024, the same however not being in alignment with and/or enabling implementation of the Hon'ble NCLT's Order dated September 23, 2023 for sale/assignment of TIFC, a request for clarification and re-issuance of NOC aligned with the aforementioned order of the Hon'ble NCLT was made on 25th April 2024.
- (viii) IL&FS was informed under an email dated 2nd May 2024 that Chronos will be proceeding with the adjudication process. On 8th May 2024, IL&FS requested Chronos to not proceed with adjudication until receipt of the revised consent from MMRDA;
- (ix) The revised NOC for the assignment/transfer was issued by MMRDA on June 6, 2024. The revised NOC read with Clause 2(viii) of the First MMRDA NOC dated 16th April 2024, requires the MMRDA's consent to be exercised within 90 days of the Revised NOC, i.e., by 4th September 2024.
- (x) Under an email dated 18th July 2024, CBRE was informed by Chronos that the Deed of Assignment had been submitted for adjudication. On the same day, the Collector of Stamps, Andheri (Collector) passed an order of adjudication of the Deed of Assignment (Adjudication Order) raising a demand of INR 54 crores payable towards stamp duty on the Deed of Assignment within 60 days of the Adjudication Order.
- (xi) As considerable time had passed since receipt of the Bid (INR 1080 Crores) in December 2021 till grant of the revised NOC by MMRDA on June 6, 2024, and further since the mutually agreed LOI executed between IL&FS and Chronos permitted IL&FS to unilaterally amend, modify, or supplement the LOI (to align with

the objectives set out in the Reports and the Orders from the NCLT and NCLAT), including the Consideration to meet the objectives (one such objective being value maximisation for stakeholders) of the various Reports (that have culminated into the IL&FS Resolution Framework), the IL&FS Board decided to conduct fresh valuation of the TIFC property. In the interim, a Legal Notice dated 29th July 2024 was issued by Khaitan & Co. on behalf of Chronos Properties Private Limited, calling upon IL&FS to confirm a date (not later than 30 August 2024) in writing within 48 hours of the receipt of the Legal Notice for IL&FS to take all steps necessary, including execution and registration of the Definitive Agreements. This was followed by filing of an application by Chronos on August 7, 2024 being CA 262/2024 in CP NO. 3638/2018 before Hon'ble NCLT *inter alia* praying for directions to be issued to IL&FS to consummate the transaction at the bid value.

- (xii) Following conduct of the fresh valuation, IL&FS issued an amendment letter dated August 16, 2024, amending the LOI, as per Clause 3.6 (h) of the LOI, *inter alia* conveying the enhanced consideration arrived basis the updated Average FMV of TIFC at around INR 1700 Crores and requested Chronos to accept the new consideration (a higher figure, increased proportionate to the original bid to the previous Average FMV). In terms of the LOI, if the enhanced consideration is not acceptable to Chronos, Chronos has the right to exit the transaction and IL&FS the obligation to release/return its performance bank guarantee.
- (xiii) Post issuance of the amendment letter by IL&FS, Chronos filed amendments to CA 262/2024 and IL&FS has filed an application to implead Union of India as a necessary party for adjudication of CA 262/2024. Hon'ble NCLT has passed orders dated August 9, 2024 and August 19, 2024 in CA 262/2024 *inter alia* restraining IL&FS from creating any third party interest in TIFC, including to act upon the amendment letter which per the LOI requires Chronos to convey its acceptance/rejection of the enhanced consideration within 7 (seven) days. CA 262/2024 and related applications are to come up for hearing on November 21, 2024.

16.2. WGEL

- (i) WGEL is a special purpose company (a 100% subsidiary of ITNL) formed for development and maintenance of the Rajkot to Jetpur national highway under a build operate transfer concession granted by the NHAI. However, alleging certain defects in maintenance and for widening of the highway from 4 lane to 6 lane, NHAI terminated the concession agreement for this project with effect from April 1, 2022.
- (ii) ITNL had initially filed an application against the same before the Hon'ble NCLAT and, thereafter, under Section 9 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Delhi seeking certain interim reliefs. The Hon'ble High Court of Delhi had dismissed the application with the directions that NHAI shall earmark a sum of INR 75 crores in an interest-bearing account and take all disputes to conciliation for settlement. The amount has still not been deposited by NHAI though there were some discussions in this regard with the senior lenders of WGEL.
- (iii) On request from WGEL, the matter has been referred to Conciliation of Independent Experts ("CCIE") of NHAI for mediation and conciliation. The CCIE process has been delayed due to both parties not being able to reach common understanding, followed by delays arising from transfer of concerned officials at NHAI. The senior lenders to WGEL have recently sold their loan exposure in WGEL to CFM Asset

Reconstruction Company (“CFM ARC”). Post the transfer of officials in NHAI, WGEL has reinitiated the dialogue on amicable resolution. CCIE has also urged NHAI for a faster resolution on this issue.

- (iv) The CCIE *vide* order dated July 24, 2024 has taken on record the principal agreement reached between WGEL and NHAI. NHAI and WGEL have finalised the draft of the Settlement Agreement, which may then be entered into after following the steps set out in the Resolution Framework.
- (v) Upon the advice of GEC, the liquidation process of the entity has been initiated. A&M has recommended initiating closure of the entity under Section 10 of IBC. Accordingly, the process of obtaining relevant boards approvals i.e. WGEL, ITNL, IL&FS as well as the shareholders of WGEL for execution of settlement agreement between NHAI and WGEL, distribution of the funds as per IL&FS Revised Distribution Framework and subsequent closure of the entity as per applicable provision of the law has been initiated

16.3. JRPICL

- (i) Jharkhand Road Projects Implementation Company Limited (JRPICL) has entered into Programme Development Agreements (PDAs) with the Government of Jharkhand (GoJ) to develop road projects under the Jharkhand Accelerated Road Development Programme. JRPICL has executed five concession agreements for different projects. However, the GoJ has repeatedly defaulted on releasing annuities owed to JRPICL. Despite JRPICL withdrawing the writ petition based on assurances from the GoJ, the defaults continued.
- (ii) As of March 31, 2024, the total outstanding annuity payments owed by the GoJ to JRPICL amount to approximately Rs. 716.28crores. These delays in payment have affected JRPICL's ability to fulfil its financial obligations, including repaying its creditors. It is pertinent to highlight that these annuity payments are crucial for the resolution process of JRPICL inasmuch as the pendency of the annuities not only impacted JRPICL's proposed resolution through transfer to InvIT (which stands aborted),but will also impact JRPICL's current proposed resolution through monetisation.
- (iii) JRPICL approached the Jharkhand High Court against the GoJ for release of a sum of Rs.106.47 Crores in accordance with an Executive Order dated 30 March 2016, and further directions to GoJ to release interest @ of SBI PLR+2% interest on the aforesaid claim amount. GoJ did not dispute the claim of Rs.106.47 Crores however with reference to the interest claim of the JRPICL, GoJ submitted that the same shall be considered by the relevant Authority. Jharkhand High Court directed GoJ to pay Rs.106.47 Crores within 8 Weeks from 9 April 2024 and consider the interest claim within same time. In spite of repeated follow ups seeking compliance of High Court's order, GoJ has failed to pay the aforesaid amount. In view thereof, JRPICL has filed a contempt petition against the GoJ with Filing No. 10327 of 2024.
- (iv) JRPICL filed a Writ Petition at High Court of Jharkhand, Ranchi seeking release of the annuities Rs.772.39 crore, which the GoJ is required to pay in terms of their obligations under the Concession Agreements. The matter is currently pending hearing.
- (v) Further, it is pertinent to note that the Hon'ble NCLAT by way of order dated May 26, 2022 passed in I.A. No. 2114 of 2021, permitted opening of arbitral awards which

were to be kept in sealed covers and for the same to be communicated to the parties, with contentions and recourse under law being open to the parties.

- (vi) Subsequently, two arbitration awards being (i) arbitration award dated March 28, 2023 in favour of GKC for INR 113.55 crores plus future interest at 9% from the date of award till actual realisation, and (ii) arbitration award dated August 6, 2022 in favour of Sadbhav Engineering for INR 72.65 crores plus interest at 10% from the date of claim, will have a bearing on any re-classification of JRPICL back to “Green”. JRPICL has preferred an application under Section 34 of Arbitration & Conciliation Act before the Hon’ble High Court of Delhi for setting aside the award dated August 6, 2022 and further filed an application under Section 34 of Arbitration & Conciliation Act before Commercial Court cum District Court, Ranchi for setting aside the award dated March 28, 2023. The Application before Delhi High Court is listed on November 21, 2024 and the Application before the Commercial Court cum District Court, Ranchi is listed on November 25, 2024.
- (vii) The Hon’ble NCLAT *vide* order dated May 11, 2023 has declared that JRPICL will be treated as a “Green” Entity. However, liberty was granted to IL&FS to approach the Hon’ble NCLAT to seek re-categorisation of JRPICL as a “Red” Entity in the event it is unable to discharge any financial liability which may fall on JRPICL on the basis of the arbitral award.
- (viii) IL&FS has filed an application (being IA No. 5033 of 2023) seeking the recategorization of JRPICL from “Green” to “Red” with effect from July 1, 2023 basis the solvency test conducted by A&M. The GoJ has been impleaded in the said application *vide* order dated March 19, 2024 and the application is scheduled to be listed on November 22, 2024¹⁰.
- (ix) Additionally, Sadbhav Engineering and GKC initiated execution petitions (Commercial Execution 13 & 12 of 2023, respectively) seeking enforcement of their respective awards before the commercial court of Ranchi. In light of these developments, IL&FS has filed an application (I.A. 1288 of 2024) before the Hon’ble NCLAT, seeking clarification of the order dated May 26, 2022, contending that the said order, passed in I.A. No. 2114 of 2021, was solely for ascertaining the quantum of claims by the Award Holders and does not authorize the execution and enforcement of JRPICL Awards. The Hon’ble NCLAT *vide* order dated March 06, 2024 clarified that the May 26 Order did not alter the interim order dated October 15, 2018 (i.e. the order prohibiting enforcement), and it specifically pertained to paragraph 2 of the January 11, 2019 order regarding the sealing of awards against IL&FS or its group companies.
- (x) Despite the clarification order dated March 06, 2024, the Ranchi Civil court *vide* order dated April 10, 2024 has directed the Award Holders to obtain further clarification/unambiguous order within a period of three months as to whether enforcement proceedings can continue. In pursuance of the same, Sadbhav Engineering and GKC have also filed an application before the Hon’ble NCLAT *inter alia* seeking permission for the enforcement of its awards (being IA No. 3262 of 2024).

¹⁰ Update post September 30, 2024.

- (xi) The Hon'ble NCLAT heard final arguments on both: (i) the clarification application filed by JRPICL / IL&FS (being I.A. No. 1288 of 2024); and (ii) application for directions filed by Sadbhav Engineering / GKC (being IA No. 3262 of 2024) and has reserved the same for orders on August 8, 2024. The Hon'ble NCLAT *vide* order dated August 28, 2024, clarified that the order dated May 26, 2022, passed by the Hon'ble Appellate Tribunal in I.A. No. 2114 of 2021 only allowed the Arbitral Award dated August 6, 2020, in favor of Sadbhav Engineering Limited to be opened. It did not permit award holders such as Sadbhav Engineering Limited and GKC Projects Limited, to initiate recovery actions or pursue execution or enforcement of the Arbitral Awards against IL&FS Group entities, including JRPICL.
- (xii) In furtherance thereof, JRPICL filed an application in the execution petitions of Sadbhav Engineering and GKC seeking enforcement of their respective awards before the commercial court of Ranchi seeking dismissal of the aforementioned execution in view of the August 28, 2024 clarification order of the Hon'ble NCAT concerning the execution. The matter is listed on November 11, 2024 for hearing.¹¹
- (xiii) With regard to the remaining prayers, the Hon'ble NCLAT has asked IL&FS to show cause as to why the stay granted *vide* order dated 15.10.2018 ought to continue beyond 14.10.2024. IL&FS has filed affidavit dated October 4, 2024 responding to the said show cause the show cause. The said application (along with the show cause) was heard by the Hon'ble NCLAT on October 14, 2024 and has been reserved for orders.¹²

16.4. JIICL:

- (i) Jharkhand Infrastructure Implementation Company Limited (JIICL) constructed and is operating the Ranchi Ring Road (Section VII) project for the Government of Jharkhand (GoJ) under a concession agreement. GoJ has defaulted on timely payment of semi-annual annuities to JIICL as per the agreement. As of 31.12.2023, GoJ owes JIICL Rs 223.28 crores in unpaid annuities.
- (ii) JIICL had earlier filed a writ petition in High Court regarding the unpaid annuities. Based on assurances from GoJ, JIICL withdrew the petition. However, GoJ continued to default on annuity payments.
- (iii) JIICL filed writ petition against the GoJ seeking the release of Rs. 223.22 crore, along with interest thereon, for the outstanding 3rd, 4th, 9th and 10th semi-annual Annuities payable under the Concession Agreement dated August 7, 2015. The matter is tagged along with the JRPICL writ petition seeking annuities from GoJ.
- (iv) The annuity payments are to be used by JIICL to repay its creditors/lenders who financed the project construction. JIICL currently owes Rs 459 crores to its secured creditors. Failure to receive these annuities and grant of approval to transfer has resulted in JIICL being re-classified from "Green" to "Red".
- (v) The Hon'ble NCLAT *vide* order dated May 11, 2023 ("May 11 Order") had directed the re-classification of JIICL from "Red" to "Green" subject to the fulfilment of the following two conditions precedent to be fulfilled by the lenders within a period of 1

¹¹ Update post September 30, 2024.

¹² Update post September 30, 2024.

month: (I) waiver of DSRA and MMRA; and (II) re-negotiating interest rate to be linked with MCLR with effect from April 2021. It is pertinent to note that JIICL continues to remain a “Red” entity till the aforesaid twin conditions are fulfilled by its lenders.

- (vi) However, the Senior Lenders on May 12, 2023 in breach of the May 11 Order, unilaterally debited INR 145 crores (approx.) from the escrow account of JIICL without granting any of the waivers / modifications mandated by the May 11 Order.
- (vii) JIICL thus filed an Application before the Hon’ble NCLAT (being I.A. No. 2031 of 2023) inter alia seeking directions to be issued to the Senior Lenders to: (a) refund the monies unlawfully debited from JIICL’s escrow account; and (b) comply with the May 11 Order and grant appropriate waivers / modifications to JIICL.
- (viii) The Hon’ble NCLAT vide order dated May 25, 2023 had directed the Senior Lenders of JIICL to file Affidavits evidencing compliance with the May 11 Order (“**Compliance Affidavit(s)**”) within 2 weeks. Asset Reconstruction Company (India) Ltd. (“ARCIL”) has filed its Compliance Affidavit on July 18, 2023 and Punjab National Bank and Indian Bank have filed a joint Compliance Affidavit on August 18, 2023 (collectively, “Compliance Affidavits”). However, the proposal set out in the Compliance Affidavits are far more onerous than the conditions set out in the May 11 Order, and thus the Senior Lenders continue to be in breach of the May 11 Order and JIICL continues to be a “Red” Entity of the IL&FS Group. The Hon’ble NCLAT has partly heard I.A. No. 2031 of 2023 and directed the application to be listed on November 22, 2024 for further hearing. The banks and JIICL have been granted the liberty to attempt to settle the matter before the next date of hearing.¹³
- (ix) Furthermore, an application has been filed by IL&FS (being I.A. No. 5031 of 2023) for bringing on record the updated solvency categorisation exercise (carried out by A&M) which recommends continuing the classification of JIICL as a Red Entity in light of further defaults by the GoJ in paying annuities which fell due in May, 2023. The Hon’ble NCLAT vide order dated March 19, 2023 has impleaded the Government of Jharkhand in the said application. The application is now scheduled to be listed on November 22, 2024.¹⁴

16.5. FSEL

- (i) FSEL is an SPV of ITNL, incorporated to undertake construction of a highway project under a concession agreement with NHAI. The project was only 65% complete when work was suspended in 2018, before commercial operations began. So, it was classified as a "stuck project" under MoRTH guidelines.
- (ii) NCLT, Mumbai vide an order dated February 9, 2021 (as clarified by the order dated February 15, 2021) (passed on an application, being CA 1156 of 2020 filed by IL&FS) inter alia permitting the termination of the Concession Agreement in terms of the MoRTH Guidelines and allowed termination of concession agreement and settlement with NHAI approving the initial settlement amount from NHAI, from which a portion was directly paid to sub-contractors. Further, directed the residual settlement amount of Rs 505.75 crores to be deposited in the FSEL escrow account.

¹³ Update post September 30, 2024.

¹⁴ Update post September 30, 2024.

- (iii) Subsequently, NCLT, Mumbai *vide* October 14, 2022, order passed in CA 290 of 2021 approved distribution of residual amount to FSEL creditors as per IL&FS revised distribution framework. Also approved FSEL winding up. As of June 2023, FSEL has distributed the residual settlement amount (less Rs 25 lakhs retention to meet the winding up cost) to all creditors except SREI Infrastructure Finance Limited (“**SIFL**”) as per distribution framework.
- (iv) IL&FS is withholding the transfer of funds to SREI due to uncertainties surrounding the indebtedness between related entities within the IL&FS Group. The lending and borrowing transactions involving various entities are under investigation by the SFIO, raising doubts about the authenticity and veracity of these transactions. Given this lack of clarity and to safeguard the interests of all stakeholders, the New Board of IL&FS has decided to refrain from distributing funds to SREI at this stage.
- (v) Additionally, the Kolkata Bench of the Hon’ble NCLT admitted SIFL and SREI Equipment Finance Limited (“**SEFL**”), a wholly owned subsidiary of SIFL, into Corporate Insolvency Resolution Process (“**CIRP**”) on October 8, 2021. Thereafter, the Kolkata Bench on February 14, 2022, directed the consolidation of the CIRP of SEFL and SIFL, with a single Administrator overseeing the same.
- (vi) In February 2023, SIFL, represented by their Administrator, lodged a Section 66 application under the Insolvency & Bankruptcy Code, 2016 (“**IBC**”) before the Kolkata Bench (“**Section 66 Application**”). This application, aimed to designate the alleged loan lent to FSEL by SIFL (the “**SIFL Loan**”), which was purportedly further on-lent by FSEL, and eventually reached SEFL, as a fraudulent transaction designed to route monies from one SREI group entity to another. Additionally, it sought to compel FSEL and two ex-promoters of the SREI Group to reimburse Rs. 270.45 crores, plus 18% interest from October 1, 2021. The Section 66 Application is pending adjudication before the Kolkata Bench at present.
- (vii) Thereafter, as an apparent change in stance, SIFL filed application (CA 333 of 2023) before the NCLT, Mumbai, under Section 60(5) of the IBC read with Rule 11 of the NCLT Rules, 2016 *inter alia* seeking a payment of INR 208,01,04,367 from the Residual FSEL settlement amount in compliance of the NCLT’s October 14 Order passed in in CA 290 of 2021, approving the distribution of the Residual FSEL Settlement Amount and the consequent winding up of FSEL. CA 333 of 2023 was reserved for orders on February 13, 2024, and order is yet to be pronounced.
- (viii) In the meanwhile, FSEL has filed a discharge application (I.A. (IB) 470 of 2024) seeking to be delete FSEL as a Respondent to the Section 66 Application (“**Discharge Application**”). The Section 66 Application and the Discharge Application are scheduled to be listed next before the NCLT, Kolkata Bench on November 21, 2024.
- (ix) IL&FS has filed an application (IA 3169 of 2023) before the National Company Law Appellate Tribunal (NCLAT) regarding the collapsing of external routed loans. The final distribution has been completed for all parties except SREI. The distribution to SREI is contingent upon the NCLAT’s final order concerning the application related to the collapsing of external routed loans. The next hearing for this matter is scheduled for November 22, 2024.¹⁵

16.6. MP Border Checkpost Development Company Limited

¹⁵ Update post September 30, 2024.

- (i) The Concession Agreement, dated November 10, 2010, outlined the development of 24 Border Check Posts in Madhya Pradesh on a BOT basis. However, Madhya Pradesh Road Development Corporation Ltd (“MPRDC”) failed to hand over vacant access to the Project Site within the stipulated 90-day timeframe from the Appointed Date, causing delays until June 2017. Due to MPRDC's defaults, the Project only achieved partial commercial operation by February 2016, with five check posts remaining non-operational. MPRDC also breached other obligations, such as withholding payment for "Change of Scope" items and failing to prevent revenue loss due to traffic leakage from check posts. As a result, MPBCDCL suffered significant financial losses leading to severe operational challenges exacerbated by the implementation of the GST regime and mounting debt obligations.
- (ii) In response, MPBCDCL issued a detailed representation on July 27, 2017, urging MPRDC to rectify defaults within a 90-day "Cure Period" as per the Concession Agreement, which MPRDC ignored. Consequently, on October 27, 2017, MPBCDCL notified its intention to terminate the Concession Agreement within 15 days, demanding a Termination Payment under the concession agreement. On November 01, 2018, MPBCDCL initiated arbitration proceedings (Ref. Pet. No 114/2018) against MPRDC before the Madhya Pradesh Arbitral Tribunal (MPAT), seeking claims totalling Rs. 2,774.32 crores. The ongoing arbitration proceedings is currently at the stage of evidence.
- (iii) On December 28, 2023, MPBCDCL conducted two interim distribution amounting to Rs. 350 Crores to its secured lenders which resulted in around 65% payout to them against their admitted claims. While a Third Interim Distribution of Rs.30 Crores has been approved, disbursement request *qua* the Third Interim Distribution remains pending with the lenders for reasons enumerated in para (v) below. With the Concession Agreement having been terminated (for the reasons set out below) the entity will be sent for liquidation post completion of final distribution under the IL&FS Resolution Framework.
- (iv) Furthermore, MPRDC issued a Notice of Intent to terminate dated March 05, 2024 on various grounds *inter alia* on non-payment of concession fee, non-maintenance of project under Clause 17 of the Concession Agreement, non-payment of dues and damages along with other non-compliance of the Concession Agreement claiming Rs.133.50 cr. approximately. The said notice was replied *vide* letter dated March 19,2024 by MPBCDCL highlighting the defaults of authority, prior termination issued by MPBCDCL and para wise response to the MPRDC grounds in the notice. MPBCDCL has a claim of Rs.2774.32 cr. against MPRDC and has already invoked arbitration which is ongoing and pending adjudication. MPRDC has replied to MPBCDCL *vide* letter dated April 08, 2024 denying the contents of the MPBCDCL reply and further reserved the right to claim alleged outstanding dues, damages and losses. MPBCDCL also replied *via* a letter dated May 7, 2024. In the letter, MPBCDCL denied the termination notice issued by MPRDCL and proposed to mutually settle the issue.
- (v) MPDRC eventually terminated the Concession Agreement with MPBCDCL *vide* letter/notice dated 28.06.2024. Consequently, senior lenders have relied on Article 31.4 of the Concession Agreement which mandates concession escrow waterfall to be followed post termination. The concession escrow waterfall prioritises debt service above O&M payments, which is in conflict with the NCLAT approved Revised Distribution Formula/Framework. MPBCDCL sought a legal opinion from its Attorneys stating that IL&FS Resolution Framework prevails over any contractual document; the said opinion has not been accepted by the lenders. Thus, in view of the outstanding dues of INR 11.44 Crores on account of going concern expenses

including *inter alia* O&M expenses such as maintenance expenses, electricity and utility expenses, wages of workmen and salaries of employees from January 2024 to September 2024, and the failure of the escrow agent of the Project, i.e. Canara Bank, to release monies for the payment of going concern expenses from the escrow account, MPBCDCL was constrained to file an application before the Hon'ble NCLAT (being I.A. No. 6867 of 2024) seeking release of monies from the escrow account to meet outstanding going concern expenses. The application is now scheduled to be listed on November 22, 2024.¹⁶

16.7. Pendency before the Hon'ble NCLT

In terms of the Resolution Framework, sale of any asset forming part of the Respondent No. 1 Group and/or resolution of any company forming part of the Respondent No. 1 Group *inter alia* requires the approval of the Hon'ble NCLT. Accordingly, several applications have been filed by Respondent No.1 before the Hon'ble NCLT from time to time seeking approval for sale of various assets forming part of the Respondent No. 1 Group and also approval for resolution of various companies forming part of the Respondent No. 1 Group. A list of Category A (i.e. applications filed for sale/ resolution/ closure of Respondent No. 1 Group entities) and Category D applications (being miscellaneous applications filed in relation to the sale/ resolution process of the Respondent No. 1 Group) that are pending adjudication (as on October 15, 2023) before the Hon'ble NCLT is annexed herewith as **Annexure 1**. In addition to the Category A and Category D applications listed in Annexure 1, there are various Category B (pertaining to regulatory action by MCA against erstwhile management of the Respondent No. 1 Group and ex-auditors) and Category C (pertaining to claims management process of the IL&FS Group) applications pending before the Hon'ble NCLT. As of September 30, 2024, there are over 6 pending Category C applications that IL&FS has been made aware of.

16.8. Appeals pending before the Hon'ble Supreme Court

A total of 22 appeals have been filed by various creditors of Respondent No. 1 Group before the Hon'ble Supreme Court challenging the order passed by the Hon'ble NCLAT on March 12, 2020 (which approved the Resolution Framework). While no adverse order has been passed by the Hon'ble Supreme Court in any of these appeals, the appeals are yet to be disposed of by the Hon'ble Supreme Court. At present, there is no tentative date of hearing.

16.9. Application filed by IL&FS before the Hon'ble NCLAT seeking to collapse / unwind certain transactions with Third Party Borrowers

- (i) The New Board as part of its efforts to unravel the issues resulting in the financial mismanagement within the IL&FS Group, discovered that one of the primary challenges that plagued the IL&FS Group were the significant intra group borrowings. From the records available it was also discovered that loans to some IL&FS Group entities were lent by routing the loans through other IL&FS Group entities/ third parties, reflecting adoption of circuitous transactions to circumvent regulatory prescriptions.
- (ii) Particularly, post November 2017, IFIN began providing loans to IL&FS Group entities including *inter alia* ITNL and its subsidiaries through certain external third parties ("**Third Party Borrowers**"). Accordingly, in the books of accounts of IFIN, IFIN was the primary lender and the Third Party Borrowers were the borrowing

¹⁶ Update post September 30, 2024.

entities (such loan, being the “**Initial Loan**”). Thereafter, such loans were subsequently on-lent by the Third Party Borrower and/or through its associate/group company to another IL&FS Group entity (being the “**Final Borrower**” and such loan, being the “**Final Loan**”).

- (iii) Considering the huge outstanding debt which was due and payable to IFIN, IFIN had *inter alia* initiated proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) against the following Third Party Borrowers: (a) Beigh Construction Co. Pvt. Ltd.; (b) New India Structures Pvt. Ltd., (c) GHV Hotel (India) Pvt. Ltd.; (d) Wavell Investments Pvt. Ltd.; (e) Kalyan Sangam Infratech Ltd.; (f) Sangam Business Credit Ltd.; (g) Empower India Ltd.; (h) Attivo Economic Zone (Mumbai) Pvt. Ltd.; (i) Vistar Financers Pvt. Ltd.; (j) E-Village Kendra Ltd.; (k) Bharat Road Network Ltd.; (l) Avance Technologies Ltd. (collectively, “**Section 7 Proceedings**”).
- (iv) However, on the alleged ground that the Third Party Borrowers merely acted as a facilitator for re-lending the amounts lent by IFIN to other IL&FS Group entities (particularly ITNL) and certain investigating agencies having identified these transactions as illegal mechanisms devised by IFIN to bypass regulatory restrictions, the relevant Adjudicating Authority has dismissed Section 7 Proceedings initiated by IFIN.
- (v) Additionally, a few of the Third Party Borrowers, particularly, Beigh Construction Co. Pvt. Limited, New India Structures Pvt. Ltd., Kalyan Sangam Infratech Ltd and Sangam Business Credit Ltd, have approached the Hon’ble NCLAT by way of separate applications (I.A. No. 296 of 2022, I.A. No. 429 of 2022 and I.A. No. 762 of 2022, respectively) seeking directions to inter alia restrain IFIN from proceeding against such entities by way of the Section 7 Proceedings and/ or to permit such entities to proceed against ITNL for recovery of the outstanding sums.
- (vi) In the aforesaid backdrop, and considering the complexities arising out of: (a) the allegedly circuitous / illegal nature of the transactions entered into by IFIN / ITNL / other IL&FS Group entities with Third Party Borrowers and the findings/observations of the investigative authorities; (b) the difficulties faced by IFIN in being unable to recover / resolve its outstanding loan amounts due from Third Party Borrowers; (c) orders of dismissal passed in some of the Section 7 Proceedings initiated by IFIN; and (d) the proceedings initiated by Third Party Borrowers before the Hon’ble NCLAT, the New Board in its meeting held on May 30, 2023 took a decision to unwind / collapse certain transactions with Third Party Borrowers, subject to the orders / approval of the Hon’ble NCLAT.
- (vii) In this regard, an application was filed on behalf of IL&FS before the Hon’ble NCLAT, being I.A. 3169 of 2023, seeking collapsing of certain circuitous transactions. The Hon’ble NCLAT during the hearing of the said application held on August 21, 2023 suggested that IL&FS / IFN / relevant group company ought to first enter into requisite documentation and pass relevant accounting entries before the collapsing / unwinding of the subject third party transactions can be approved / given effect. .
- (viii) Pursuant to the Hon’ble NCLAT’s direction IFIN has discussed the collapsing proposal with thirteen (13) such Third Party Borrowers. Out of these thirteen (13)

Third Party Borrowers IFIN has executed the agreement for collapsing the routed transactions with seven (7) such parties. The executed agreements have been taken on record by NCLAT vide its orders dated July 19, 2024 and September 3, 2024. Accordingly, IFIN has successfully collapsed all routed transaction with Third Party Borrowers except for entities connected with the SREI group.

- (ix) It is pertinent to mention that, SREI Infrastructure Finance Ltd. (SIFL) has filed Company Application No. 333 of 2023 before the NCLT, Mumbai Bench on May 19, 2023 seeking to receive an amount of INR 208,01,04,367 from the distribution of settlement amounts from Fagne Songadh Expressway Limited (“FSEL”) as per the admitted claim of SIFL. The transaction entered into between SIFL and FSEL for INR 208,01,04,367 is subject matter of I.A. No. 3169 of 2023 pending before Hon’ble NCLAT *inter alia* since it is the IL&FS Group’s stand that the monies lent by SIFL to FSEL were in fact monies lent by IFIN to SIFL. Pleadings have been completed in Company Application No. 333 of 2023 and the same has been reserved for orders on February 13, 2024. Further, SIFL has also filed an application before the Hon’ble NCLAT seeking impleadment in I.A. 3169 of 2023 and placing on record its objections with respect to the transactions relating to Gujarat Integrated Maritime Complex Private limited (“GIMCO”), Sealand Ports Private Limited (“SPPL”), Fagne Songadh Expressway Limited (“FSEL”) and Chenani Nasri Tunnelway Limited (“CNTL”). The Hon’ble NCLAT has permitted SIFL to intervene *vide* order dated March 19, 2024. The application is next scheduled to be listed November 22, 2024.¹⁷

16.10. Application filed by IL&FS before the Hon’ble NCLAT seeking Capital Write-down approval

- (i) On October 19, 2023, IL&FS filed an Application, being I.A. 5036 of 2023 before the Hon’ble NCLAT praying for the resolution of Category II Companies by permitting writing down of the entire share capital of such Category II Companies upon payment of the bid value/proceeds without requirement of obtaining any further approvals from the shareholders of such Category II Companies, resulting in the final resolution of the said entities.
- (ii) The Hon’ble NCLAT *vide* order dated March 19, 2023, permitted IL&FS to upload the aforesaid application on the website of IL&FS so as to give opportunity to any aggrieved person/shareholders to file a response to the same. The link to the application as uploaded on the website of IL&FS is as follows: <https://www.ilfsindia.com/pdf/IANo5036-of-2203-Application-NCLAT-Category-II-Resolution002.pdf>.
- (iii) On May 10, 2024, an affidavit was filed by IL&FS in the aforesaid Application clarifying that IECCL is not included in the ambit of I.A. No. 5036 of 2023 on for the following reasons:
- (a) the resolution process for IECCL is at an advanced stage, with a bid by the Consortium comprising Howen International Fund SPC, Markolines Pavement Technologies Limited to acquire 42.5% of the share capital of

¹⁷ Update post September 30, 2024.

IECCL, subsequently revised vide letter dated 21.07.2023 (“Revised Financial Proposal)

- (b) the Revised Financial Proposal received from the Consortium was submitted in terms of the Swiss Challenge Process Letter dated 23.12.2021 (“**Process Note**”) which contemplates IECCL continuing to be a listed company post resolution of the stake of IL&FS and does not contemplate the write down of 100% share capital of IECCL.
- (iv) ICICI Bank has filed a separate application in this regard before Hon’ble NCLT praying for directions to (being I.A. No. 31 of 2023): (a) include IECCL within the list of entities that fall within the ambit of the aforesaid application seeking capital write down, and if any relief is granted in this application; (b) modify the resolution process for IECCL, including invite fresh expressions of interest.; (c) keep the voting on the financial proposal submitted by the Consortium in abeyance until the capital write down application is decided by the Hon’ble NCLAT. However, on August 13, 2024, ICICI Bank has withdrawn the said application, with liberty to approach the Hon’ble NCLT again at a later stage, if required.
- (v) Furthermore, ICICI Bank’s application (being I.A. No. 3587 of 2024) seeking to include IECCL within the ambit of I.A. No. 5036 of 2024 was disposed of by the Hon’ble NCLAT with the following directions: The Hon’ble NCLAT *vide* order dated 26.09.2024 *inter alia* passed the following directions: (a) the resolution process of IECCL which commenced from 13.01.2021 needs to be completed irrespective of pendency of I.A. No. 5036 of 2023 and it is clarified that the prayers made in I.A. No. 5036 of 2023, IECCL shall be treated to be excluded; (b) it is clarified that the ICICI led lenders consortium shall be at liberty to press for its objection on the extinguishment of its debt for payment of 42.25% shareholding of IECCL in the ongoing resolution process.
- (vi) The main application seeking write down of capital of Category-II companies (being I.A. No. 5036 of 2024) (along with objections filed thereto) are listed on November 22, 2024.¹⁸

16.11. Reopening and recasting of financial statements of IL&FS, ITNL and IFIN

- (i) By an order dated January 1, 2019 in Company Petition No. 4506 of 2018 (“**CP 4506**”) (as upheld by this Hon’ble Tribunal by an order dated January 31, 2019 in in Company Appeal (AT) No. 29 of 2019 and by the Hon’ble Supreme Court by an order dated June 4, 2019 in Civil Appeal No. 3747 of 2019) the Hon’ble NCLT allowed reopening and recasting of the books of accounts and financial statements of IL&FS, IFIN and ITNL for five years i.e. from financial years 2013-14 to F.Y. 2017-18.
- (ii) The Hon’ble NCLT passed an order dated August 9, 2019 in Miscellaneous Application No. 2699 of 2019 in CP 4506 resulting in the:
 - a) appointment of two chartered account firms namely (a) M/s. Borkar & Mazumdar & Co (*for IL&FS and IFIN*) and (b) M/s. G M Kapadia & Co (*for ITNL*),

¹⁸ Update post September 30, 2024.

suggested by the Applicant from the panel of chartered accountants of the Comptroller and Auditor General, to re-open and re-cast the financial statements of the Applicant, IFIN and ITNL. (“**Recast Accountants**”); and

- b) appointment of two firms namely (a) M/s. CNK Associates LLP (*for IL&FS and IFIN*) and (b) M/s. M. M. Chitale & Co (*for ITNL*) for the purposes of auditing the reopened and re-casted accounts of IL&FS, IFIN and ITNL (the aforementioned firms are collectively referred to as the “**Audit Accountants**”).
- (iii) Thereafter, the Recast Accountants and Audit Accountant submitted the reopened books of accounts and re-casted financial statements of IL&FS, IFIN and ITNL and the Audit Accountants completed the audit process of such reopened books of accounts and re-casted financial statements for the IL&FS, IFIN and ITNL. Furthermore, the Board of Directors of the IL&FS (the New Board), IFIN and ITNL have taken note of the re-casted accounts on July 26, 2023, June 21, 2023 and March 9, 2023 respectively. The restated financial statements of IL&FS, IFIN and ITNL have been signed by the respective authorized signatories. The audited reopened books of accounts and re-casted financial statements for IL&FS, IFIN and ITNL were submitted to MCA on July 31, 2023, June 26, 2023 and April 3, 2023.
- (iv) In light of the aforesaid, IL&FS filed CA 187 of 2024 in CP 3638 for placing on record the audited re-casted financial statements of IL&FS, IFIN and ITNL before the Hon’ble NCLT. CA 187 of 2024 was allowed by the Hon’ble NCLT *vide* an order dated June 28, 2024 (as clarified by the orders dated July 30, 2024 and August 9, 2024).
- (v) In pursuance of the same, IL&FS has issued 10 letters dated August 13, 2024, IFIN has issued 12 letters dated August 14, 2024 and ITNL has sent 12 letters dated August 14, 2024 to their respective erstwhile directors *inter alia* seeking recovery of approx. INR 187.02 crores as excess monies/ remuneration paid within 60 days period.
- (vi) The responses to above letters have started coming in and two Independent Directors, one from IL&FS and one from ITNL repaid the amount received by them without admitting any allegation and keeping their legal rights reserved. Further, the independent directors raised the issue that under section 199 of the Companies Act, 2013, no recovery whatsoever can be made from independent and non -executive directors. Also, executive and whole time directors have responded stating, among other things, that the provisions of section 197 and 198 and part II of Schedule V are not applicable to them. The issues raised are currently under examination, and follow up action will be taken subject to legal advice.

17. Way Forward

17.1. Estimated timeline for completion of the resolution process for the IL&FS Group

As on September 30, 2024, Respondent No. 1 Group has 89 unresolved entities, out of which, 1st stage NCLT filing has been completed for closure of 15 entities,) Incremental resolution of 21 entities is estimated by December 31, 2024 (expected timeline for filings before the relevant court), and the remaining 53 entities are expected to remain beyond December 31,

2024, which have underlying complexities including delays in responses from joint venture partners, multiple litigations/ arbitrations and holding companies wherein underlying entities need to be resolved.

| Resolution mode | Balance entities, yet to be resolved | 1 st stage NCLT filed | (A) By Dec 31, 2024 | (B) Beyond Dec 31, 2024 |
|-----------------------|--------------------------------------|----------------------------------|---------------------|-------------------------|
| Entity Monetization | 33 | 0 | 5 | 28 |
| ITPCL | 6 | 0 | 0 | 6 |
| Hold Co | 6 | 0 | 0 | 6 |
| Termination | 3 | 2 | 0 | 1 |
| Non-core ¹ | 41 | 13 | 16 | 12 |
| Total | 89 | 15² | 21 | 53 |

Notes: (1) The targets are basis NCLT filings; for non-core entities targets are basis 1st stage filings; (2) 1st stage NCLT application filed (and/or approved) = 15, i.e., ACEL, UWPCCL, HIDAL, IEWMCL, IIEF, IIEF-I, FSEL, IRIT, IOT, IIT-I, IIT-IV, IDML, IWEL, CBDWSPL and STAMP.

17.2. Need for continuation of moratorium / stay granted *vide* order dated 15.10.2018

- (i) It is stated that the IL&FS Group is at an extremely advanced stage, where resolution of only 113 entities out of the original 302 entities remains. The IL&FS Group has already recovered / resolved debt of INR 38,082 crores which is close to the overall debt resolution target of INR 61,000 crores, and currently there are multiple monetisation proposals that are at advanced stages of approval, including monetisation processes that are currently being conducted which in aggregate would enable resolving substantial part of the remaining targeted debt. In fact, the Moratorium/Stay is required only for 57 entities. Vacation of the stay / moratorium granted *vide* the order dated 15.10.2018 at this stage would completely derail the progress achieved thus far and stop the ongoing resolution processes of various entities which are also at their final stages.
- (ii) The creditor profile of the Respondent No. 1 Group is spread across different categories and verticals, i.e. secured/ unsecured, banks (public sector/ private sector), other financial institutions (NBFCs, mutual funds, insurance companies) and other sources of borrowings (pension funds, EPF, army welfare funds). Individual creditors have access to cash trapped in escrow accounts and that might lead to preferential payments (including by way of unauthorised set offs) being made. Such individual action, needs to be curtailed to give the New Board a fair opportunity to complete the resolution process for the Respondent No. 1 Group, which has seen substantial progress since the New Board took over, as informed to the Hon'ble NCLAT from time to time.
- (iii) If the moratorium is vacated at this stage, it will result in being detrimental to the resolution of the holding level companies who have to be resolved at the end (i.e. after all subsidiaries and operating level companies are resolved). The same would defeat the purpose for which the group resolution was envisaged (and approved by this Hon'ble Appellate Tribunal *vide* the judgment dated 12.03.2020), i.e. protection of the interests of the public funds / institutions who had advanced debt to the holding companies.

- (iv) Given that the final resolution needs to ensure orderly recovery for the creditors, a piece-meal approach may not work as it will not recover due value for the creditors. The Respondent No. 1 Group has been subject to numerous legal actions at various forums, including the Hon'ble Tribunal, the Hon'ble NCLAT and the Hon'ble Supreme Court of India and hence, given the complexities surrounding the resolution of the Respondent No. 1 Group, individual creditor action is unlikely to realise any value for the creditors and would also make an orderly final resolution impossible to achieve. Therefore, larger public interest requires that the rights of individual creditors are suspended pending completion of the resolution process for the Respondent No. 1 Group. Further, the Respondent No. 1 Group has as on September 30, 2024 distributed around INR **38,082 crores** to creditors, with a substantial part thereof being in form of Interim Distribution. Removal of Moratorium at this stage (thereby allowing individual creditor action) will result in derailing, much less complicating the final distribution in and resolution of most of the remaining entities of the Respondent No. 1 Group.
- (v) Therefore, for the entities listed in **Annexure 2**, the New Board believes that it requires a "calm period" and continuation of the moratorium granted by the Hon'ble NCLAT *vide* its order dated October 15, 2018 (and confirmed *vide* order dated March 12, 2020) to achieve the final resolution is critical.

17.3. Entities that can be released from the moratorium

By way of the January 2020 Affidavit, a total of 55 entities were removed from the moratorium. Additionally, pursuant to the December 2022 Affidavit, an additional 31 entities were removed from the moratorium and 15 entities were removed from the moratorium via the filing of the September 2023 affidavit. Further, a list of additional 11 entities that can be released from the protection and reliefs granted by way of the order dated October 15, 2018. The cumulative list of 112 entities already removed/ deemed to be removed from moratorium basis the January 2020 Affidavit, the December 2022 Affidavit, September 2023 affidavit and this present filing are enclosed as **Annexure 3**. Accordingly, as on September 30, 2024, 57 Domestic Group Entities continue to form part of the moratorium.

ANNEXURE 1 – LIST OF PENDING NCLT APPLICATIONS

LIST OF PENDING CATEGORY A APPLICATIONS

| <i>S.N.</i> | <i>Application No. & Applicant</i> | <i>Particulars</i> | <i>Value (approx.)</i> | <i>Justice Jain Approval</i> | <i>NCLT Application Filing Date</i> | <i>Next Date of Listing</i> |
|-------------|---|--|---|---|-------------------------------------|---------------------------------|
| 1. | CA 16 of 2021 (filed by IL&FS) | Application for approval for the sale/ resolution process of Chenani Nashri Tunnelways Limited (CNTL). | Bid Value - INR 3906 crores Eventually addresses a debt of INR 5449 crores (approx.) | By a letter dated November 18, 2020 Justice (Retd.) D.K. Jain has approved the sale of ITNL's shareholding in CNTL to Cube. | December 15, 2020 | November 29, 2024 ¹⁹ |
| | IA 15 of 2021 (filed by Cube Highways and Infrastructure II Pte Ltd (Cube)) | Application by successful bidder for impleadment in and approval of CA 16 of 2021. | N/A | N/A | September 23, 2021 | |
| | I.A. No. 61 of 2022 filed by Cube | Application by successful bidder for urgent listing of C.A. No. 16 of 2021 and I.A. No. 15 of 2021 and injunction against the transfer of CNTL to InvIT. | | N/A | April 7, 2022 | |
| 2. | CA 246/2024 (Filed by IL&FS) | Consolidated application for closure of IEWMCL, HIDAL, and UWPCCL | N/A | July 24, 2023 (for | June 7, 2024 | November 11, 2024 ²⁰ |

¹⁹ Update post September 30, 2024.

| <i>S.N.</i> | <i>Application No. & Applicant</i> | <i>Particulars</i> | <i>Value (approx.)</i> | <i>Justice Jain Approval</i> | <i>NCLT Application Filing Date</i> | <i>Next Date of Listing</i> |
|-------------|---|---|------------------------|--|-------------------------------------|---|
| | | | | IEWMCL and HIDAL) and November 2, 2023 (UWPCL) | | |
| 3. | Diary No. 2709138 / 08979 / 2024 (Filed by IL&FS) | Application for distribution and closure of IDML | N/A | April 12, 2024 and May 24, 2024 | September 13, 2024 | The application is pending scrutiny by the Registry |
| 4. | Diary No. 2709138 / 08977 / 2024 (Filed by IL&FS) | Application for distribution and closure of IWEL | N/A | June 28, 2024 | September 13, 2024 | The application is pending scrutiny by the Registry |
| 5. | Diary No. 2709138 / 09403 / 2024 (Filed by IL&FS) | Consolidated application for closure of CBDWSPL and STAMP | N/A | July 25, 2024 and August 28, 2024 | September 27, 2024 | The application is pending scrutiny by the Registry |

²⁰ Update post September 30, 2024.

| <i>S.N.</i> | <i>Application No. & Applicant</i> | <i>Particulars</i> | <i>Value (approx.)</i> | <i>Justice Jain Approval</i> | <i>NCLT Application Filing Date</i> | <i>Next Date of Listing</i> |
|-------------|--|--|------------------------|------------------------------|-------------------------------------|---|
| 6. | Diary No. 2709138/09660/2024 (Filed by IL&FS) | Application for distribution and closure of Rohtas Bio Energy Ltd. | N/A | September 11, 2024 | October 3, 2024 ²¹ | The application is pending scrutiny by the Registry |

LIST OF PENDING CATEGORY D APPLICATIONS

| <i>S.N.</i> | <i>Application No. & Applicant</i> | <i>Respondent</i> | <i>Particulars</i> | <i>NCLT Application Filing Date</i> | <i>Next Date of Listing</i> |
|-------------|---|-------------------|--|-------------------------------------|----------------------------------|
| 1. | MA 4103 of 2020 (filed by IL&FS) | Union of India | This Application has been filed seeking extension of time to hold AGM for F.Y. 2018-19 of entities in the IL&FS Group. | December 2019 | Next date has not been intimated |
| 2. | MA 3 of 2020 (filed by IL&FS) | Union of India | This Application has been filed seeking exemption from consolidation of accounts of certain IL&FS Group entities. | December 2019 | Next date has not been intimated |
| 3. | CA 511 of 2020 filed by New Tirupur Area Development Corporation Limited (NTADCL) | None specified | Application to set off Rs. 116.20 crores owed by IL&FS to NTADCL with the amount of Rs. 172.90 crores payable by NTADCL to IL&FS | January 2020 | December 9, 2024 ²² |

²¹ Update post September 30, 2024.

²² Update post September 30, 2024.

| <i>S.N.</i> | <i>Application No. & Applicant</i> | <i>Respondent</i> | <i>Particulars</i> | <i>NCLT Application Filing Date</i> | <i>Next Date of Listing</i> |
|-------------|---|---------------------|--|-------------------------------------|----------------------------------|
| 4. | Diary Number 2709138/05303/2020 (filed by IL&FS) | Union of India | Application filed seeking extension of time to hold Annual General Meetings (AGM) for F.Y. 2019-20 of entities and extension of time to finalise and publish consolidated financial statements of certain IL&FS Group entities. | December 2020 | Next date has not been intimated |
| 5. | CA 102 of 2021 filed by Yes Bank Limited (now substituted with J.C. Flowers Asset Reconstruction Company Pvt. Ltd.) | None specified | Application filed by a creditor of ITNL seeking transfer of CNTL into the Infrastructure Investment Trust (InvIT) | April 10, 2021 | Next date has not been intimated |
| 6. | CA 181 of 2022 filed by ITPCL | Several Respondents | Application filed by ITPCL seeking <i>inter alia</i> a declaration that certain transaction entered into with Noble Resources International Pte Limited and AS Coal Resources Pte Limited is fraudulent under Section 66 of the Insolvency and Bankruptcy Code, 2016 and direct restitution of any excess consideration in relation to the same. | April 28, 2022 | December 6, 2024 ²³ |
| | CA 190 of 2022 filed by ITPCL | Several Respondents | Application filed by ITPCL seeking <i>inter alia</i> a declaration that certain transaction entered into with Sepco III Electric Power Construction, Shandong Tiejun Electric Power Engineering Company Limited and AS Coal Resources Pte Limited is fraudulent under Section 66 of the Insolvency and Bankruptcy Code, 2016 and direct restitution of any excess consideration in relation to the same. | May 2, 2022 | |
| 7. | CA 333 of 2023 (filed by SREI Infrastructure Finance) | IL&FS | Application filed by SIFL <i>inter alia</i> seeking: (a) payment of INR 208,01,04,367 from the 'Residual FSEL Settlement Amount' in compliance of the NCLT's order dated | May 19, 2023 | Reserved for orders |

²³ Update post September 30, 2024.

| S.N. | Application No. & Applicant | Respondent | Particulars | NCLT Application Filing Date | Next Date of Listing |
|------|--|------------|--|------------------------------|---------------------------------|
| | Ltd.) | | October 14, 2022 approving the distribution of the 'Residual FSEL Settlement Amount' and the consequent winding up of FSEL; (b) pending final disposal of CA 333, directions to IL&FS to deposit an amount of INR 208,01,04,367 in the NCLT Registry or in a designated escrow account; and (c) in the alternative to prayer (b), pending final disposal of CA 333, restrain IL&FS from distributing the 'Residual FSEL Settlement Amount' to any other creditors of FSEL without first apportioning an amount of INR 208,01,04,367 due and payable to SREL. | | |
| 8. | CA 52 of 2024 (filed by IL&FS) | NTADCL | Application filed by IL&FS <i>inter alia</i> seeking: (a) payment of outstanding amounts owed by NTADCL to IL&FS and (b) NTADCL to continue making repayment installments to IL&FS as and when they fall due. | January 2, 2024 | December 9, 2024 ²⁴ |
| 9. | CA 262 of 2024 (filed by Chronos Properties Private Limited) ("Chronos") | IL&FS | Application filed by Chronos seeking direction to IL&FS for execution of definitive agreements before Regulatory Authorities in relation to the TIFC property. | August 7, 2024 | November 21, 2024 |
| 10. | CA 271 of 2024 (filed by Chronos) | IL&FS | Amendment application filed by Chronos in CA 262 of 2024 to place on record certain additional facts. | August 19, 2024 | November 21, 2024 ²⁵ |

²⁴ Update post September 30, 2024.

²⁵ Update post September 30, 2024.

ANNEXURE 2 – ENTITIES TO CONTINUE IN THE MORATORIUM

| Sr. No. | Entity Name |
|---------|---|
| 1 | Amravati Chikhli Expressway Limited |
| 2 | Avash Logistic Park Private Limited |
| 3 | Baleshwar Kharagppur Expressway Limited |
| 4 | Chhotagovindpur & Bagbera Drinking Water Supply Project Limited |
| 5 | Chenani Nashri Tunnelway Limited |
| 6 | East Hyderabad Expressway Limited |
| 7 | Elsamex Maintenance Services Limited |
| 8 | Fagne Songadh Expressway Limited |
| 9 | Free Trade Warehousing Private Limited |
| 10 | Gujarat Integrated Maritime Complex Private Limited |
| 11 | Hill County Properties Limited |
| 12 | IL&FS Airports Limited |
| 13 | IL&FS Cluster Development Initiative Limited |
| 14 | IMICL Dighi Maritime Limited |
| 15 | IL&FS Doc Project Development Fund |
| 16 | IL&FS Engineering and Construction Company Limited |
| 17 | IL&FS Energy Development Company Limited |
| 18 | Indraprastha Energy & Waste Management Company Limited |
| 19 | IL&FS Financial Services Limited |
| 20 | IL&FS IIDC Fund |
| 21 | Infrastructure Leasing & Financial Services |
| 22 | IL&FS Maritime Infrastructure Company Limited |
| 23 | IL&FS Rail Limited |
| 24 | IL&FS Securities Services Limited |
| 25 | ITNL Toll Management Services Limited |
| 26 | IL&FS Transportation Networks Limited |
| 27 | ITNL IECCL JV / MP Road Development Corporation |
| 28 | ITNL KMB JV / PLSC Kyimetrobud (KMB) |
| 29 | IL&FS Tamil Nadu Power Company Limited |
| 30 | IL&FS Township & Urban Assets Limited |
| 31 | IL&FS Wind Energy Limited |
| 32 | IL&FS Water Limited |
| 33 | Jharkhand Infrastructure Implementation Company Limited |
| 34 | Jharkhand Road Projects Implementation Company Limited |
| 35 | Khed Sinnar Expressway Limited |
| 36 | Karyavattom Sports Facilities Limited |
| 37 | MP Border Checkpost Development Company Limited |
| 38 | Mahidad Wind Energy Private Limited |
| 39 | New Tirupur Area Development Corporation Limited |
| 40 | Noida Toll Bridge Company Limited |
| 41 | Pario Developers Private Limited |
| 42 | Porto Novo Maritime Limited |
| 43 | Rohtas Bio Energy Limited |
| 44 | Road Infrastructure Development Company of Rajasthan Limited |
| 45 | Rapid Metro Rail Gurgaon Limited |
| 46 | Rapid Metro Rail Gurgaon South Limited |
| 47 | Sabarmati Capital One Limited |
| 48 | Sabarmati Capital Two Limited |
| 49 | Sealand Ports Private Limited |

| Sr. No. | Entity Name |
|---------|---|
| 50 | Srinagar Sonamarg Tunnelway Limited |
| 51 | Skill Training Assessment Management Partners Limited |
| 52 | Tierra Enviro Limited |
| 53 | Tamil Nadu Water Investment Company Limited |
| 54 | Uttarakhand Infrastructure Projects Company Limited |
| 55 | Unique Waste Processing Company Limited |
| 56 | Vejas Power Projects Limited |
| 57 | West Gujarat Expressway Limited |

ANNEXURE 3 – ENTITIES REMOVED FROM MORATORIUM

| Sr. No. | Entity Name | Status |
|---------|--|--|
| 1 | Dighi Port Limited# | Removed pursuant to the January 2020 Affidavit |
| 2 | Kanak Resources Management Limited * | |
| 3 | Badarpur Tollway Operations Management Limited * | |
| 4 | IL&FS Broking Services Private Limited * | |
| 5 | IL&FS Capital Advisors Limited * | |
| 6 | M P Toll Roads Limited * | |
| 7 | Ramky Elsamex Hyderabad Ring Road Limited * | |
| 8 | IL&FS Milestone Realty Advisors Private Limited | |
| 9 | Dighi Project Development Company Limited | |
| 10 | Haldia Integrated Development Agency Limited | |
| 11 | Syniverse Technologies (India) Private Limited | |
| 12 | Jharkhand Accelerated Road Development Company Limited | |
| 13 | Charminar Robopark Limited * | |
| 14 | Ranchi Muri Road Development Limited | |
| 15 | Sealand Warehousing Private Limited | |
| 16 | Khambhat Port Limited * | |
| 17 | Bihar Power Infrastructure Company Private Limited * | |
| 18 | Hubballi Dharwad Water Supply Project Limited | |
| 19 | Assam Power Project Development Company Limited * | |
| 20 | Andhra Pradesh Urban Infrastructure Asset Management Limited | |
| 21 | IIML Asset Advisors Limited | |
| 22 | IL&FS AMC Trustee Limited | |
| 23 | IL&FS Asian Infrastructure Managers Limited | |
| 24 | IL&FS Infra Asset Management Limited | |
| 25 | IL&FS Investment Managers Limited | |
| 26 | IL&FS Urban Infrastructure Managers Limited | |
| 27 | Bengal Integrated Infrastructure Development Limited | |
| 28 | Canopy Housing & Infrastructure Limited | |
| 29 | Damodar Valley Tourism Development Private Limited * | |
| 30 | Gujarat Tourism Opportunity Limited | |
| 31 | Infrastructure Development Company of Nagaland Private Limited * | |
| 32 | KSIIDC-IL&FS Project Development Company Limited | |
| 33 | PDCOR Limited | |
| 34 | Urban Mass Transit Company Limited | |
| 35 | Bengal Urban Infrastructure Development Limited | |
| 36 | Gujarat Industrial Infrastructure Projects Limited * | |
| 37 | Jharkhand Infrastructure Development Corporation Limited * | |
| 38 | Orissa Project Development Company Limited | |
| 39 | ITNL Road Investment Trust | |
| 40 | IL&FS Portfolio Management Services Limited * | |
| 41 | IL&FS Infrastructure Equity Fund | |
| 42 | IL&FS Infrastructure Equity Fund – I | |
| 43 | IL&FS Investment Trust – I | |
| 44 | IL&FS ORIX Trust | |
| 45 | IL&FS Investment Trust – IV | |

| Sr. No. | Entity Name | Status | |
|---------|---|---|--|
| 46 | Odisha e-Governance Services Limited * | | |
| 47 | Bihar e-Governance Services & Technologies Limited * | | |
| 48 | Grusamar India Limited * | | |
| 49 | Elsamex India Private Limited | | |
| 50 | Yala Construction Company Private Limited | | |
| 51 | IKG Associates * | | |
| 52 | Vizag Agriport Private Limited | | |
| 53 | IL&FS Wind Power Services Limited * | | |
| 54 | IL&FS Applied Academy Development | | |
| 55 | Capacity Swap Linkages Limited * | | |
| 56 | Etesian Urja Limited * | | Removed pursuant to the December 2022 Affidavit |
| 57 | Kaze Energy Limited * | | |
| 58 | Khandke Wind Energy Private Limited * | | |
| 59 | Lalpur Wind Energy Private Limited * | | |
| 60 | Ratedi Wind Power Private Limited * | | |
| 61 | Tadas Wind Energy Private Limited * | | |
| 62 | Wind Urja India Private Limited * | | |
| 63 | Chennai Industrial Water Utility Company Limited * | | |
| 64 | Warora Chandrapur Ballarpur Toll Road Limited * | | |
| 65 | Urjankur Shree Tatyasaheb Kore Warana Power Company Limited * | | |
| 66 | ONGC Tripura Power Company Limited * | | |
| 67 | Swayam Swachhta Initiative Limited * | | |
| 68 | East Delhi Waste Processing Company Limited * | | |
| 69 | IL&FS Environmental Infrastructure & Services Limited * | | |
| 70 | IL&FS Technologies Limited * | | |
| 71 | ISSL CPG BPO Private Limited * | | |
| 72 | Bhopal e-Governance Limited * | | |
| 73 | LIVIA India Limited * | | |
| 74 | Gujarat International Finance Tec-city Company Limited * | | |
| 75 | Dakshin Dilli Swachh Initiative Limited * | | |
| 76 | RDF Power Projects Limited * | | |
| 77 | IL&FS Education & Technology Services Limited * | | |
| 78 | IL&FS Skills Development Corporation Limited * | | |
| 79 | Moradabad Bareilly Expressway Limited * | | |
| 80 | Sikar Bikaner Highway Limited * | | |
| 81 | North Karnataka Expressway Limited * | | |
| 82 | Infrastructure Development Corporation of Assam Limited * | Removed pursuant to Affidavit dated October, 2023 | |
| 83 | Jharkhand e-Governance Solutions & Services Limited * | | |
| 84 | Integrated Trans Log Development Company Limited * | | |
| 85 | Mota Layja Gas Power Company Limited * | | |
| 86 | Nana Layja Power Company Limited * | | |
| 87 | Hazaribagh Ranchi Expressway Limited * | | |
| 88 | Thiruvananthapuram Road Development Company Limited * | | |
| 89 | Ramgiri Renewable Energy Limited * | | |
| 90 | Patiala Bio Power Company Limited | | |
| 91 | Jogihali Wind Energy Private Limited | | |
| 92 | IL&FS Solar Power Limited | | |
| 93 | Sipla Wind Energy Limited | | |
| 94 | Futureage Infrastructure India Limited * | | |

| Sr. No. | Entity Name | Status | |
|---------|--|--------|---|
| 95 | Vansh Nimay Infraprojects Limited | | |
| 96 | Kiratpur Ner Chowk Expressway Limited | | |
| 97 | ITNL Road Infrastructure Development Company Limited | | |
| 98 | Cuddalore Solar Power Private Limited * | | |
| 99 | India Tourist & Heritage Village Private Limited | | |
| 100 | GRICL Rail Bridge Development Company Limited | | |
| 101 | Chattisgarh Highway Development Company Limited | | |
| 102 | Jorabat Shillong Expressway Limited * | | Removed pursuant to the present Affidavit |
| 103 | Pune Sholapur Road Development Company Limited * | | |
| 104 | Shendra Green Energy Limited * | | |
| 105 | Cross Border Power Transmission Limited | | |
| 106 | IFIN Realty Trust | | |
| 107 | ISSL Settlement & Transaction Services Limited | | |
| 108 | Mangalore SEZ Limited | | |
| 109 | South Coast Infrastructure Development Company of Andhra Pradesh Limited | | |
| 110 | Saurya Urja Company of Rajasthan Limited | | |
| 111 | IL&FS Paradip Refinery Water Limited | | |
| 112 | Barwa Adda Expressway Limited * | | |

*Entities which have gone out of the IL&FS group via monetization/ Closure/ Dissolution/ InvIT

#Currently under insolvency and is not part of IL&FS moratorium

PROOF OF SERVICE 59

Jasuja, Anchit

From: Jasuja, Anchit
Sent: 29 October 2024 16:50
To: 'aditya.sikka@fideslegal.in'; 'rd.west@mca.gov.in'; 'shorey.sanjay@gov.in'
Cc: Dhillon, Raunak; Malik, Isha; Dewan, Nihaad; Dua, Angela
Subject: Affidavit with the status update report in Company Appeal (AT) No. 346 of 2018
Attachments: Affidavit - Status Update Report.pdf

Dear Sir/Ma'am,

We act on behalf of our clients, Infrastructure Leasing and Financial Services Ltd. ("IL&FS").

Please find attached an affidavit, that is being filed on behalf of the IL&FS in Company Appeal (AT) No. 346 of 2018 before the Hon'ble NCLAT, New Delhi.

This is by way of advance service to you. Kindly acknowledge the receipt of this email.

Regards,
Anchit Jasuja
Cyril Amarchand Mangaldas
Counsel for IL&FS