

BOARD SETS PROCESS IN MOTION

IL&FS Road Assets On the Block



The newly appointed IL&FS board began the process of selling IL&FS group's equity stakes in 22 road assets of around 12,000 km on Monday. ►► 10

Board Starts Sale Process of IL&FS' Stakes in Road Assets

Our Bureau

Mumbai: The newly-appointed IL&FS board has initiated the process of selling IL&FS group's equity stakes in 22 road assets of around 12,000 km on Monday.

The proposal includes selling seven operating annuity-based road projects in various parts of India aggregating approximately 1,774 lane km, eight operating toll-based road projects of 6,572 lane km and four under-construction projects of 1,736 lane km upon completion. It also includes three other assets and businesses which are EPC & O&M businesses of IL&FS Transportation Networks Limited and a Sports Complex in Thiruvananthapuram.

"The proposed sale of stakes held by IL&FS group in these assets may be carried out as a basket or individually or as an undertaking comprising all offered assets and businesses," IL&FS said. Private equity firms Lone Star Funds and Cube

Highways had in the past shown interest in buying road assets of IL&FS. The new board wants to carry out the sale process from the beginning and is calling for fresh bids. IL&FS' roads development arm, IL&FS Transportation

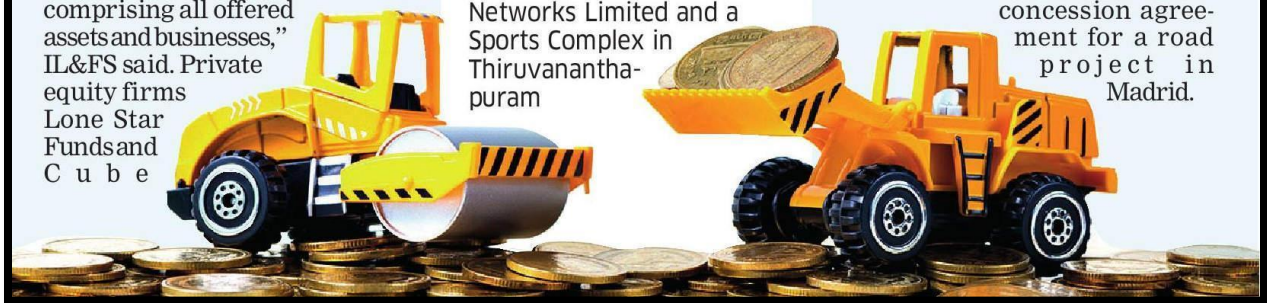
On The Drawing Board

STAKES IN ROAD ASSETS: 22

- **Plans to sell** seven operating annuity-based road projects in various parts of India: 1,774 lane km
- **Eight operating** toll-based road projects: 6,572 lane km
- **Four under-construction** projects: 1,736 lane km on completion
- **It includes** three other assets and businesses which are EPC & O&M businesses of IL&FS Transportation Networks Limited and a Sports Complex in Thiruvananthapuram

Networks (ITNL), has the largest portfolio of highways built via a public, private partnership (PPP), with 28 build, operate, transfer (BOT) projects. The board has appointed Arpwood Capital and JM Financial as financial & transaction advisors and Alvarez & Marsal as resolution consultants. The IL&FS board, working with the ITNL board, decided to solicit expressions of interest to assess interest for a sale of its stakes in the domestic roads vertical. The company plans to divest stakes in subsidiaries including IL&FS Education, IL&FS Technologies, ONGC Tripura Power Company and IL&FS Paradip Refinery Water. The process to sell wind energy and securities business is underway. The board is looking to sell assets overseas. Elsamex, acquired by ITNL in 2008, received a binding offer from a buyer for an asset namely A4 Asset, which is a JV with a

concession agreement for a road project in Madrid.



IL&FS begins process to divest road biz

AMRITHA PILLAY

Mumbai, 17 December

The IL&FS board has initiated the process of exploring divestment of its interests in road assets, the group said in a statement on Monday.

“In order to ascertain market interest, and to examine feasibility of maximisation of value in an orderly and transparent manner, the IL&FS board, acting on behalf of its

relevant subsidiaries, including IL&FS Transportation Networks (ITNL), has today (Monday) initiated the process of exploring divestment of the group’s equity stake/interest in road businesses or an undertaking comprising all the assets,” the statement said.

IL&FS has listed seven operating annuity-based road projects, eight operating toll-based road projects, four

under construction road projects, three other assets and businesses, which are EPC & O&M of ITNL, and a sports complex in Thiruvananthapuram as assets included in its domestic roads vertical. The IL&FS board, along with the ITNL board, has decided to publicly come up with expressions of interest to assess the interest for a sale of its stake(s) in the assets under this vertical.

“The board of IL&FS and ITNL are cognizant that these steps are required to advance the process for putting together a resolution plan for the IL&FS group, based on market interest and price discovery for various assets,” the statement said. Arpwood Capital and JM Financial have been appointed financial and transaction advisors, along with Alvarez & Marsal, which is the resolution consultant.

IL&FS looking to sell all road projects to pare debt

Listed arm ITNL's 19 assets on the block

OUR BUREAU

Mumbai, December 17

The IL&FS board on Monday decided to seek buyers for the road assets of its listed road development unit, IL&FS Transportation Networks (ITNL), as the embattled group looks at ways to pare debt of as much as ₹91,000 crore.

"In order to ascertain market interest, and to examine feasibility of maximisation of value in an orderly and transparent manner, the IL&FS board, acting on behalf of its relevant subsidiaries including ITNL, has today initiated the process of exploring the divestment of the IL&FS Group's equity stakes in road assets or businesses or an undertaking comprising all the assets or businesses," IL&FS said in a statement.



IL&FS said it will sell the road assets either as a basket, or individually, or as an entire undertaking comprising all the offered assets and businesses GETTY IMAGES/ISTOCKPHOTO

The 19 road projects identified for sale include seven operating annuity-based road projects in various parts of India aggregating to approximately 1,774 lane km, eight operating toll-based road projects totalling 6,572 lane km, and four road projects under construction with total length of approximately 1,736 lane km

upon completion, the company said.

Largest BOT player

As of November 2017, the entire road portfolio of ITNL, one of the largest build-operate-transfer (BOT) players in India, stood at around 30 road projects, of which 23 were operational projects (eight annuity

projects and 15 toll) and seven projects (two annuity and five toll) were under-construction.

IL&FS said it will also explore divesting the EPC (engineering, procurement and construction) and O&M (operation and maintenance) businesses of ITNL as well as a sports complex in Thiruvananthapuram. It added that the stake sale could be carried out as a basket, or individually, or as an entire undertaking comprising all the offered assets and businesses.

"Accordingly, the IL&FS board, working with the ITNL board, has decided to publicly solicit Expressions of Interest (EoI) to assess the interest for a sale of its stakes in the domestic roads vertical," it added.

It further said that any divestment will be subject to receipt of all requisite approvals, including the NCLT or, where

necessary, the high courts.

Earlier this month, in the second report submitted by IL&FS to NCLT, the infrastructure finance major noted that it was considering divesting road assets both in India and abroad as a significant majority of its various businesses in offshore jurisdictions are a part of its road arm.

ITNL has vast operations with multiple layers of subsidiaries both in India and abroad, including Spain, the US, Africa, the UAE, Singapore and China.

Operations and maintenance company Elsamex, with operations in Spain, Portugal, Latin America and Africa, acquired by ITNL in 2008, is likely to be included in the divestment plan, although it is not named directly in the latest statement. IL&FS has also been considering divesting stake in IIP USA LLC, its O&M subsidiary in the US.

IL&FS invites EoIs for sale of 19 road projects, other assets



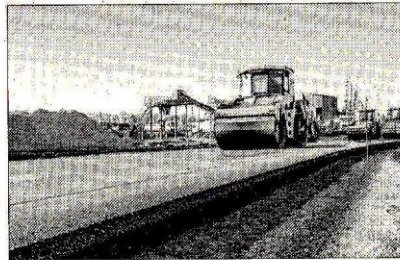
IL&FS ON Monday said it is inviting expressions of interest from potential buyers for nineteen of its road projects as well as three other assets and businesses, reports **fe Bureau** in **Mumbai**. Of the nineteen road projects under IL&FS Transportation Networks, the roads development arm, seven are annuity road projects totaling 1,774 lane km while eight are operating toll projects aggregating about 6,572 lane km. **PAGE 6**

IL&FS invites EoIs for sale of 19 road projects

FE BUREAU
Mumbai, December 17

IL&FS ON MONDAY said it is inviting expressions of interest (Eoi) from potential buyers for nineteen of its road projects as well as three other assets and businesses, including a sports complex in Thiruvananthapuram in Kerala.

Of the 19 projects under IL&FS Transportation Networks (ITNL), the roads devel-



opment arm, seven are annuity road projects totaling 1,774 lane km while eight are operating toll projects aggregating about 6,572 lane km. There are also four under-construction projects that would be about 1,736 lane km on completion of construction.

In a statement issued on Monday, IL&FS said the assets could either be sold as a basket or individually. The company

said the boards of IL&FS and ITNL are cognizant that the steps being taken are required to advance the process for putting together resolution plan(s) for the IL&FS Group, based on market interest and price discovery for various assets.

FE had reported, according to sources, on November 23, that American private equity firm Lone Star Funds had approached the new board of IL&FS with an offer to buy three road projects, but were told to express their interest through the auction. Similarly, Cube Highways had also concluded the final stages of talks with the former IL&FS board to buy five road projects. According to the term sheets of which *FE* has a copy, Lone Star had offered \$93 million, or ₹604.5 crore (using a conversion of ₹65 to the dollar) for Sikar Bikaner Highway (SBHL), \$291 million, or ₹1,891.5 crore, for Jharkhand Road Projects (JRPICL), and \$380 million, or ₹2,470 crore, for Moradabad Bareilly Expressway (MBEL), totalling \$764 million, or ₹4,966 crore.

Cube had offered a gross consideration of ₹2,500 crore for five projects — Pune Sholapur Road Development Company (PSRDCL), Road Infrastructure Development Company of Rajasthan (RIDCOR) Phases I and II, Jorabat Shillong Expressway (JSEL), West Gujarat Expressway (WGEL) and Chenani Nashri Tunnelway (CNTL).

IL&FS puts entire road assets on the block

FC BUREAU

New Delhi

THE troubled infra lender IL&FS Monday put its entire domestic road assets on the block as it seeks to raise resources to repay the debt. The group, which was taken over by the government on October 1 following a string of defaults, will be selling its equity interests in all the road sector assets, an official statement said, adding the same is being done as part of the two reports on progress and way forward submitted

by the government-constituted board led by Uday Kotak. The assets being sold include seven operational annuity based projects across the country, stretching over 1,774 lane kms and eight operating toll-based projects aggregating 6,572 lane kms, it informed the exchanges. It also includes four under construction road projects which would aggregate 1,736 lane km on completion.

The assets being put on the block also include a sports complex in Thiruvananthapuram, and three

other assets and businesses which are engineering procurement and construction and operations and maintenance businesses of IL&FS Transportation Networks, the statement said.

It said the sale of stakes held by the IL&FS group would be carried out collectively or individually, and sought expressions of interest. The Kotak-led IL&FS led and also the listed IL&FS Transportation Network will take a call in this regard, the statement said, adding the transactions will have to pass NCLT muster before

consummation.

The IL&FS group has appointed Arpwood Capital and JM Financial as financial transaction advisors along with Alvarez & Marsal as resolution consultants, it said. Since August 28, the group which has as many as 348 subsidiaries almost half of are in overseas territories, is unable to service debt worth over Rs 94,000 crore, of which Rs 57,000 crore are from bank. Since the first default, group companies have cumulatively failed to pay up/redeem debt over Rs 5,000 crore.