



SALE OF IDENTIFIED LOAN PORTFOLIO OF IL&FS FINANCIAL SERVICES LIMITED

This refers to the advertisement issued in **Economic Times** and **Maharashtra Times** dated September 27, 2021 regarding the proposed sale of identified loan portfolio of IL&FS Financial Services Limited (“**IFIN**”).

Pursuant to the *Report on Progress and Way Forward* dated October 30, 2018, the *Second Report on Progress and Way Forward* dated December 02, 2018, and the *Third Report on Progress and Way Forward* dated December 17, 2018 and the addendum thereto dated January 15, 2019 and December 05, 2019 filed with the National Company Law Appellate Tribunal, New Delhi (“**NCLAT**”) on January 9, 2020 (as amended from time to time), the *Fourth Report on Progress and Way Forward* dated January 15, 2019, and the *Fifth Report on Progress and Way Forward* dated August 09, 2019 (collectively, “**Reports**”) submitted by Infrastructure Leasing & Financial Services Limited (“**IL&FS**”) to the Ministry of Corporate Affairs, Government of India, which in turn filed the Reports with the National Company Law Tribunal, Mumbai Bench (“**NCLT**”) and in terms of the order dated March 12, 2020 issued by the NCLAT, in order to monetise the identified loans provided by IFIN to third party borrowers (i.e. entities that do not form part of the IL&FS group of companies (“**IL&FS Group**”)) that are categorized as non-performing assets (“**Sale Asset Book**”), eligible applicants (“**Applicants**”) are invited for purchase of the Sale Asset Book, the consummation whereof will be subject to necessary approvals, including the approval of the New Board (*defined below*) and requisite corporate approvals of other relevant group companies (if applicable), approvals required under applicable law or from statutory authorities, and approval of the NCLT, under the overall supervision of Hon’ble Justice D.K. Jain (Retd.) as directed by the NCLAT (“**Potential Transaction**”). The New Board (*defined below*) has engaged Alvarez and Marsal India Private Limited to assist in the Potential Transaction.

The Sale Asset Book comprises 62 accounts aggregating to a total outstanding principal of INR 4,297 crores and eligible Applicants will have to submit a binding bid for purchasing the entire Sale Asset Book comprising of all 62 accounts. Interested Applicants should also note that IFIN has received a binding offer (“**Initial Bid**”) from an initial bidder for the Sale Asset Book. Further, IFIN proposes to undertake a ‘Swiss Challenge’ process, using the Initial Bid as the base offer.

The Potential Transaction will be conducted on a full upfront cash consideration (100% cash consideration) basis.

The Potential Transaction and the process thereof are an integral part of the steps outlined in the Reports, and are expected to assist the board of directors of IL&FS appointed pursuant to the orders of the NCLT in October 2018 (“**New Board**”), in part, in evolving the resolution plan(s) outlined in the Reports.

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

- a) The Applicant must be permitted to acquire the Sale Asset Book or any interest therein under applicable laws including the guidelines with respect to purchase/sale of non-performing assets issued by the Reserve Bank of India and any other guidelines issued by the Securities Exchange Board of India or any other regulatory authority;
- b) The Applicant must not have been debarred or restrained by any regulatory authority from making investments. If the Applicant is a consortium, none of the members of such consortium shall have been debarred or restrained by any regulatory authority from making investments;



- c) The Applicant has not been blacklisted by the Central or any State Government ministry/ agency for bidding in any Central or State Government in India and in its jurisdiction of incorporation and operations. If the Applicant is a consortium, none of the members of such consortium shall have been blacklisted by the Central or any State Government ministry/ agency for bidding in any Central or State Government in India and in its jurisdiction of incorporation and operations; and
- d) The Applicant or its 'Connected Person' are not ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the Potential Transaction. If the Applicant is a consortium, none of the members of such consortium shall be ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the Potential Transaction

Eligible Applicants shall be determined by IL&FS at its sole discretion and will be intimated in due course. Such eligible Applicants will be provided with details of the opportunity, the Potential Transaction structure, the request for proposal (which shall include details of the Initial Bid) and other information in relation to the Potential Transaction in the virtual data room.