



**INVITATION FOR EXPRESSIONS OF INTEREST
FOR**

**THE ACQUISITION OF SHARES HELD BY IL&FS GROUP IN IL&FS TAMIL NADU
POWER COMPANY LIMITED, PORTO NOVO MARITIME LIMITED AND IL&FS
MARITIME OFFSHORE PTE. LIMITED**

This refers to the advertisement issued in *The Economic Times* dated February 1, 2019 and the *Maharashtra Times* dated February 1, 2019 regarding the proposed sale of shares held by subsidiaries of Infrastructure Leasing & Financial Services Limited (“**IL&FS**”), namely, IL&FS Energy Development Company Limited (“**IEDCL**”), IL&FS Maritime Infrastructure Company Limited (“**IMICL**”) and IL&FS Tamil Nadu Power Company Limited (“**ITPCL**”, and together with IEDCL and IMICL, the “**IL&FS Group**”) in the entities listed below. Pursuant to the *Report on Progress and Way Forward* dated October 30, 2018 (“**Report**”) submitted by IL&FS to the Ministry of Corporate Affairs, Government of India, which, in turn, was filed with the Hon’ble National Company Law Tribunal Mumbai (Special) Bench (“**NCLT**”), expressions of interest (“**EOIs**”) are hereby being invited from interested parties (“**Applicant**”) for a potential acquisition of shares on an as is where is basis in the following companies:

1. **Asset 1A:** 91.38%¹ shares held by IEDCL in ITPCL, which owns and operates a 1,200 MW thermal power plant at Cuddalore, Tamil Nadu, and has future expansion potential of 2,640 MW; and
2. **Asset 1B:** 100% shares held by IMICL in Porto Novo Maritime Limited, which is developing a captive port at Cuddalore, Tamil Nadu to be utilized for import and direct transfer of coal to the aforesaid thermal power plant; and / or
3. **Asset 2:** 100% shares held by ITPCL in IL&FS Maritime Offshore Pte. Limited, Singapore, an investment vehicle which *inter alia* owns 95% shares of a coal mining company in Indonesia.

The transaction with respect to Asset 1A and Asset 1B will be carried out together as a basket, and the transaction with respect to Asset 2 may be carried out individually or together with Asset 1A and Asset 1B (“**Potential Transaction(s)**”). The Potential Transaction(s) and the process thereof are an integral part of the steps outlined in the Report, and are expected to assist the Board of Directors of IL&FS appointed pursuant to the orders of the NCLT in October 2018 (“**Board**”), in part, in evolving the resolution plan(s) outlined in the Report.

EOIs are sought by the Board from Applicants interested in the Potential Transaction(s). Consummation of any transaction pursuant to the process initiated by this EOI will be subject to requisite approvals, including, corporate approvals of the selling shareholders, the approval of the Board, approvals required under applicable law or from statutory authorities, and approval of the

¹ IL&FS holds 500 Fully Compulsorily Convertible Debentures in ITPCL, which will be converted to 12.11% shares prior to a Potential Transaction and upon conversion, an aggregate of 92.42% shares held by IEDCL and IL&FS in ITPCL will be available for acquisition.



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

A. Net Worth and related Eligibility Criteria

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

1) Financial Criteria:

(a) For Asset 1A and Asset 1B

- (i)** For body corporate, minimum net worth (“NW”) of INR 500 crore as per the latest audited balance sheet.
- (ii)** For private equity investors: (A) minimum assets under management in India of INR 2,000 crore as of March 31, 2018 or later; or (B) committed funds available for investment / deployment in Indian companies / assets of INR 2,000 crore as of March 31, 2018 or later.

(b) For Asset 2

- (i)** For body corporate, minimum NW of INR 250 crore as per the latest audited balance sheet.
- (ii)** For private equity investors: (A) minimum assets under management of INR 1,000 crore as of March 31, 2018 or later; or (B) committed funds available for investment / deployment of INR 1,000 crore as of March 31, 2018 or later.

(c) Notes on NW:

- (i)** NW shall be computed in the manner set out in Section 2(57) of the Companies Act, 2013, as amended. For non-Indian entities, NW shall be calculated in accordance with applicable law in the country of registration of the relevant applicant;
- (ii)** NW requirement can be met either by: (I) the Applicant; or (II) if the Applicant is a subsidiary with at least 51% equity shareholding (on a fully diluted basis) being held by the parent company or a promoter then by such parent company or promoter, as the case may be, in each case on a consolidated basis;
- (iii)** For calculation of NW, any compulsorily convertible instrument can also be included;



- (iv) In case the Applicant is a consortium, then the NW requirement must be met based on a weighted average basis of the consortium members' stake in the consortium. Any entity may only be part of any one Applicant consortium;
- (v) Applicants, who are not domiciled in India, should convert all monetary amounts into Indian Rupees at the foreign exchange rate stipulated by the Reserve Bank of India (as of January 31, 2019);
- (vi) NW has to be computed as per the latest audited balance sheet, which balance sheet date shall be for a financial year ending between July 01, 2017 and June 30, 2018 or later.

(d) Exemption to Indian Public Sector Enterprise

The criteria prescribed in this paragraph 1 (*Financial Criteria*) shall not apply to an Applicant which is an Indian Public Sector Enterprise, if such Indian Public Sector Enterprise submits a letter of support from the Central Government or any State Government (as the case may be) at the time of submission of its binding bid, as will be prescribed in the request for proposal in relation to the Potential Transaction(s).

For the purpose of this clause, "Indian Public Sector Enterprise" shall mean any government company as defined under the Companies Act, 2013 or a body corporate constituted or established under an Act of Parliament or any State Legislature.

2) Other Eligibility Criteria for all Applicants

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

B. Guidelines for the Submission of EOI

Interested Applicants must submit:

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

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

Emails should clearly set out the subject as "***Expression of Interest for Thermal Power and Related Assets of IL&FS Group***" and should be submitted no later than **5 PM Indian Standard Time, Monday, February 11, 2019**.



C. Other information

- (a) Unless any changes or modifications to this invitation for EOI are uploaded on www.ilfsindia.com/ad/, the terms of this invitation for EOI shall be final and binding on all Applicants.
- (b) If, at any time during the process relating to the Potential Transaction(s), IL&FS determines (at its sole discretion) that any Applicant does not fulfill any of the above conditions, then IL&FS shall have the right to immediately cease to engage with such Applicant without providing any reasons or incurring any liability whatsoever.
- (c) IL&FS reserves the right, at its sole discretion, to reject all or any of the EOIs, without providing any reasons or incurring any liability whatsoever.
- (d) IL&FS reserves the right to suspend, terminate or modify the process for the Potential Transaction(s), without providing any reasons or incurring any liability whatsoever.
- (e) The Applicant shall maintain confidentiality of the information received as part of the process relating to the Potential Transaction(s) and shall not use such information to cause any undue gain or undue loss to itself or any other person.
- (f) Eligible Applicants shall be determined by IL&FS at its sole discretion and will be intimated in due course. Such eligible Applicants will be: (I) required to execute a non-disclosure undertaking/ agreement in a prescribed format; and (II) provided an information memorandum containing details of the opportunity (including details of the total stake available with respect to the Asset Portfolios), the proposed transaction structure, process letter and other information in relation to the Potential Transaction(s).
- (g) This invitation for expression of interest is governed by the laws of India and the courts at Mumbai shall have exclusive jurisdiction.



Annexure A

Format of Expression of Interest

[On the letter head of the Applicant]

Date: [●]

To

The Board of Directors,

Infrastructure Leasing & Financial Services Limited (“IL&FS”)

Subject: INVITATION FOR EXPRESSION OF INTEREST FOR THE ACQUISITION OF SHARES HELD BY IL&FS GROUP IN IL&FS TAMIL NADU POWER COMPANY LIMITED, PORTO NOVO MARITIME LIMITED AND IL&FS MARITIME OFFSHORE PTE. LIMITED

Respected Directors,

We refer to the advertisement in *The Economic Times* dated February 1, 2019 and the *Maharashtra Times* dated February 1, 2019, the invitation for Expression of Interest (“EOI”) and the preliminary teaser available at www.ilfsindia.com/ad/, in respect of the proposed sale of shares held by subsidiaries of IL&FS (“IL&FS Group”) in IL&FS Tamil Nadu Power Company Limited, Porto Novo Maritime Limited and IL&FS Maritime Offshore Pte. Limited as set out in the preliminary teaser (“Potential Transaction(s)”).

We hereby confirm that we are desirous of participating in the Potential Transaction(s), and would like to submit this EOI.

We confirm that we have understood the terms and conditions applicable to the submission of EOI. We confirm and undertake that the information furnished by us in this EOI and supporting documents is true, correct, complete, and accurate.

We confirm that we fulfil each of the eligibility criteria mentioned in the invitation for EOI for [Asset 1A and Asset 1B] AND / OR [Asset 2]. Please find attached our profile along with the documents (and details of the eligible consortium, if any) in support of our submission.

[Our net worth as per the last audited balance sheet dated [●] is INR [●].] OR [Our minimum assets under management in India as of ____ is [●]] OR [Our committed funds available for investment/deployment in Indian companies / assets as of ____ is [●]].

We agree, acknowledge and declare that:

- (a) The person signing this EOI and other supporting documents is an authorized signatory who is supported by necessary board resolutions/authorization letter of the applicant (*as enclosed*);



- (b) We have not been debarred or restrained by any regulatory authority from making investments;
- (c) We are not ineligible under the provisions of Section 29A of the Insolvency & Bankruptcy Code, 2016 to participate in the process relating to the Potential Transaction(s);
- (d) We shall maintain confidentiality of the information received as part of the process relating to the Potential Transaction(s) (“**Process**”) and shall not use such information to cause any undue gain or undue loss to itself or any other person.

With respect to the Potential Transaction(s), we agree and confirm to IL&FS that:

- (a) We are aware that the consummation of any transaction pursuant to the process initiated by this EOI will be subject to requisite approvals, including, the approval of the Board of IL&FS and the respective selling shareholders, approvals required under applicable law or from statutory authorities, and approval of the National Company Law Tribunal;
- (b) If we do not meet any of the eligibility criteria throughout the Process, then IL&FS shall have the right, exercisable at its sole discretion, to forthwith terminate our involvement in the Process and the Potential Transaction(s). We will promptly intimate IL&FS of any material adverse change or any ineligibility in respect of the conditions set out in the Invitation for EOI issued by IL&FS, including any developments that impact our ability to complete the Potential Transaction(s) as envisaged pursuant to the Process;
- (c) IL&FS reserves the right to request for additional information or clarification(s) from us for the purposes of the EOI and we shall promptly comply with such requirements;
- (d) IL&FS reserves the right to determine at its sole discretion, whether or not we are eligible for the proposed transaction and may reject the EOI submitted by us without assigning any reason or without incurring any liability whatsoever;
- (e) We have provided, and will provide, all information and data during the Process, in a manner that is true, correct, accurate and complete and no such information, data or statement provided by us is (nor, when provided, will it be) inaccurate or misleading in any manner; and
- (f) IL&FS reserves the right to suspend, terminate or modify the process under this EOI or subsequent steps at any time, without providing any reasons or incurring any liability whatsoever.

Yours sincerely,

On behalf of [*name of applicant*]

Signature:



Name of Signatory:

Designation:

Contact No.:

E-mail ID:

Address:

Enclosures:

1. Profile of the Applicant;
2. Authority Letter