

# ITNL Business – Overview and Status on Resolution

---

May 11, 2023

# ITNL – Leading BOT and EPC Player in Indian Roads sector



## Road Assets

- Strong track record of developing national and state highways, roads, tunnels, fly-overs and bridges
- Robust portfolio of 19 road assets
  - ✓ 12 NHAI / MORTH / NHIDCL roads
- **Operational domestic roads**
  - ✓ 15 road projects (7 annuity and 8 toll)
- **Under construction domestic roads**
  - ✓ Portfolio of 4 road projects (2 annuity and 2 toll)

## Urban Infrastructure and other assets

- Experience of developing diverse infrastructure projects under BOT model
- Successfully executed mass rapid transit systems, urban infra systems, border check systems
- **Karyavottam Sports Stadium** – KSFL is an international sports stadium awarded on annuity basis by Govt. of Kerala

## EPC Division

- In-house capabilities and experienced management to undertake EPC projects
- Diverse mix of marquee projects under execution
- Strong pre-qualification credentials to bag large projects across infrastructure verticals – with experience of developing ~15,000 lane kms
- Currently executing a few domestic EPC projects

## Operations & Maintenance (O&M)

- Incorporated in 2012, Elsamex Maintenance Services Ltd (EMSL) has capabilities in road O&M and tolling services
- Services include periodic maintenance, routine O&M, micro-surfacing, preventive maintenance and special repairs
- Has undertaken micro-surfacing of ~12 million sq.m.
- 14 roads currently being serviced

Total Investment in SPVs:

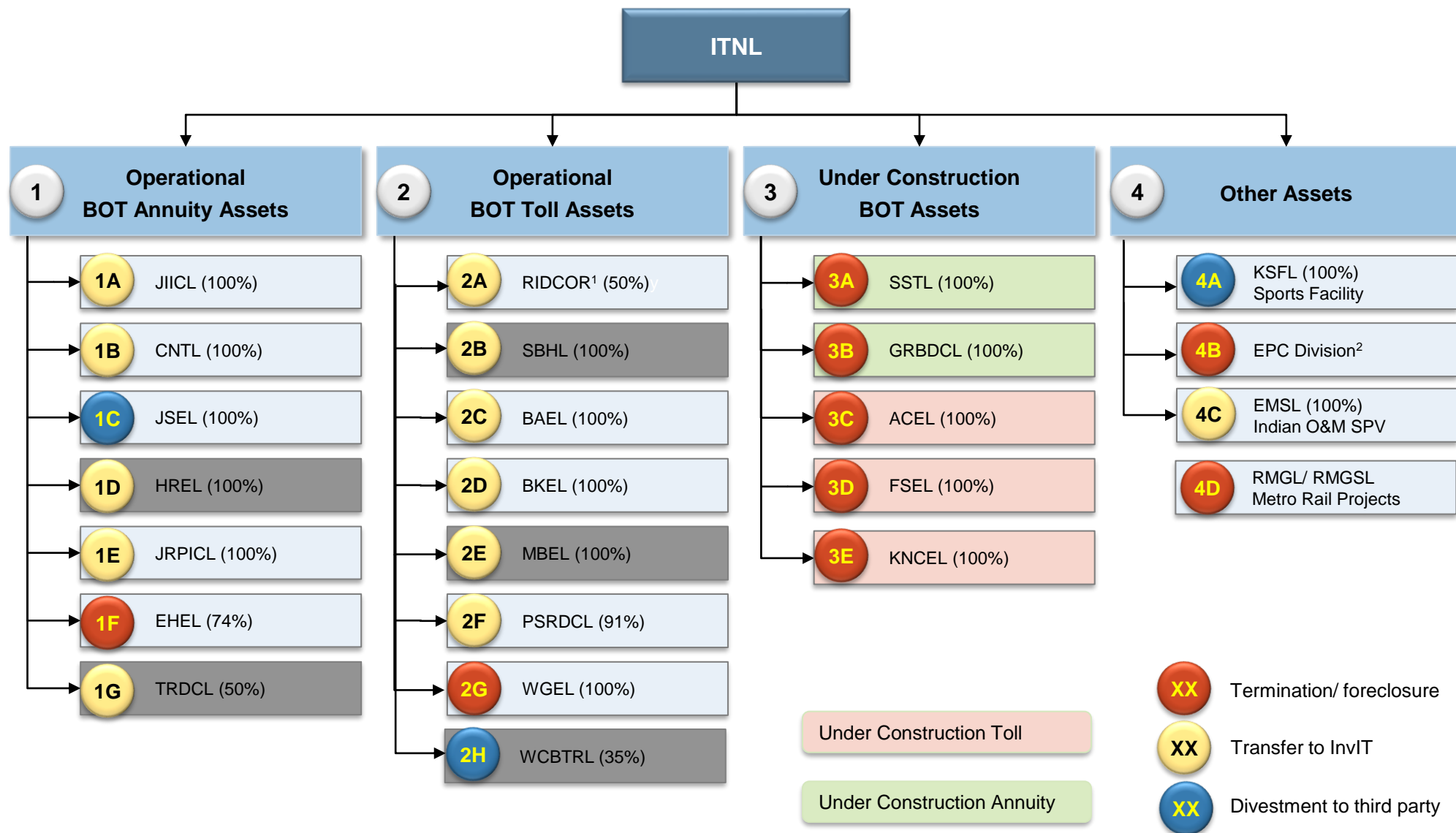
Total Liabilities : 38,000+ Cr

# ITNL Resolution Process

---

- ITNL was incorporated as the transportation asset vertical of IL&FS
- Under the Resolution Framework approved by the Hon'ble NCLAT, the following resolution options have been formulated and implemented based on a framework which is ***fair, transparent and aimed at maximizing realization*** of recovery to all lenders:
  - Divestment of assets/ projects to third parties
  - Formation of an Infrastructure Investment Trust (InvIT) to which operational projects are transferred and units issued by the InvIT are distributed amongst the creditors of holding cos
  - Foreclosure/ Termination of projects with the Authority through amicable settlement
  - Closure/ winding up of companies (which may have no business or in which projects have been terminated)
- All resolutions (sale, settlement of claims) are approved through the following approval process:
  - Resolution is first vetted by the relevant Board of Directors and the IL&FS Board;
  - Approval of relevant Committee of Creditors (COC) is sought;
  - Approval of Hon'ble Justice (retd.) D.K. Jain (appointed by NCLAT) is sought;
  - Approval of Hon'ble NCLT is sought.
  - Thereafter, resolution approved is concluded and is further subject to relevant approvals from lenders and authorities viz. NHAI/ NHIDCL/ State Governments etc.

# Portfolio of Assets - India



(1) 50:50 JV between IL&FS and Govt of Rajasthan  
 (2) EPC is a business division of ITNL

# Divestment of the IL&FS Roads vertical

Description	Details																				
Divestment Process initiated	December 2018																				
Assets offered under ITNL Portfolio	19 Assets Annuity Toll - 7 nos BOT Toll Assets - 9 nos. Other Asset / Businesses - 3 nos																				
Bids received	August 2019 : 10 road assets and 1 Other Asset (Sports Stadium – KSFL)																				
Bids accepted (H1 Bidders) / Assets dropped out due to issues related to	CNTL - Cube Highways and Infrastructure Pte II Ltd (“Cube”) ( <i>lender / legal issues</i> ) JSEL - Sekura Roads Ltd (“Sekura”) [Edelweiss Group] ( <b>NCLT approval awaited</b> ) JIICL - Sekura Roads Ltd ( <i>non-receipt of annuities</i> ) ( <b>Earmarked for trsfr to InvIT</b> ) HREL - Sekura Roads Ltd ( <i>lender / legal issues</i> ) ( <b>Transferred to InvIT</b> ) PSRDCL - Autostrade India Infrastructure Development Pvt Ltd ( <i>delay and change in management</i> ) ( <b>Earmarked for transfer to InvIT</b> )																				
Bids rejected	<table border="1"> <thead> <tr> <th>Asset</th> <th>H1 Bidder</th> <th>Bid as a % of FMV</th> </tr> </thead> <tbody> <tr> <td>MBEL</td> <td>National Investment and Infrastructure Fund Ltd (NIIF) + Sekura Roads Ltd</td> <td>68%</td> </tr> <tr> <td>JRPICL</td> <td>- As above -</td> <td>78%</td> </tr> <tr> <td>BKEL</td> <td>Subsidiary of Oaktree Capital Group LLC, Singapore</td> <td>29%</td> </tr> <tr> <td>SBHL</td> <td>- As above -</td> <td>34%</td> </tr> <tr> <td>RIDCOR</td> <td>Cube Highways and Infrastructure Pte III Ltd</td> <td>54%</td> </tr> </tbody> </table>			Asset	H1 Bidder	Bid as a % of FMV	MBEL	National Investment and Infrastructure Fund Ltd (NIIF) + Sekura Roads Ltd	68%	JRPICL	- As above -	78%	BKEL	Subsidiary of Oaktree Capital Group LLC, Singapore	29%	SBHL	- As above -	34%	RIDCOR	Cube Highways and Infrastructure Pte III Ltd	54%
Asset	H1 Bidder	Bid as a % of FMV																			
MBEL	National Investment and Infrastructure Fund Ltd (NIIF) + Sekura Roads Ltd	68%																			
JRPICL	- As above -	78%																			
BKEL	Subsidiary of Oaktree Capital Group LLC, Singapore	29%																			
SBHL	- As above -	34%																			
RIDCOR	Cube Highways and Infrastructure Pte III Ltd	54%																			

---

## **Divestment Initiatives**

## Timeline of CNTL/ JSEL divestment

Description	Details
H1 Bidders	JSEL – Sekura Roads Ltd (“Sekura”) CNTL – Cube Highways and Infrastructure Pte II Ltd (“Cube”)
Bid Value	Sekura – Rs 916.20 crores Cube – Rs 3929.70 crores (subsequently reduced to Rs 3906.70 crores due to applicability of revised distribution framework)
Bids submitted	August 2019
COC Approval	JSEL – March 2020 / CNTL – June 2020
SPA renegotiations	March – September 2020 (due to revised distribution framework)
IL&FS / ITNL / SPV Board Approvals	September 2020
Justice Jain Approval	November 2020
SPA execution	JSEL – December 10, 2020 / CNTL – December 4, 2020
NCLT Application	JSEL – December 18, 2020 / CNTL – December 15, 2020
NHAI Application	JSEL – December 18, 2020 / CNTL – December 13, 2020

- Seller CPs could not be completed by the Extended LSD. Long Stop Date not extended further by IL&FS in view of :
  - receipt of various representations from lenders of CNTL and JSEL to take the asset to InvIT for value maximisation and
  - CAM's opinion that the SPAs had terminated on Extended LSDs
- **Legal Suits :**
  - Bidders filed petitions in Bombay High Court / NCLT for consummation of the transactions.
  - Bombay High Court ruled in favour of Sekura preventing IL&FS to deal further in the JSEL asset till such time the matter was decided at the NCLT. No such stay granted in case of CNTL
- **Approach by Bidders for amicable settlement**
  - On June 17, 2022 and June 20, 2022, Sekura and Cube approached IL&FS with conditional non-binding offers of Rs 1,323 crores and Rs 5,250 crores respectively towards an amicable settlement of disputes and transaction closure. The bids also carried a per-day interest component of Rs 13.23 lakhs and Rs 74 lakhs respectively post August 31, 2022
  - In view of the bids being above the 90% benchmark of the in-house InvIT valuation, IL&FS Board agreed to proceed with bidder discussions for the speedy resolution of these assets



- **SPA :** All key aspects have been discussed and agreed with bidders. The onerous CPs have been removed and deal execution/closure smoothed
- **Lender Discussions:**
  - Sekura reached an understanding with the Senior lenders of JSEL and secured their approval on the revised bid. Post that IL&FS approached NCLT for its approval
  - NCLT required IL&FS to seek approval of Justice Jain on the revised bid
  - Note has been sent to Justice Jain on the revised bid and his approval is expected. Once his approval is received, IL&FS will approach NCLT for approval of the revised Bid
  - Cube could not reach any understanding with the Senior lenders as they were demanding payment of interest from April 1, 2021 (which was the proposition in the alternate option of InvIT)
  - In view of the same, IL&FS has rejected the revised offer of Cube and decided to consider transferring the asset to InvIT

---

## **Claims and Project Settlements**

# Claims Settled till date

S No	Name of SPV	Authority	Mode of Settlement	Amount (in Rs Cr)	Current Status
1	FSEL	NHAI		708	Claims Settled and Money Received
2	KNCEL	NHAI	Termination Claims – Settled under MORTH circular for amicable foreclosure of stuck (incomplete) projects	673	Claims Settled and Money Received
3	ACEL	NHAI		172	Claim agreed and pending NCLT approval
4	IRIDCL	MORTH		144	Claims Settled and Money Received
5	KSEL	NHAI	Termination claim under Authority Default	891 150	Claims Settled and Money Received from NHAI Toll collected till the date of handover
6	RMGL	HUDA	Minimum termination payment paid under Court order	1927	Minimum amount received. Default to be decided under Arbitration
7	RMGSL	HUDA			
8	JSEL	NHAI		252	Claim for missed Annuity settled & amt received
9	BKEL	NHAI	Other than Termination Claims settled through CCIE lead conciliation	7	COS issue settled and amount received
10	HREL	NHAI		62	Negative COS issue settled, and money received
11	CNTL	NHAI		19	COS issue settled and money received
<b>Total Claims Settled</b>				<b>5,005</b>	

# Ongoing Claims

S No	Name of SPV	Authority	Mode of Settlement	Amount (in Rs Cr)	Current Status
1	SSTL	NHIDCL	Termination under MORTH foreclosure guidelines for stuck up projects Payment in amicable settlement	409	<ul style="list-style-type: none"> <li>Amount payable agreed by NHIDCL is Rs. 409 Cr (Rs. 421 Cr less IE fees of Rs. 12 Cr).</li> <li>Of this amount, NHIDCL intends to adjust Rs. 122 Cr against Z-MORTH Tunnel PBG amount</li> <li>Draft settlement agreement is under negotiation</li> </ul>
2	BAEL	NHAI	Claim under COS, delay in handing over of land and toll loss –Under CCIE for amicable settlement	50	<ul style="list-style-type: none"> <li>Gross claim filed is for Rs 845 Cr</li> <li>The IE recommendation is + COS of Rs. 117 Cr and (-) COS of Rs. 143 Cr (80% payable under CA).</li> <li>The expected amount of claim that may be realized would be in the range of Rs. 50 Cr at best</li> </ul>
3	PSRDCL	NHAI	Under High Court	548	<ul style="list-style-type: none"> <li>3:0 Arbitration award in our favor in Nov 17</li> <li>Section 34 in Delhi HC in our favor – March 19</li> <li>Section 37 filed by NHAI in Delhi HC in May 19 and is pending disposal – next date 18/8/22</li> <li>Full money deposited by NHAI in HC</li> <li>Proposal for amicable settlement through CCIE sent to NHAI</li> </ul>
				<b>1,007</b>	

# Ongoing Claim – EHEL (Rs 141 Cr, -Ve CoS Rs 48 C)

- Two meetings held with HGCL MD regarding amicable settlement of all Claims including Negative COS
- Verbally indicated the following for out of court settlement subject to COS issue also being settled amicably:

	EHEL Claim	Acceptable to HGCL
Bonus Annuity	33.3 Cr	Not Acceptable
1 <sup>st</sup> Annuity Payment (x factor)	33.3 Cr	33.3 Cr (at end of Concession Period)
Deductions from 15 <sup>th</sup> Annuity (2 <sup>nd</sup> annuity + interest)	15.73 Cr (annuity)	15.73 Cr (at end of Concession Period)
	13.66 Cr (interest)	13.66 Cr (at end of Concession Period)
	8.22 Cr (Int on 13.66)	Not Acceptable
Interest on delayed annuities	22.99 Cr	Not Acceptable
Release of withheld Annuities	66.6 Cr	66.6 Cr on settlement of COS
Excess Penalty deducted	13 Cr	13 Cr (GO already issued in this regard)

- Reassessed the Negative COS by IE amounting to Rs 47.81 Cr against earlier assessment of Rs 62.5 Cr
- However, IE has recommended recovery of negative COS with interest which we have disputed. Our claim on interest to be let go based on them letting go of interest on negative COS.
- Trying for meeting with HGCL MD for taking forward the proposal of Amicable settlement. However, no meeting has yet been granted
- Parallely Petition filled under section 11 at High court of Telangana for appointment of arbitrator for initiating the arbitration

# TRDCL ( Rs 359 Cr)

---

- TRDCL invoked Arbitration in March 2021 and submitted claims on 5th August 2021 amounting to Rs 358.67 Cr, KRFB submitted the counter claim statement to which TRDCL to file a rejoinder by end of August 2022. Arbitration is currently in the arguments stage.
- Phase-I of the project has been handed back to KRFB as the concession period for the same was over.
- Company making efforts to settle the outstanding claims through amicable settlement. Meeting held with PWD secretary and CEO KRFB. However, no progress in the matter
- The total adjusted annuities as on date is around Rs 47 Cr (on the basis of alleged non-availability of some stretches). Since overlaying of all stretches is completed, no further adjustments now. This amount is also part of the arbitration dispute.
- TRDCL preparing to issue letter indicating Intent to Terminate to KRFB on Authority Default quoting delays in annuity payments and imposition of wrongful penalties.

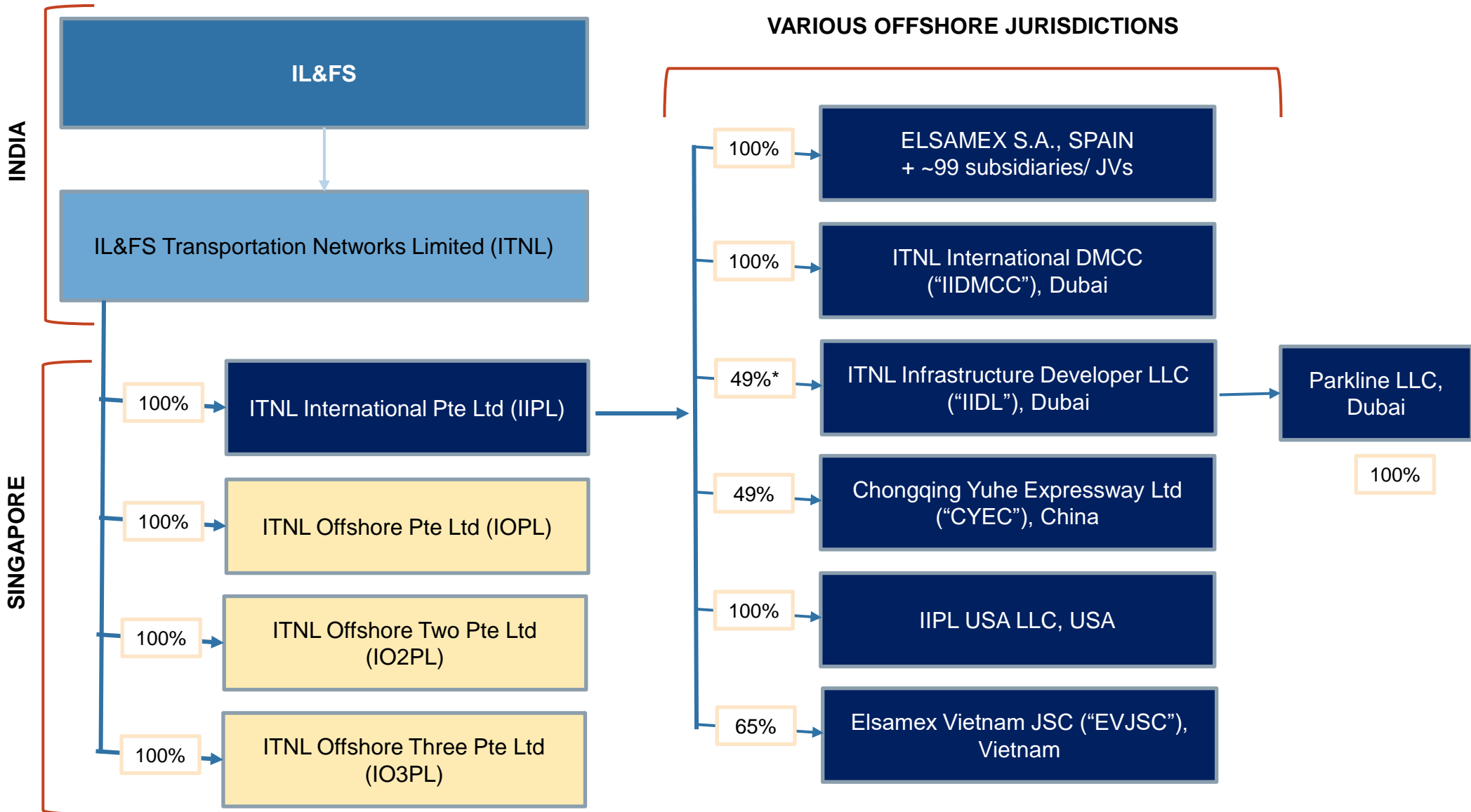
# Issues- CCIE (WGEL)

## Claims filled with CCIE

S.No	Head of Claim	Amount Claimed
1.	Termination Claim based on Present Value of future earning potential lost to the Concessionaire (net of all maintenance obligations including Major Maintenance)	Rs. 220 Cr
2	Proportionate Net Negative Grant	Rs. 42 Cr
	<b>Total Claim</b>	<b>Rs. 262 Cr</b>

- Three meetings held with CCIE-II. CCIE pushed NHAI in the last meeting held on 8<sup>th</sup> May 2023 to settle the case on equitable terms.
- NHAI had earlier sent letter for counter claims of around Rs. 400 Cr for restoration of asset and other pending maintenance till the end of the Concession Period. All the concerned personnel at NHAI have now changed. Hopefully, new officials may have a more equitable approach.
- Lender's claim is stronger since NHAI did not provide them Substitution Right under the Concession Agreement before Termination. Hon'ble Delhi High Court had ruled in their decision in Mar 2022 that NHAI should deposit a sum of Rs. 70 Cr in an earmarked account. The same is still pending.

# ITNL Offshore Entities



\*profit share is 74% plus Board Control



# Status of Offshore Entities

Entity	Resolution Proposed	JJ Approval	NCLT approval	Status
I IPL, Singapore	Liquidation	✓	✓	I IPL – Creditors have filed a liquidation application in Singapore High Court. I IPL not to contest the same  IO2PL and IO3PL – Creditor’s Voluntary Liquidation has commenced. Provisional liquidators and law firm appointed.
IO2PL, Singapore	Liquidation	✓	✓	
IO3PL, Singapore	Liquidation	✓	✓	
IOPL, Singapore	-	Creditor Action		Bond holders initiated liquidation of the entity. Liquidator has taken control of the entity.
Elsamex SA, Spain	Voluntary Liquidation/ restructuring	Creditor Action		IL&FS was working with creditors for voluntary insolvency/ restructuring but in meantime, insolvency filed by an external creditor in Spain. Under liquidation now.
IIDMCC, Dubai	Liquidation	✓	✓	Insolvency cases filed in Dubai Courts dismissed. Liquidation is being initiated.
IIDL, Dubai	Liquidation	✓	✓	
Parkline LLC, Dubai	-	Authority Action		Authority substituted the project in favor of lenders to the project.
CYEC, China	Divestment	✓	✓	Project sold to successful bidder and money received.
EVJSC, Vietnam	Divestment	✓	✓	Project is under divestment and closure expected soon.
I IPL, USA	Closure/ strike off	✓	✓	Assets sold and entity closed.

## Other recoveries and cash position

Rs Cr

Recoveries		FY19	FY20	FY21	FY22	FY23	Total
A	Sale of Non-Core assets	1.53	0.21	23.31	22.06	0.58	47.69
B	Income Tax refund	64.47	2.16	335.09	91.05	47.10	539.87
C	Indirect Tax refund	28.71	-	1.41	0.58	3.48	34.17
D	Others (Loans and advances)*	82.21	32.53	7.97	8.82	45.36	176.80
		<b>176.82</b>	<b>34.90</b>	<b>367.78</b>	<b>122.51</b>	<b>96.52</b>	<b>798.53</b>
Cash and bank Balance (as on 31st March)		234.17	406.25	604.31	910.78	1192.15	
Number of employees(as of 31st March)		253	122	105	85	85	

\*does not include receipt from green SPV debt servicing

# Overall Resolution Status

## Resolution status by value

Entity	Amount in INR Crores
<b>Estimated Overall Resolution Value (incl. cash &amp; InvIT)</b>	<b>30,142</b>
<b>(A) Estimated Resolution achieved till date (incl. court filings and cash &amp; InvIT)</b>	<b>27,776</b>
Resolution achieved till date (in fully resolved entities)	4,643
Debt discharged (auto-debits, green entity servicing, NFB release, interim/final distribution)	6,725
Cash Available	8,062
InvIT Units Available	1,471
Incremental resolution value filed with/approved by court	6,875
<b>(B) Estimated incremental future resolution</b>	<b>2,366</b>

## Resolution status by entity count

Particulars	# Entities				
	Entity Monetization	InvIT	Termination	Closure/Liquidation	Total
Resolved basis court filings	8	9	5	116	138
Balance – Not resolved, not filed	3	0	8	9	20
<b>Total</b>	<b>11</b>	<b>9</b>	<b>13</b>	<b>125</b>	<b>158</b>

---

**Thank You**