

INVITATION FOR EXPRESSION OF INTEREST

FOR

THE ACQUISITION OF EQUITY INTERESTS IN IL&FS GROUP'S UAE BASED BULK PETROLEUM STORAGE TERMINAL ASSET, IL&FS PRIME TERMINALS FZC

This refers to the advertisement issued in GULF NEWS, UAE dated February 25, 2019 regarding the proposed sale of equity interests in IL&FS Prime Terminals FZC (“**IPTF**”). Expressions of Interest (“**EOI**”) are invited from interested parties (“**Applicants**”) for a potential acquisition of IPTF (which, in the form of a stock transaction, shall represent the acquisition of up to 81.84% of the common stock) (“**Potential Transaction**”), of which 71.84% is held by IL&FS Maritime Infrastructure Company Limited (“**IMICL**”), a wholly-owned subsidiary of Infrastructure Leasing and Financial Services Limited (“**IL&FS**”).

IPTF owns and operates a state of the art, independent bulk petroleum storage terminal commissioned in March 2015. It is located in the Fujairah Oil Industry Zone and connected to the Port of Fujairah, United Arab Emirates. The terminal:

- (i) is handling a wide range of petroleum products (heavy/middle/light distillates) with a capacity of 333,484 cubic meters (“**CBM**”);
- (ii) consists of 17 above ground, carbon steel storage tanks, including 3 utility tanks for slop, fire water and diesel and 14 product tanks (of which 6 are suitable for heavy distillates and 8 are suitable for middle/light distillates); and
- (iii) offers a turnkey capacity expansion opportunity, that would increase overall capacity to approx. 770,000 CBM for which the infrastructure and common utilities are already in place. The planned capacity expansion (detailed engineering has been completed and requisite permits are in place) would largely be a plug and play project into the existing operational facilities of the terminal.

EOIs are sought from Applicants interested in the Potential Transaction.

Consummation of any transaction will be subject to requisite approvals, including corporate approvals of the selling shareholders and other shareholders of IPTF, the approval of the board of directors of IL&FS, approvals required under applicable law, and approval of all relevant courts or tribunals, including the National Company Law Tribunal, Mumbai (Special) Branch. **Houlihan Lokey** has been engaged to assist in the Potential Transaction.

EXPRESSION OF INTEREST CRITERIA

A. Net Worth and Related Eligibility Criteria

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

1. Financial Criteria

- a. For a corporate entity, minimum net worth (“NW”) of \$50,000,000 (US Dollars Fifty Million) as per the latest audited balance sheet
- b. For investment funds, including private equity funds: (i) minimum assets under management of \$200,000,000 (US Dollars Two Hundred Million) as of **March 11, 2019**; or (ii) committed funds available for investment/ deployment in companies incorporated in United Arab Emirates of \$200,000,000 (US Dollars Two Hundred Million), as of **March 11, 2019**.
- c. Notes on NW:
 - i. NW shall be computed as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;
 - 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 sponsor, 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 should convert all monetary amounts into US Dollars at the foreign exchange rate stipulated by Financial Benchmarks India Pvt Ltd. (as of December 31, 2018)¹;

¹ <https://www.fbil.org.in/securities?op=referencerate&mq=0>

- 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 December 31, 2017 and December 31, 2018 or later.

2. Other Eligibility Criteria for all Applicants

The Applicant shall not have been sanctioned, disqualified, debarred or restrained by any governmental or regulatory authority from acquiring the shares being offered or making investments in IPTF.

B. Guidelines for the Submission of EOI

Interested Applicants must submit:

1. A duly executed EOI in the format set out in Annex A;
2. A profile of the Applicant; and
3. A proof of authorization for the execution of the EOI.

Such submission shall be by email to team ID IPTFUAE@ILFSINDIA.COM with a copy to PROJECTFUJI@HL.COM

Emails should clearly set out the subject as *“Expression of Interest in IPTF”* and should be submitted no later than **5 PM United Arab Emirates Time on March 11, 2019**.

C. Other information

1. Unless any changes or modifications to this invitation for EOI are uploaded on www.ilfsindia.com/ad/ and www.iptf.com the terms of this invitation for EOI shall be final and binding on all Applicants.
2. If, at any time during the process for the Potential Transaction, IL&FS / IMICL 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.
3. IL&FS / IMICL reserves the right, at its sole discretion, to reject all or any of the EOIs, without providing any reasons or incurring any liability whatsoever.

4. IL&FS / IMICL reserves the right to suspend, terminate or modify the process for the Potential Transaction, without providing any reasons or incurring any liability whatsoever.
5. The Applicant shall maintain confidentiality of the information received as part of the Potential Transaction process and shall not use such information to cause any undue gain or undue loss to itself or any other person.
6. Eligible Applicants shall be determined by IL&FS / IMICL at its sole discretion and will be contacted 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 assets under the Potential Transaction and other information in relation to the Potential Transaction.

ANNEX A

FORMAT OF EXPRESSION OF INTEREST

[On the letter head of the Applicant]

Date: [●]

To:

1. The Board of Directors,
Infrastructure Leasing & Financial Services Limited (“IL&FS”)
2. The Board of Directors,
IL&FS Maritime Infrastructure Company Limited (“IMICL”)

Subject: INVITATION FOR EXPRESSIONS OF INTERESTS FOR THE ACQUISITION OF EQUITY INTERESTS IN IL&FS GROUP’S UAE BASED BULK PETROLEUM STORAGE TERMINAL ASSET, IL&FS PRIME TERMINALS FZC (“IPTF”)

Respected Directors,

We refer to the advertisement issued in GULF NEWS, UAE dated February 25, 2019, and the Invitation for expression of interest available at www.ilfsindia.com/ad/, and www.iptf.com, for a potential acquisition of IL&FS Prime Terminals FZC (“IPTF”) (which, in the form of a stock transaction shall represent the acquisition of up to 81.84% of the common stock) (“**Potential Transaction**”), of which, 71.84% is held by IMICL, a wholly-owned subsidiary of IL&FS. We hereby confirm that we want to participate in the Potential Transaction, and would like to submit this Expression of Interest (“**EOI**”).

We confirm that we understand the terms and conditions applicable to the submission of the EOI. We confirm and undertake that the information provided by us in this EOI and supporting documents are true, correct, complete, and accurate.

We confirm that we fulfil each of the ‘eligibility criteria’ mentioned in the invitation for the EOI for the acquisition of equity interests in IPTF. 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 [●]. OR [Our committed funds available for investment/deployment in companies incorporated in UAE 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 sanctioned, disqualified, debarred or restrained by any governmental or regulatory authority from acquiring the shares being offered or making investments in IPTF;

(c) We shall maintain confidentiality of the information received as part of the process relating to the Potential Transaction (“**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, 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 corporate approvals of the selling shareholders and other shareholders of IPTF, the approval of the board of directors of IL&FS, approvals required under applicable law and approval of all relevant courts or tribunals, including the National Company Law Tribunal, Mumbai (Special) Branch in India;

(b) If we do not meet any of the eligibility criteria throughout the Process, then IL&FS / IMICL shall have the right, exercisable at its sole discretion, to forthwith terminate our involvement in the Potential Transaction. We will promptly intimate IL&FS / IMICL of any material adverse change or any ineligibility in respect of the conditions set out in the Invitation for EOI, including any developments that impact our ability to complete the Potential Transaction envisaged pursuant to the Process;

(c) IL&FS / IMICL 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 / IMICL reserves the right to determine at its sole discretion, whether or not we are eligible for the Potential 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 the applicant*]

Name of Signatory:

Designation / Title:

Contact Number:

Email:

Address:

Enclosures:

- (1) Profile of the Applicant;
- (2) Authority Letter *or* Board resolution
- (3) Latest Audited Financial Information
- (4) Computation of Net Worth as applicable for a Corporate Body