

## Summary of the Company

### West Haryana Highways Projects Private Limited

M/S West Haryana Highways Projects Private Limited was incorporated on 23.08.2007. It is involved in the business of construction. The company is SPV of M/S Era Infra Engineering (India) Limited (EIEL) (49% share) with Karam Chand Thapar & Bros (Coal Sales) Limited (51% share) and is presently undertaking the project of "Augmenting of existing road from Km 29.70 to Km 87.00 (approx. 63.49 Km) on Bahadurgarh – Rohtak Section of NH – 10 in Haryana by Six / Four Laning on Build, Operate & Transfer (BOT) Model" basis. EIEL is the EPC contractor for the project.

The initial COD for the project was envisaged as 01.05.2010, i.e. 730 days from appointed date of 02.05.2008 as per NHAI letter dated 20.10.2009. Further, as per common loan agreement, SCOD is recorded as 01.04.2010. The project has been delayed due to legal proceedings initiated by certain land owners with Hon'ble High Court for a small land stretch of 0.94 Kms. The company could not get land despite decision of the court. Apprehending substantial delay in legal proceedings, NHAI ultimately initiated land acquisition process for the said stretch needed for road construction as per Land Acquisition Act. Meanwhile, anticipating that the COD could not be achieved as per schedule, company vide its letter dated 29.03.2012 requested for further extension of one year beyond the normal 02 years' period, permitted as per RBI extant guidelines. MC in its meeting dated 25.10.2012 noted for extension of COD up to 01.04.2013. Further, COD was extended up to 01.05.2014 owing to delay in acquiring land & non-availability of land due to court case.

PCOD was granted subject to compliance of certain punch listed items were finalized by NHAI, EC on 31.12.2014.

IE has granted provisional COD on 26<sup>th</sup> November 2015 and on the same day the tolling started. Cash flow from the toll was not sufficient to service the interest and the instalments. Hence, the account turned into NPA category and suit was filed for recovery.

**Reason for Stress:** The project has been delayed due to legal proceedings initiated by certain land owners with Hon'ble High Court for a small land stretch of 0.94 Kms. The company could not get land despite decision of the court. Apprehending substantial delay in legal proceedings, NHAI ultimately initiated land acquisition process for the said stretch needed for road construction as per Land Acquisition Act.

Further, tolling was delayed despite the completion of the project to the extent of more than 90%. The vehicles were already plying on this section of the national highway for more than three years. The toll collection is not generated as estimated as many passengers are locals. The company had to issue passes to villagers in and around the highway for which the company has lodged claim with the state authorities. As the revenue generation from the tolling is not as per initial estimate, the company is not able to generate the sufficient revenue / income to service the interest and principal of the loans and as a result, the account turned into NPA. The account is NPA with all consortium members.

#### **Base Offer (Anchor Bid):**

1. The Consortium Lenders have received an offer for purchase and acquisition of Non-Performing Asset for a base price of Rs. 690 Crores on a Cash: Security Receipts ("SR") structure of 15:85 from the anchor bidder ("Anchor Bid").
2. As per the Cash: SR structure the anchor bidder has agreed to pay 15% of the total consideration offered upfront and the balance 85% through issuance of SRs
3. A brief snapshot of the sale/assignment of the Non-Performing Asset as given in the Anchor Bid is provided below:

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Assets | <ol style="list-style-type: none"><li>(i) All debts and receivables owed to the Lenders under or in relation to the Facilities (including all amounts outstanding in relation to the Facilities under the Facility Documents, whether as principal, interest, redemption/prepayment premium, default interest, any other costs, indemnities, expenses, amounts, payments and/or fees or otherwise but shall exclude any undisturbed commitment of the Lender under the Facility Documents);</li><li>(ii) All security interest, contractual undertakings/comforts, assurances, credit enhancements and guarantees created or provided by the Company or any</li></ol> |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   | <p>third party in favor of or for the benefit of the Lender; (including any exclusive security interest created in favour of the Lenders); and</p> <p>(iii) All rights, claims and interest (including beneficial, incidental and ancillary right and claims), whether existing, future, accruing, conditional or contingent, in respect of such debt or receivables arising under the Facility Documents and otherwise under law;</p> <p>(iv) Without prejudice to the generally of the foregoing, the rights and claims of the Lenders under any related documents in relation to the Facilities,</p> <p>(together, the “<b>Financial Assets</b>”)</p> |
| Cutoff Date                       | 15.02.2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Mode of Acquisition               | Absolute assignment and transfer of all Financial Assets on a non- recourse basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Acquirer                          | Anchor bidder and/or the trust set up by it who are eligible to acquire and act as lender in respect of the Financial Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Management Fee Payable to Trustee | An amount equal to 2% per annum payable quarterly as a percentage of Net Asset Value (NAV) of SRs issued by the trust and calculated at the lower of end of Recovery Rating of outstanding SRs specified by the Credit Rating Agency. Before availability of the NAV of SRs, Management fee shall be calculated on the basis of face value of SRs as outstanding in the beginning of the respective quarter. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, cess, or any other statutory levy, as applicable on the Management Fee                                                                                |
| Recovery Fee                      | Recovery fee being an amount equal to 2% of the gross recovery received or realised from the underlying assets of the trust, shall be payable to anchor bidder as the trustee as & when any amount is realised in respect of the Assets of the trust. In addition, the Trustee shall be entitled to recover any Indirect Tax including GST, cess, or any other statutory levy, as applicable on the Recovery Fee                                                                                                                                                                                                                                         |
| Upside sharing                    | Any recovery/ realization over and above the SR redemption amount shall be shared among SR holders in the ratio of SR holding i.e.15:85 for anchor and other security receipt holders (Lenders) respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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