

IL&FS Infrastructure Debt Fund

Asset Management Company: IL&FS Infra Asset Management Limited (AMC)
CIN: U65191MH2013PLC239438

Registered Office: The IL&FS Financial Centre, 7th Floor, Plot C-22, G Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400051, India • Website: www.ilfsinfrafund.com

NOTICE No. 28/2016

Notice is hereby given to the unitholders of IL&FS Mutual Fund (IDF) under the SEBI (Mutual Funds) Regulations, 1996 ("SEBI Regulations") in respect of the following:

Change in shareholder of IL&FS Infra Asset Management Limited ("AMC") and IL&FS AMC Trustee Limited ("Trustee"), and change in sponsor of IL&FS Mutual Fund (IDF) ("the Fund") from IL&FS Financial Services Limited ("IFIN") to IL&FS Investment Managers Limited ("IIML").

I Background:

IFIN had set up the Fund to launch infrastructure debt schemes. IFIN was appointed as the initial sponsor to the Fund. AMC was appointed as the asset manager of the Fund pursuant to an investment management agreement dated January 21, 2013 ("Investment Management Agreement"). Trustee was appointed as the trustee of the Fund pursuant to the trust deed dated January 21, 2013 ("Trust Deed").

Pursuant to an internal restructuring by IL&FS Group and no-objection from the Securities and Exchange Board of India ("SEBI") vide letter dated September 14, 2016, (i) 86.61% of the shareholding of IFIN in AMC, and 100% in Trustee is being transferred from IFIN to IIML; and consequently (ii) IIML is being appointed as the sponsor of the Fund in place of IFIN.

IFIN and IIML are subsidiaries of Infrastructure Leasing & Financial Services Limited ("IL&FS"), and accordingly the ultimate parent of the AMC and Trustee, and the ultimate parent of IIML (new sponsor), will continue to be IL&FS.

IIML, the new sponsor to the Fund is listed on the Bombay Stock Exchange and National Stock Exchange of India Limited.

The Board of Directors of the AMC and Trustee approved the above matter. Further SEBI has vide its letter no. IMD/DF3/OW/P/2016/25832/1 dated September 14, 2016 conveyed its no-objection to the change in sponsor of the Fund and change in control of AMC and Trustee.

II About IIML:

- IL&FS Investment Managers Limited (IIML) has been an early and in many instances, the first investor across various sectors such as Telecom, City Gas Distribution, Shipyards, Retail, and Media. IIML is one of India's largest private equity fund management companies with assets under management over US\$ 3.2 billion on behalf of leading Indian and International Institutions.
- IIML has been an active investor in the Indian market with aggregate investment experience spanning two decades and across industry sectors. IIML's experience covers the entire Private Equity life cycle-right from raising funds, investing, monitoring and planning exits.
- IIML has a diversified portfolio with a vast experience in managing funds across all the sectors and business cycles. However, broadly IIML's focus can be categorised into a) Infrastructure b) Real Estate and c) Growth Private Equity i.e. manufacturing, technology, retail, media, agriculture & consumer services etc.
- IIML recognised that Indian infrastructure requirements are humungous and thus over the last decade, IIML has managed 3 infrastructure focused funds and presently manages investments in the sector through the SCI Asia Infrastructure Fund, a joint venture fund in partnership with Standard Chartered Bank. In all, IIML has undertaken 31 infrastructure investments aggregating over 26 billion and is presently invested across transportation, maritime, power, city gas distribution, agri-warehousing, container logistics and waste management sectors.

III Effects of the above indirect change in control:

- IIML will become the new sponsor of the Fund and IFIN will cease to act as the sponsor.
- Equity shares of 86.61% held by IFIN (along with its nominees) in the AMC will be transferred to IIML.
- Equity shares of 100% held by IFIN in the Trustee will be transferred to IIML.
- There shall be no change in the name of the Fund, the AMC and the Trustee i.e., it continues to be IL&FS Mutual Fund (IDF), IL&FS Infra Asset Management Limited and IL&FS AMC Trustee Limited respectively.
- Accordingly, there shall be no change in the name of the schemes of the Fund.
- The Trust Deed and the Investment Management Agreement shall be amended to reflect the change of current sponsor (IFIN) with the new sponsor (IIML).
- The Statement of Additional Information, Private Placement Memorandum and all related documents shall be modified to contain the above mentioned change.

IV Impact (if any) on unitholders of IL&FS Mutual Fund (IDF):

Since the change in control is being done within the IL&FS Group, the controlling interest and management control of the AMC and Trustee would remain within the IL&FS Group as the ultimate controlling shareholder in both entities.

Further, as mentioned above, there are no changes proposed to the scheme(s) of the Fund. Accordingly, consequent to the above changes, there will be no change in the day to day management, overall functioning or reporting framework of the AMC and Trustee with respect to the schemes of the Fund.

V Undertaking by the IIML and Trustee:

IIML and Trustee undertakes that:

- The AMC takes full responsibility of the management and administration of the schemes of the Fund including the matters relating to the reconciliation of accounts.
- The Trustee takes full responsibility of the trusteeship of the assets and liabilities of the schemes of IDF including unclaimed dividends and unclaimed redemptions.
- It will assume all responsibilities and obligations relating to the investor grievances, if any, in respect of the schemes of the Fund to be taken over, in accordance with and pursuant to SEBI Regulations.

VI Approval for changes to the Trust Deed:

The unit holders are informed that, reference to IL&FS Financial Services Limited as 'Sponsor' in the Trust Deed will be replaced by IL&FS Investment Managers Limited.

Pursuant to the provisions of SEBI (Mutual Funds) Regulations, 1996, prior approval of the unit holders of IL&FS Mutual Fund (IDF) is required for any amendments to the Trust Deed. In view of the aforesaid changes, it is necessary to amend the Trust Deed. Accordingly, approval of all the unit holders of the schemes of IL&FS Mutual Fund (IDF), as at the close of business hours of Monday, October 17, 2016 is sought for changes in the Trust Deed through postal ballot. Details of postal ballot, particularly terms of voting, timelines for sending duly filled in and signed ballot papers, manner of determining the results of postal ballot, etc. are mentioned in the letter to unit holders.

The Registrar will conduct and control the exercise of the postal ballot, and all valid ballot papers will be counted by the Registrar under the supervision of an authorized official of AMC or, if considered necessary by the Trustees, an independent scrutiner appointed by the Trustee. If more than 50% of the total valid votes received are in favour of the proposed amendment, it will stand approved and will be binding on the unit holders of all schemes of IL&FS Mutual Fund (IDF). Unit holders are requested to note that if the duly completed & signed Ballot Paper is not received by the Scrutinizer on or before close of business hours on Monday, November 7, 2016, the same shall not be considered for the purposes of determining the voting.

Unitholders are requested to note that IL&FS Infrastructure Debt Fund schemes launched under the Fund are closed ended schemes, hence there are no instances of unclaimed redemption and the schemes have not declared any dividend till date.

Unitholders have also been informed by individual communication of the details of the change in sponsor along with other required disclosures. Those Unitholders who do not receive the said communication can contact the Office of AMC or service centres of Computer Age Management Services Private Limited ("CAMS"), the Registrar and Transfer Agents of the schemes of the Fund and obtain the same.

This notice serves as a communication to the unitholders of the schemes of the Fund on the above matters. As a unitholder, you are urged to go through this communication and letter dispatched to you carefully. Please consult your financial/tax advisors in the event that you have any queries. In case you require any further information/assistance, please feel free to contact the Office of AMC or service centres of CAMS.

For IL&FS Infra Asset Management Limited

Asset Manager to IL&FS Mutual Fund (IDF)

Sd/-	Sd/-
Jignesh Shah	Dinesh Ladwa
Chief Executive Officer	Chief Compliance Officer

Date: October 17, 2016

Mutual Fund investments are subject to market risks, read all scheme related documents carefully