

CARE/HO/RL/2018-19/1446

Mr. Jignesh Shah

Chief Executive Officer

IL&FS Infra Asset Management Limited

The IL&FS Financial Centre, Plot C-22, G Block

Bandra-Kurla Complex, Bandra (E),

Mumbai- 400 051

April 18, 2018

Confidential

Dear Sir,

Rating of IL&FS Infrastructure Debt Fund Schemes (Series 3-B)

This has reference to your request for rating of the infrastructure debt fund scheme (Series 3-B) of IL&FS Infrastructure Debt Fund managed by IL&FS Infra Asset Management Limited.

Our rating committee has assigned 'CARE AAA (MF-IDF) [Triple A Mutual Fund – Infrastructure Debt Fund]¹' rating to the IL&FS Infrastructure Debt Fund, Series 3-B. The asset selection ability and asset management capabilities in the infrastructure sector for this scheme are expected to be excellent. Details of this scheme are enclosed as **Annexure I**. Our rating symbols for various IDF-MF ratings and explanatory notes thereon are given in **Annexure II**. The rationale for this rating will be communicated to you separately.

2. CARE's ratings of infrastructure debt fund schemes are an opinion on the asset selection ability and asset management capabilities in infrastructure sector for these schemes.
3. The rating is based on the stated investment policy, investment strategy and expected broad portfolio composition provided by the AMC. Please note that in case of modification of the stated policies, deviation from the expected portfolio composition and any other changes that would affect the scheme ratings, you need to inform CARE at the earliest.
4. The AMC is required to submit quarterly reports to CARE about the status of the fund and its latest scheme portfolio details. A detailed annual review considering the annual accounts of the fund or at such periodic interval as may be required by CARE would be undertaken.
5. CARE's IDF Mutual fund scheme rating is not a recommendation to purchase, sell or hold a security. Also these ratings do not comment on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The rating also

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

does not address the funds' ability to meet the payment obligations to the investors. The rating is valid only for the maturity of the scheme.

6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

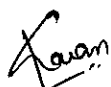
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

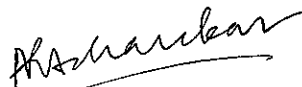
Yours faithfully,



[Karan Ved]

Deputy Manager

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[Aditya Acharekar]

Assistant General Manager

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Encl.: As above

Disclaimer

CARE's infrastructure debt fund rating is not a recommendation to purchase, sell, or hold a security / fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the funds ability to meet the payment obligations to the investors. The ratings are based on current information furnished to CARE by the issuer or obtained by CARE from sources it considers reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE does not perform an audit in connection with any rating and may, on occasion, rely on unaudited information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Funds rated by CARE have paid a rating fee.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

Annexure I

IL&FS Infrastructure Debt Fund

Scheme Name	Tenure
Infrastructure Debt Fund Scheme Series 3-B	7 Years

Annexure II

Infrastructure Debt Fund Schemes – Rating Symbols and Definitions

Rating	Definition
CARE AAA (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be excellent
CARE AA (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be good.
CARE A (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be adequate.
CARE BBB (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be moderate.
CARE BB (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be inadequate.
CARE B (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be poor.
CARE C (MF-IDF)	The asset selection ability and asset management capabilities in infrastructure sector for these schemes are expected to be ver poor.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA (MF-IDF) to CARE C (MF-IDF). The modifiers reflect the comparative standing within the category

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