

Updated Note to Investors – August 2020

Investors are requested to read this note in conjunction with the earlier note make in this regard with respect to NCDs issued by IL&FS Wind Energy Limited (IWEL) and IL&FS Solar Power Limited (ISPL), in which IL&FS Mutual Fund (IDF) “the Fund” has invested.

IWEL:

NCLT had approved the sale of 51% stake of IWEL in the wind SPVs to Orix and the consideration received from Orix of Rs. 590 crores (approx.) has been deposited in an Escrow Account. IL&FS Group is being managed by the new Board under an NCLT order and the distribution of sale proceeds received by IWEL to its lenders requires IL&FS Board to first file a resolution plan for IWEL with NCLT and NCLT needs to approve the same before IWEL can distribute the proceeds received from sale of its 51% shareholding in the wind SPVs to Orix. Once the requisite approval is received by IL&FS, distribution will be made to the lenders which includes IDF.

Given the above, at this stage the Board has approved the Fund to carry in its books, investments in IWEL at the September 30, 2018 outstanding amount.

ISPL:

Offer has been received from a strategic buyer for buying out of the project. The lenders have given NOC for this offer based on discussion with IL&FS. Based on the NOC received from lenders of ISPL and acceptance by the IL&FS Board, IL&FS is now taking necessary action for obtaining regulatory approval towards the offer received and taking this proposal forward. Once the regulatory approval is received, ISPL will distribute the proceeds to the lenders and IDF will get prepayment for its NCDs.

Given the offer received for buy out of the project and per the discussion with IL&FS, the Board of Directors of the IL&FS Infra Asset Management Limited and IL&FS AMC Trustee Limited have approved that there was no need to provide for diminution in the value of securities issued by ISPL at this stage.

Hence, considering the above reasons, there is no need to provide for any diminution in the value of securities issued by IWEL and ISPL as per SEBI Circular dated March 22, 2019 read with AMFI email dated April 30, 2019.