

**EIGHTH ANNUAL TRUSTEE REPORT TO THE UNIT HOLDERS OF
IL&FS MUTUAL FUND (IDF)**

Dear Unitholders,

We have pleasure in presenting the 8th (Eighth) Annual Report of the Schemes of IL&FS Mutual Fund (IDF) for the year ended March 31, 2021, along with the Audited Financial Statements of the Schemes.

The Mutual Fund received registration from Securities & Exchange Board of India (SEBI) on February 1, 2013, with IL&FS Infra Asset Management Limited (“the AMC”) as the Investment Manager and commenced its operations.

(1) BRIEF BACKGROUND OF TRUST, SPONSOR, TRUSTEE COMPANY AND ASSET MANAGEMENT COMPANY

(a) IL&FS INFRASTRUCTURE DEBT FUND (IDF):

IL&FS Mutual Fund (IDF) (“the Mutual Fund” or “the Infrastructure Debt Fund”) has been constituted as a Trust on January 21, 2013 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with IL&FS Investment Managers Limited as the Sponsor and IL&FS AMC Trustee Limited as the Trustee. The Trust Deed was amended and restated on September 5, 2013 and further amended on January 16, 2017. The Trust Deed has been registered under the Indian Registration Act, 1908. SEBI on February 1, 2013 registered IL&FS Mutual Fund (IDF) under Registration No. MF/072/13/02. IL&FS AMC Trustee Limited has entered into an Investment Management Agreement with IL&FS Infra Asset Management Limited which was amended and restated on September 5, 2013 and further amended on January 16, 2017 to function as the Investment Manager for all the Schemes of IL&FS Infrastructure Debt Fund (IDF).

(b) SPONSOR:

IL&FS Investment Managers Limited (IIML) is the Sponsor of IL&FS Mutual Fund (IDF)

Established in 1989, 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 has been an early and in many instances, the first investor across various sectors such as Telecom, City Gas Distribution, Shipyards, Retail, and Media. Funds managed by IIML now span General Purpose Private Equity, Real Estate and Infrastructure.

Investors to IIML managed Funds include most of the major Indian Banks & Institutions, and marquee Global Institutional Investors including major U.S. Pension Funds, Endowments, Foundations and SWF's.

IIML is listed on the National Stock Exchange and The Bombay Stock Exchange.

(c) **THE TRUSTEE:**

IL&FS AMC Trustee Limited, the Trustee Company is a Public Limited Company incorporated under the Companies Act, 1956 on December 4, 2012 and at present having its registered office at The IL&FS Financial Centre, 8th Floor, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051, India. The Original Trust Deed between the parties was registered on January 21, 2013 and was amended and restated on September 5, 2013 and further amended on January 16, 2017. The Trustee, through its Board of Directors, shall discharge its obligations as Trustee of the IL&FS Mutual Fund (IDF). The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. IL&FS AMC Trustee Limited is a wholly owned subsidiary of IL&FS Investment Managers Limited. IL&FS Investment Managers Limited holds 100% of the share capital of IL&FS AMC Trustee Limited along with 6 nominee shareholders

IL&FS AMC Trustee Limited, the Trustee Company is the exclusive owner of the Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

(d) **ASSET MANAGEMENT COMPANY (AMC):**

IL&FS Infra Asset Management Limited (IIAML) is a Public Limited Company incorporated under the Companies Act, 1956 on January 8, 2013 and at present having its Registered Office at “The IL&FS Financial Centre, 8th Floor, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051”.

IIAML is a subsidiary of IL&FS Investment Managers Limited. IL&FS Investment Managers Limited along with 6 nominee shareholders holds 86.61% and LIC of India holds 7.72% of IIAML’s share capital. Whereas, General Insurance Corporation of India, United India Insurance Company Limited and National Insurance Co Ltd holds 1.89% each of IIAML’s share capital.

(2) **Investment Objectives of the Schemes:**

In June 2013, the First Scheme, IL&FS Infrastructure Debt Fund - Series 1-A, 1-B and 1-C, having specified maturity of 5, 7 and 10 years was launched and the Private Placement Offer was closed in December 2013 with a total corpus of ₹ 750 crore.

Series 1A completed 5 (five) years of its tenure on April 29, 2019. IL&FS Infrastructure Debt Fund Series 1A was successfully redeemed on its maturity date.

In March 2014, the Second Scheme, IL&FS Infrastructure Debt Fund - Series 2-A, 2-B and 2-C having specified maturity of 5, 8 and 12 years was launched and the Private Placement Offer was closed in April 2015 with a total corpus of ₹ 575 crores.

IL&FS Infrastructure Debt Fund - Series 3-A having specified maturity of 5 years was launched through Private Placement Offer and the scheme was closed in January 2018 with a corpus of ₹ 140 crore.

IL&FS Infrastructure Debt Fund - Series 3-B having specified maturity of 7 years was launched through Private Placement Offer and the scheme was closed in May 2018 with a corpus of ₹ 153 crore.

The investment objective of the above Scheme/s is to generate income and capital appreciation by investing primarily in infrastructure debt instruments as permitted by SEBI from time to time. There is no assurance or guarantee that the objective of the Scheme will be realised.

(3) Basis and Policy of Investment Underlying the Scheme:

Pursuant to SEBI Circular No. MSD/ Cir-6/73/2000 dated July 27, 2000, the Board of Asset Management Company has set up an Investment Committee. The Member of the Core Operating Committee of IL&FS is the Chairman of the Investment Committee and the other two members of the Committee are the Managing Director & CEO of AMC and Chief Investment Officer (CIO) of the AMC. The Investment Committee consider, review and approve the Investment proposals and related matters. A comprehensive investment policy to identify, select and invest in infrastructure has been laid down by the AMC.

The price and redemption value of the units, and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments in securities or fair value.

(4) Scheme Performance, Outlook, Operations of the Schemes and Investor Services:

Till date, IL&FS IDF has launched Schemes as mentioned below:

- (a) **IL&FS Infrastructure Debt Fund – Series 1B and 1C** - with minimum tenure of 5, 7 and 10 years respectively.

Maturity of IL&FS Infrastructure Debt Fund – Series 1B

IL&FS Infrastructure Debt Fund Series 1B was successfully redeemed on its maturity date i.e. on April 29, 2021.

- (b) **IL&FS Infrastructure Debt Fund – Series 2-A, 2-B and 2-C** - with minimum tenure of 5, 8 and 12 years respectively. These schemes were closed on April 17, 2015 for aggregate amount of ₹ 575 crore and has called 70% of the commitment amount as of March 31, 2019

- (c) **IL&FS Infrastructure Debt Fund – Series 3-A** - with minimum tenure of 5 years.
The scheme closed on January 31, 2018 for aggregate amount of ₹ 140 crore
- (d) **IL&FS Infrastructure Debt Fund – Series 3-B** - with minimum tenure of 7 years.
The scheme closed on May 7, 2018 for aggregate amount of ₹ 153 crore
- (e) **The performance of these schemes since inception is given below as on March 31, 2021:**

Scheme Name	Last 1 year		Last 3 year		Last 5 year		Since inception	
	Scheme return	Bench mark *	Scheme return	Bench mark *	Scheme return	Bench mark *	Scheme return	Bench mark *
IIDF Series - 1B	-14.73%	7.69%	-1.92%	8.98%	3.07%	8.61%	5.41%	9.51%
IIDF Series - 1C	-14.23%	7.69%	-1.55%	8.98%	3.48%	8.61%	5.65%	9.51%
IIDF Series - 3A	-19.96%	7.69%	-5.74%	8.98%	-	-	1.06%	8.58%
IIDF Series - 3B	0.58%	7.69%	5.30%	8.98%	-	-	7.78%	8.58%

***Benchmark** – Crisil Composite Bond Fund Index

Schemes of IL&FS IDF does not have a suitable benchmark and hence the performance had to be compared with Crisil Composite Bond Fund Index. The said benchmark follows mark to market valuation of securities (gross return) while IDF follows valuation of securities on actual yield accrual basis (net return) for the benefit of investors and to give a true picture of investments.

Due to change in maturity bucket, underlying investments composition and valuation methodologies of IDF portfolio as compared to Index portfolio, performance comparisons of IDF scheme's with the above benchmark is not suitable, however in absence of the availability of suitable benchmark, the benchmark return has been disclosed.

Past performance may or may not be sustained in future. Returns greater than 1 year period are compounded annualized (CAGR)

The above return is net of applicable expenses and benchmark return is on a gross basis (IIDF - IL&FS Infrastructure Debt Fund)

For the Scheme, IL&FS Infrastructure Debt Fund-Series 2, the drawdowns are yet to be completed. Hence, the NAV will be available after the completion of the drawdown.

With respect to the performance of the schemes, Trustee Board has taken cognizance that the same is on account of provisioning for NPAs in the ongoing legal cases.

(f) **Outlook:**

Due to unprecedented action, pursuant to the orders of the National Company Law Tribunal (Mumbai) (“NCLT”) dated October 1, 2018, the Government of India superseded the Board of our ultimate parent company Infrastructure Leasing and Financial Services Limited (“IL&FS”) and nominated new Board Members.

The New Board is engaged in evolving a transparent resolution process, while keeping public interest, financial stability, legality, various stakeholder interests (including interests of our joint venture partners) and commercial feasibility in view. The unprecedented action which led to significant uncertainty in the business with associated employee retention challenges. In the last 18 months, focus has been on business consolidation, business maintenance, cost rationalisation and employee engagement. Investors to note that talent retention and attraction is a big challenge for the IDF given growth and business challenges in the rapidly evolving IL&FS Group scenario. The Directors realise the need to bring stability to the platform and believe that a change in sponsor would pave the path for stability, employee retention and business growth and would be in the best interest of investors.

The Fund as on March 31, 2021 had a corpus of ₹ 1674.44 Crore on across 7 (seven) schemes.

As per the Asset Divestment Plan of Infrastructure Leasing & Financial Services Limited (IL&FS) (Ultimate Holding Company), the IL&FS Mutual Fund (IDF) business is up for sale individually or alongwith its Holding Company, IIML & its subsidiary businesses.

(g) **Investor Services:**

As stipulated under SEBI circular no. Cir/IMD/DF/2/2010 dated May 13, 2010, the investor complaint report for the period April 2020 to March 2021 is provided under **Annexure 1**.

(5) **Significant Accounting Policies:**

The Significant Accounting Policies form part of the Notes to the Accounts annexed to the Balance Sheet of the Schemes. The Accounting policies are in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996.

(6) **Unclaimed Dividends & Redemptions as on March 31, 2021:**

The Scheme/s launched are close ended Scheme with investors having a minimum investment horizon of 5 years and has not yet declared any dividend till date. Hence, there are no instances of unclaimed Dividends and Redemptions as on March 31, 2021.

(7) **Statutory Information:**

- a. The erstwhile Sponsor has made an initial contribution of Rs.5,00,000/- for setting up the Fund. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution.
- b. The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- c. Full Annual Report shall be hosted on the website (www.ilfsinfrafund.com) and shall be available for inspection at the Head Office of the Fund. On written request, present and prospective unitholder/investors can obtain copy of the trust deed, the full annual report of the Fund / AMC and the text of the relevant scheme.

(8) **Acknowledgements:**

We wish to thank the unit holders of the Fund for their overwhelming response and support throughout the year and also extend gratitude to the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Association of Mutual Funds in India (AMFI) and the Financial Intelligence Unit (FIU) for the guidance provided by them. Further, we would also like to take this opportunity to express our appreciation towards the Registrar and Transfer Agent, Fund Accountant, Custodian, Banker/s, Auditors, Distributor/s and all Service Provider/s for their support.

Further we wish to express our gratitude towards Sponsor to the Fund for their continued trust and support. Lastly, we would like to place on record our appreciation of the contribution made by the dedicated and committed team of employees of IL&FS Infra Asset Management Limited as well as directions received from Nominee appointed by Ultimate Holding Company (IL&FS) on the Board of Asset Management and Trustee Company

We look forward to your continued support and assure you of our commitment to quality products and services from the Mutual Fund

For and on behalf of the Board of **IL&FS AMC Trustee Limited**
(Trustee to IL&FS Mutual Fund (IDF))

Sd/-

Mr. Chandra Shekhar Rajan
Director
Place: Rajasthan

Sd/-

Narasimhan Balasubramaniam
Director
Place: Mumbai

Date: June 28, 2021

Annexure 1

Redressal of Complaints received during		2020-2021										
Name of the Mutual Fund		IL&FS Mutual Fund (IDF)										
Total Number of Folios		78										
Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				Non Actionable*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	1	1	0	0	0	0	0	0	0	0

including against its authorized persons/ distributors/ employees. etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

** If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (V) along with all other parameters

IL&FS Mutual Fund (IDF)					
Balance Sheet as at March 31, 2021					
					Amount ₹
IL&FS Mutual Fund (IDF)	Notes	Series 1B		Series 1C	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Liabilities					
Unit capital	3	2,359,100,000	2,359,100,000	2,759,300,000	2,759,300,000
Reserves and surplus	4	1,077,535,199	1,671,022,026	1,327,001,949	2,005,108,910
Current liabilities and provisions	5	4,727,362	5,117,486	5,689,760	6,079,670
Total		3,441,362,561	4,035,239,512	4,091,991,709	4,770,488,580
Assets					
Investments	6	3,369,572,065	3,200,793,029	3,717,636,985	4,137,255,741
Other Current assets	7	71,790,496	834,446,483	374,354,724	633,232,839
Total		3,441,362,561	4,035,239,512	4,091,991,709	4,770,488,580
Notes to accounts form an integral part of the Financial Statements As per our report attached					
Notes to accounts form an integral part of the Financial Statements As per our report attached		1 to 32			
For Mukund M. Chitale & Co. Chartered Accountants Firm Regn. No. 106655W		For IL&FS Infra Asset Management Limited		For IL&FS AMC Trustee Limited	
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
S.M.Chitale Partner M.No. 111383	Nand Kishore Chairman DIN: 08267502 Place: Noida	Jignesh Shah CEO and MD DIN: 01587849 Place: Mumbai	Chandra Shekhar Rajan Director DIN: 00126063 Place: Rajasthan	B.Narasimhan Director DIN: 06360390 Place: Mumbai	
Date: 28th June 2021 Place: Mumbai	Sd/- Neelesh Vernekar Fund Manager Place: Mumbai				

IL&FS Mutual Fund (IDF)					
Revenue Account					
					Amount ₹
IL&FS Mutual Fund (IDF)	Notes	Series 1B		Series 1C	
Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Income and gains					
Interest income	8	161,027,205	312,378,694	259,347,756	349,613,655
Other income	9	1,034,002	335,125	5,602,849	457,995
Profit on sale/redemption of Investments (other than inter-scheme transfers)		154,136	3,188,802	-	3,635,992
Profit on sale/redemption on inter-scheme transfers		-	-	-	-
Reversal of NPA Provision		10,082,717	-	16,026,506	-
Increase/(Decrease) in unrealised gain in the value of investments		(154,136)	(3,188,802)	-	(3,635,992)
Total		172,143,924	312,713,819	280,977,111	350,071,650
Expenses and losses					
Investment Management fees	10	36,054,994	39,591,181	42,309,102	46,576,279
GST on Investment Management fees		6,489,899	7,126,411	7,615,638	8,383,728
Trusteeship fees		375,869	412,918	441,072	485,768
Investor Education and Awareness Expenses (Refer Note 2(h))		751,721	825,842	882,124	971,546
Custody Charges		81,082	197,170	95,141	232,149
Other Operating expenses		327,371	212,460	384,701	250,356
Audit Fees		-	3,300	-	3,281
Provision for NPA		721,549,816	249,071,089	907,356,294	260,530,227
Total		765,630,752	297,440,370	959,084,072	317,433,333
Surplus/(Deficit) for the year		(593,486,828)	15,273,449	(678,106,961)	32,638,317
Revenue Reserve brought forward		1,670,867,891	1,652,405,640	2,003,963,123	1,967,688,814
		1,077,381,063	1,667,679,089	1,325,856,162	2,000,327,131
Unrealised Appreciation Reserve at the beginning of the year		154,136	3,342,938	1,145,787	4,781,779
Unrealised Appreciation Reserve at the end of the year		-	154,136	1,145,787	1,145,787
		(154,136)	(3,188,802)	-	(3,635,992)
Net Surplus transferred to Revenue Reserve		1,077,535,199	1,670,867,891	1,325,856,162	2,003,963,123
Refer Note 14 for the total income and expenditure expressed as a percentage of the Average daily net assets					
Notes to accounts form an integral part of the Financial Statements As per our report attached	1 to 32				
For Mukund M. Chitale & Co. Chartered Accountants Firm Regn. No. 106655W		For IL&FS Infra Asset Management Limited	For IL&FS AMC Trustee Limited		
Sd/-		Sd/-	Sd/	Sd/-	Sd/-
S.M.Chitale Partner M.No. 111383		Nand Kishore Chairman DIN: 08267502 Place: Noida	Jignesh Shah CEO and MD DIN: 01587849 Place: Mumbai	Chandra Shekhar Rajan Director DIN: 00126063 Place: Rajasthan	B.Narasimhan Director DIN: 06360390 Place: Mumbai
Date: 28th June 2021 Place: Mumbai		Sd/-			
		Neelesh Vernekar Fund Manager Place: Mumbai			

IL&FS Mutual Fund (IDF)

Cash flow statement

Amount ₹

IL&FS Mutual Fund (IDF)		Series 1B		Series 1C	
		For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
A.	Cash flow from Operating Activities				
	Surplus for the year	(593,486,828)	15,273,448	(678,106,961)	32,638,317
	Adjustment for:-				
	Provision for NPA	721,549,816	249,071,089	907,356,294	260,530,227
	Reversal of accrued interest	6,842,815	-	7,743,515	-
	(Decrease) in unrealised gain in the value of investments	(154,136)	(3,188,802)	-	(3,635,992)
	Change in assets and liabilities:				
	Increase in current liabilities and provisions	(1,033,000)	(9,797,045)	(3,786,201)	(11,462,505)
	(Increase) in investments	(897,017,530)	171,931,307	(495,481,053)	205,430,040
	(Increase)/Decrease in other current assets	737,609,516	(432,724,968)	267,238,079	(620,290,518)
	Cash used in Operations	(25,689,347)	(9,434,971)	4,963,673	(136,790,431)
B.	Cash flow from Investing Activities	(B)	-	-	-
C.	Cash flow from Financing Activities	(C)	-	-	-
	Redemption repayment on Scheme Maturity				
	Net increase/(Decrease) in cash and cash equivalents	(A + B+C)	(9,434,971)	4,963,673	(136,790,431)
	Cash and cash equivalents at the beginning of the year	29,222,141	38,657,112	7,312,339	144,102,770
	Cash and cash equivalents at the end of the year	3,532,794	29,222,141	12,276,012	7,312,339
	(Refer Note below)				
Note					
	Cash and bank balance as per Note No 7	5,572,596	30,619,067	17,482,082	9,122,118
	Less:- Cash and bank balance earmarked for Investor Education and Awareness	1,369,751	996,926	1,614,550	1,175,824
	Less:- Cash and bank balance earmarked for Triparty Repo	670,051	400,000	3,591,520	633,955
	Cash & Cash Equivalent as per AS 3 Cash Flow Statements	3,532,794	29,222,141	12,276,012	7,312,339

Notes to accounts form an integral part of the Financial Statements
As per our report attached

1 to 32

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

Sd/-

S.M.Chitale
Partner
M.No. 111383

Date: 28th June 2021
Place: Mumbai

For **IL&FS Infra Asset Management Limited**

Sd/-

Nand Kishore
Chairman
DIN: 08267502
Place: Noida

Sd/-

Jignesh Shah
CEO and MD
DIN: 01587849
Place: Mumbai

Sd/-

Neelesh Vernekar
Fund Manager
Place: Mumbai

For **IL&FS AMC Trustee Limited**

Sd/-

Chandra Shekhar Rajan
Director
DIN: 00126063
Place: Rajasthan

Sd/-

B.Narasimhan
Director
DIN: 06360390
Place: Mumbai

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(1) Background

IL&FS Mutual Fund (IDF) ('the Fund') has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 with IL&FS Financial Services Limited ("IFIN") as the Sponsor, IL&FS Infra Asset Management Limited as the Investment Manager and IL&FS AMC Trustee Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908 on January 21, 2013 and amended through Deed of amendment on September 5, 2013. The Investment Management Agreement between IL&FS Infra Asset Management Limited (the AMC), IL&FS AMC Trustee Limited (the Trustee) and the trust was executed on January 21, 2013 and amended on September 5, 2013. The Fund has been registered with SEBI on February 1, 2013 under Registration Code MF/072/13/02. With effect from January 1, 2017, sponsor of the Fund was changed from IFIN to IL&FS Investment Managers Limited ("IIML"), consequently Trust Deed and Investment Management Agreement were amended on January 16, 2017.

IL&FS Infrastructure Debt Fund Series 1B and 1C is a closed ended Scheme for 7 Years and 10 Years respectively. The scheme was launched on June 18, 2013 and units were fully paid up on April 30, 2014 and consequently the maturity period is counted from April 30, 2014. Units are having face value of ₹ 1,000,000 and are fully paid-up. The units are listed on the National Stock Exchange of India on May 07, 2014.

The Investment objective of the scheme is to generate income and capital appreciation by investing primarily in infrastructure debt instruments as permitted by SEBI from time to time.

(2) Significant accounting policies

a) Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, as modified for investments which are stated at fair value at the balance sheet date, on accrual basis of accounting and in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended (the "SEBI Regulations").

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP), which requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Investments

(i) Basis of accounting

- Transactions for purchase and sale of investments are recorded on trade date. The cost of investments includes all costs incurred in acquiring the

investments and incidental to acquisition of investments. Any front end-discount on privately placed investments is reduced from the cost of such investments.

- Broken period interest paid/received is not included in the cost of purchase of investments.

(ii) Valuation

- The valuation of investment is based on the guiding principles of fair valuation.
- Where it is observed that Valuation methodology mentioned below, does not lead to fair valuation of securities, Valuation Committee may on a prospective basis deviate from the defined methodology and adopt such alternate procedures / methods in conformance with the guiding principles of fair valuation in good faith to arrive at the true and fair estimation of the realizable value of the security. The rationale for any such deviations would be recorded in writing and placed before the Board of Directors of the AMC and the Trustee.
- Valuation of the securities; is arrived as per the policy; is applied consistently across the portfolios. In other words; any particular security is valued on the same basis across all the portfolios and it cannot have different base for valuation on a particular day.

VALUATION METHODOLOGIES

- Debt, Money Market and related securities - All debt, money market and related securities. Infrastructure Debt Fund (IDF) is a close ended fund, it does not do marked-to-market valuation of securities and all its investments are held to maturity. It also does not trade its investments. There is no risk matrix available for the kind of investment that IDF invests in.

In view of above and the illiquid nature of infrastructure debt securities, having minimal or no secondary market, the valuation of infrastructure debt securities is done on a current effective yield basis (face value of security plus interest accrued).

Considering that IDF does not trade its investments, all money market instruments and other debt securities are valued on a current effective yield basis (face value of security plus interest accrued).

- **Valuation of money market and debt securities which are rated below investment grade:**

IDF accounts for actual return received on investments across its schemes in calculating the NAV, as long as the investments are standard and continue to service their debt obligations.

There is no mark-down as long as servicing in respect of the investments is being done on time.

In case of mark-down of investments, the same is undertaken in accordance with regulations and specific details of the investment.

- **Investment in Reverse Repo, Collateralized Borrowings and Lending Obligations (CBLO), Tri-Party Repo (TREPS) and Bills Rediscounting (BRDS):**

Investment in Reverse Repo's, CBLO's, TREPS and BRDS are valued at cost plus accrued interest.

d) Revenue recognition

Interest income is recorded on a period proportionate basis.

Profit or loss on sale / redemption of investments represents sale proceeds less weighted average cost and is recognised on a trade date basis.

Transfer of Investments from one scheme to another scheme is made as per the valuation policy in conformity with the investment objective of the scheme to which such transfer has been made.

e) Unrealised appreciation/depreciation on investments

Net unrealized appreciation/depreciation in value of investments is determined for each investment, wherein the cost is compared with the fair value and the resultant appreciation/depreciation is transferred/charged to the revenue account.

f) Expenses

The total expense ratio charged to scheme are within the limits prescribed under Regulation 52 of the SEBI Regulations.

All expenses identifiable with any particular scheme are accounted on an accrual basis. Expenses not identifiable with any particular scheme are generally allocated to the schemes in proportion to the number of folios in the schemes or Average Assets under management (AAUM), whichever is more appropriate.

g) Computation of Net Asset Value (NAV)

The NAV of a scheme is computed separately for units issued under the various options of the relevant plans of the IL&FS Infrastructure Debt Fund Series 1B and 1C, although the corresponding scheme's investments and other net assets are managed as a single portfolio. For computing the NAV for various plans/options, daily income earned, including realized and unrealized gains or losses in the value of investments and expenses incurred by the corresponding scheme are allocated to the plans/options in proportion to the net assets of each plan/option.

h) Investor Education and Awareness Expenses

In compliance with SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012; the scheme has charged 0.02 % of daily net assets within the maximum limit of total expense ratio as per the SEBI Regulations for investor education and awareness initiatives. Pursuant to the letter dated January 8, 2016, issued by SEBI to AMFI mandating all members to transfer 50% of the Investor Education and Awareness fund balance as at March 31, 2016 and from April 1, 2016 onwards, 50% of the 0.02% of daily net assets aside by the Mutual fund, accordingly the fund has transferred 50% of opening balance and additions for current year to AMFI. The balance amounts are utilized towards investor education and awareness initiative taken by the Mutual Fund/AMC. Allocation for utilization is done in different schemes based on the available balance in each scheme.

i) Load

Pursuant to SEBI circular no SEBI/IMD/CIR NO .4/168230/09 dated June 30, 2009, no entry load is charged.

3 Unit Capital

IL&FS Mutual Fund (IDF) Particulars	Series 1B				Series 1C			
	As at March 31, 2021		As at March 31, 2020		As at March 31, 2021		As at March 31, 2020	
	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹
Initial Capital Issued and subscribed:								
Units of ₹ 10,00,000								
Direct Plan - Growth	2,171.60	2,171,600,000	2,171.60	2,171,600,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Direct Plan - Dividend	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000
Paid-Up:								
Direct Plan - Growth Face Value ₹ 10,00,000								
Units at beginning and end of the year	2,171.60	2,171,600,000	2,171.60	2,171,600,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Direct Plan - Dividend Face Value ₹ 10,00,000								
Units at beginning and end of the year	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000
Unit Capital at the end of the year	2,359.10	2,359,100,000	2,359.10	2,359,100,000	2,759.30	2,759,300,000	2,759.30	2,759,300,000

4 Reserves and surplus

Amount ₹

IL&FS Mutual Fund (IDF) Particulars	Series 1B		Series 1C	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unrealised Appreciation Reserve				
At the beginning of the year	154,136	3,342,938	1,145,787	4,781,779
Increase/(Decrease) in gain in the value of investments	(154,136)	(3,188,802)	-	(3,635,992)
At the end of the year	-	154,136	1,145,787	1,145,787
Revenue Reserve				
At the beginning of the year	1,670,867,890	1,652,405,640	2,003,963,123	1,967,688,814
Transferred to Revenue account	(1,670,867,890)	(1,652,405,640)	(2,003,963,123)	(1,967,688,814)
Surplus transferred from Revenue account	1,077,535,199	1,670,867,890	1,325,856,162	2,003,963,123
At the end of the year	1,077,535,199	1,670,867,890	1,325,856,162	2,003,963,123
Redemption on Scheme Matutity				
Total	1,077,535,199	1,671,022,026	1,327,001,949	2,005,108,910

Reserves and surplus for each option:-				
Direct Plan - Growth	991,893,281	1,538,210,094	1,236,829,490	1,868,857,715
Direct Plan - Dividend Option	85,641,918	132,811,932	90,172,459	136,251,194
Total	1,077,535,199	1,671,022,026	1,327,001,949	2,005,108,910

5 Current liabilities and provisions

Amount ₹

IL&FS Mutual Fund (IDF) Particulars	Series 1B		Series 1C	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Creditors for				
-Investment Management fee payable	3,057,508	3,568,988	3,630,663	4,207,235
-Trustee fee payable	32,167	37,177	38,200	43,825
-Other payable *	-	98,356	-	89,966
Income received in advance	-	12,466	74,696	74,795
Provision for Investor Education and Awareness	1,427,977	1,057,425	1,683,733	1,248,635
Statutory dues	209,710	343,074	262,468	415,214
Total	4,727,362	5,117,486	5,689,760	6,079,670

* Other payable includes audit fees, internal audit fees, custody fees etc.

6 Investments

Amount ₹

IL&FS Mutual Fund (IDF)	Series 1B				Series 1C			
	As at March 31, 2021		As at March 31, 2020		As at March 31, 2021		As at March 31, 2020	
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value
Non Convertible Debentures Listed On Recognised Stock Exchange	253,211,686	253,211,686	1,108,735,253	1,108,993,435	1,035,901,863	1,037,047,650	1,821,395,193	1,822,540,980
Non Convertible Debentures-Privately Placed	-	-	2,091,903,641	2,091,799,595	1,433,994,468	1,433,994,468	2,314,714,761	2,314,714,761
Money Market Instruments	3,116,360,379	3,116,360,379	-	-	1,246,594,867	1,246,594,867	-	-
Total	3,369,572,065	3,369,572,065	3,200,638,894	3,200,793,030	3,716,491,198	3,717,636,985	4,136,109,953	4,137,255,741

Note:

- 1) Investments are stated inclusive of interest accrued but not due
- 2) Refer Note 17 - For details of Investments

7 Other Current assets

Amount ₹

IL&FS Mutual Fund (IDF) Particulars	Series 1B		Series 1C	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Balances with a bank in current account* (Refer Note 2(h))				
- Current Accounts	3,532,794	29,222,141	12,276,012	7,312,339
- IEAP Accounts	1,369,751	996,926	1,614,550	1,175,824
- Triparty Repo Accounts	670,051	400,000	3,591,520	633,955
Triparty Repo**	66,041,250	802,176,687	353,985,966	620,501,642
Triparty Repo margin	176,650	1,500,000	2,886,646	3,550,000
Misc Receivable	0	150,729	30	59,079
Total	71,790,496	834,446,483	374,354,724	633,232,839

* Certain bank accounts of the Scheme are held in the name of the Fund.

** Triparty Repo is registered in the name of the Fund.

8 Interest Income

Amount ₹

IL&FS Mutual Fund (IDF) Particulars	Series 1B		Series 1C	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
On Investment in Non Convertible Debentures	98,362,487	276,865,094	233,514,256	319,701,867
On Certificate of Deposits / Commercial Papers	47,158,383	-	14,460,314	-
On Triparty Repo Margin	49,318	23,099	42,687	61,782
Reversal of accrued interest (Refer note 23)	(6,842,815)		(7,743,515)	
On Reverse Repo/Triparty Repo	22,299,832	35,490,501	19,074,014	29,850,006
Total	161,027,205	312,378,694	259,347,756	349,613,655

9 Other Income

Amount ₹

IL&FS Mutual Fund (IDF) Particulars	Series 1B		Series 1C	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Misc Income	1,034,002	335,125	5,602,849	457,995
Total	1,034,002	335,125	5,602,849	457,995

(10) Investment Management fees

The Scheme has paid or provided for investment management fees in accordance with the agreement with the AMC as amended from time to time and the Scheme Information Documents read with Statement Additional Information. For the current period, the Scheme has accrued Investment Management Fees at the rate of 0.96% (excluding GST) of average daily net assets (AAUM) as follows:

(Amount in ₹)

Infrastructure Debt Fund Series	AAUM for the Year ended March 31, 2021	Management Fees	AAUM for the Year ended March 31, 2020	Management Fees
Series 1B	3,75,86,04,350	3,60,54,994	4,12,91,46,321	3,95,91,181
Series 1C	4,41,06,19,822	4,23,09,102	4,85,76,52,807	4,65,76,279

(11) Trusteeship fees

The schemes have paid or provided for trustee fees in accordance with the agreement with the Trustee as amended from time to time and the Scheme Information Documents read with Statement of Additional Information. The Trustee is entitled to receive such fee up to an annual rate of 0.01% of the scheme's average daily net assets.

(12) Custodian fees

HDFC Bank Limited provides custodian services to the schemes for which it receives custodian fees as per the terms of the custodian agreement.

(13) Other Expenses

Other expenses consist of internal audit fees, bank charges and CCIL charges, SEBI Charges, etc.

(14) Income/Expenditure

The total income and expenditure as a percentage of the Average daily net assets are as follows:

For the Year ended March 31, 2021:

Series	Income		Expense Ratio	
	(Amount ₹)	(% to AAUM)	(Amount ₹)	(% to AAUM)
Series 1B	17,21,43,924	4.58%	4,40,80,936	1.17%
Series 1C	28,09,77,111	6.37%	5,17,27,778	1.17%

For the Year ended March 31, 2020: -

Series	Income		Expense Ratio	
	(Amount ₹)	(% to AAUM)	(Amount ₹)	(% to AAUM)
Series 1B	31,27,13,819	7.57%	4,83,69,282	1.17%
Series 1C	35,00,71,650	7.21%	5,69,03,106	1.17%

(15) Income tax

No income tax provision has been made as the schemes qualify as a recognized Mutual Fund under section 10 (23D) of the Income-tax Act, 1961 and the Direct Tax Laws (Amendment) Act, 1988.

(16) Net Asset Value per unit

(Amount ₹)

Infrastructure Debt Fund	Plan	Face Value	As at March 31, 2021	As at March 31, 2020
Series 1B-Direct Plan	Dividend	1,000,000	14,56,756.8966	17,08,330.3059
	Growth	1,000,000	14,56,756.8971	17,08,330.3067
Series 1C-Direct Plan	Dividend	1,000,000	14,80,919.7827	17,26,673.0391
	Growth	1,000,000	14,80,919.7815	17,26,673.0378

(17) Portfolio holding as at year end are as follows:

As at March 31, 2021

Mar-21						
IL&FS Infrastructure Debt Fund Series 1B	Series 1B			Series 1C		
Particulars	Fair Value (Amount ₹)	% of Net Assets	% of Category	Fair Value (Amount ₹)	% of Net Assets	% of Category
Non Convertible Debentures-Listed						
Infrastructure Sector						
IL & FS Wind Energy Limited	25,32,11,686	7.37%	100.00%	37,85,51,470	9.26%	36.50%
Bhilwara Green Energy Limited	-	-	-	45,84,96,000	11.22%	44.21%
Shrem Tollway Private Limited	-	-	-	20,00,00,000	4.89%	19.29%
A	25,32,11,686	7.37%	100.00%	1,03,70,47,470	25.38%	100.00%
Infrastructure Sector						
Non Convertible Debentures Privately Placed						
Abhitech Devlopers Pvt Ltd	-	-	-	32,70,00,000	8.00%	22.80%
AMRI Hospitals Ltd	-	-	-	11,98,43,648	2.93%	8.36%
Bhilangana Hydro Power Ltd	-	-	-	38,30,00,000	9.37%	26.71%
Kanchanjunga Power Company Private Ltd	-	-	-	58,00,00,000	14.19%	40.45%
Time Technoplast Ltd	-	-	-	2,41,51,000	0.59%	1.68%
B	-	-	-	1,43,39,94,648	35.09%	100.00%
Commercial Papers						
SBI Global Factors Ltd MD 15-Apr-21	19,46,69,295	5.66%	6.25%	10,63,19,384	2.60%	8.53%
Pilani Inv & Ind Cor Ltd MD 15-Apr-21	24,93,93,461	7.26%	8.00%	-	-	-
SBI Global Factors Ltd MD 26-Apr-21	49,85,84,965	14.51%	16.00%	-	-	-
L&T Finance Holdings Ltd MD 26-Apr-21	49,87,16,126	14.51%	16.00%	-	-	-
Tata Cleantech Capital MD 26-Apr-21	49,87,15,674	14.51%	16.00%	-	-	-
Axis Securites Ltd MD 26-Apr-21	49,86,31,707	14.51%	16.00%	-	-	-
Pilani Inv & Ind Co Ltd MD 26-Apr-21	24,89,57,683	7.24%	7.99%	-	-	-
Barclays Inv & Loans MD 27-Apr-21	24,93,18,977	7.25%	8.00%	-	-	-
Aditya Birla Money Ltd MD 27-Apr-21	17,93,72,490	5.22%	5.76%	2,24,21,561	0.55%	1.80%
HDFC Securities Ltd MD 27-Apr-2021	-	-	-	16,15,48,925	3.95%	12.96%
Barclays Inv & Loans MD 12-Jul-21	-	-	-	8,00,75,613	1.96%	6.42%
Aditya Birla Money Ltd MD 28-Mayr-21	-	-	-	8,03,83,805	1.97%	6.45%
L&T Finance Limited MD 15-July-21	-	-	-	8,00,28,015	1.96%	6.42%
LIC Housing Finance Ltd MD 20-Jul-21	-	-	-	24,69,00,063	6.04%	19.81%
ICICI Securities Ltd MD 15-Jul-21	-	-	-	31,01,39,191	7.59%	24.88%
ICICI Securities Ltd MD 25-Aug21	-	-	-	15,87,78,310	3.89%	12.74%
C	3,11,63,60,379	90.68%	100.00%	1,24,65,94,867	30.51%	100.00%
Total Investments (A+B+C)	3,36,95,72,065	98.05%		3,71,76,36,985	55.89%	
Net Current Assets	6,70,63,134	1.95%		36,86,64,964	44.11%	
Net Assets	3,43,66,35,199	100.00%		4,08,63,01,949	100.00%	

Note 1. 100% provision has been made for Investment in Babcock Borsig Limited, Williamson Magor & Co. Ltd and GHV Hospitality India Pvt. Ltd. Refer note 24.

Note 2. Shrem Tollway Private Limited is in process of listing.

As at March 31, 2020

Mar-20						
IL&FS Infrastructure Debt Fund	Series 1B			Series 1C		
Particulars	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
Non Convertible Debentures Listed On Recognised Stock Exchange Infrastructure Sector						
IL&FS Solar Power Ltd	69,41,27,544	17.22%	62.59%	78,54,93,510	16.49%	43.10%
IL&FS Wind Energy Ltd	25,32,11,686	6.28%	22.83%	37,85,51,471	7.95%	20.77%
Bhilwara Green Energy Ltd	6,16,54,205	1.53%	5.56%	45,84,96,000	9.62%	25.16%
Shrem Tollway Private Limited	10,00,00,000	2.48%	9.02%	20,00,00,000	4.20%	10.97%
A	1,10,89,93,435	27.51%	100.00%	1,82,25,40,981	38.26%	100.00%
Non Convertible Debentures Privately Placed Infrastructure Sector						
Kanchanjunga Power Company Private Ltd	-	-	-	63,00,00,000	13.22%	27.22%
AMRI Hospitals Ltd	-	-	-	12,00,00,000	2.52%	5.18%
Abhitech Developers Pvt Ltd	51,10,00,000	12.68%	24.43%	6,10,00,000	1.28%	2.64%
Bhilangana Hydro Power Ltd	65,60,00,000	16.28%	31.36%	34,80,00,000	7.30%	15.03%
Clean Max Enviro Energy Solutions Private L	5,65,00,000	1.40%	2.70%	8,65,00,000	1.82%	3.74%
Babcock Borsig Ltd	15,39,13,595	3.82%	7.36%	57,54,65,760	12.08%	24.86%
Time Technoplast Ltd	2,41,86,000	0.60%	1.16%	87,49,000	0.18%	0.38%
Williamson Magor & Co. Ltd	52,02,00,000	12.91%	24.87%	34,20,00,000	7.18%	14.78%
GHV Hospitality India Pvt Ltd	17,00,00,000	4.22%	8.13%	14,30,00,000	3.00%	6.17%
B	2,09,17,99,595	51.91%	100.00%	2,31,47,14,760	48.58%	100.00%
Total Investment (A+B)	3,20,07,93,030	79.42%		4,13,72,55,741	86.84%	
Net Current Assets	82,93,28,997	20.58%		62,71,53,169	13.16%	
Net Assets	4,03,01,22,026	100.00%		4,76,44,08,910	100.00%	

Note 1. Provision has been made for Investment in Babcock Borsig Limited, Williamson Magor & Co. Ltd and GHV Hospitality India Pvt. Ltd. Refer note 24.

Note 2. Shrem Tollway Private Limited is in process of listing.

(18) Aggregate value of purchases and Sales/Redemption/Repayment

The aggregate value of investments purchased and sold (including redeemed) during the period and expressed as percentage of daily average net assets are as follows:

For the Year ended March 31, 2021

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year ended March 31, 2021			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales/Redemption/Re payment (Amount ₹)	Percentage of Average Net Assets
Series 1B	3,41,04,66,031	90.74%	2,41,72,02,714	64.31%
Series 1C	1,84,20,94,501	41.76%	1,19,45,56,602	27.08%

For the Year ended March 31, 2020

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year ended March 31, 2020			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales/Redemption/Re payment (Amount ₹)	Percentage of Average Net Assets
Series 1B	54,50,00,000	13.20%	76,22,96,046	18.46%
Series 1C	35,60,00,000	7.33%	61,29,89,057	12.62%

(19) Appreciation / Depreciation on Investments

The aggregate appreciation and depreciation in the value of investments are as follows:

(Amount ₹)

Scheme Name	As at March 31, 2021		As at March 31, 2020	
	Appreciation	Depreciation	Appreciation	Depreciation
IL&FS Infrastructure Debt Fund Series 1B				
Non-Convertible Debentures	-	-	1,54,136	-
IL&FS Infrastructure Debt Fund Series 1C				
Non-Convertible Debentures	11,45,787	-	11,45,787	-

(20) Aggregate Fair value of Non-Traded Investments

The aggregate fair value of non-traded investments, valued in 'good faith' by the Investment Manager on the basis of the valuation principles laid down by SEBI as follows:

(Amount ₹)

Infrastructure Debt Fund	As at March 31, 2021	As at March 31, 2020
Series 1B	3,36,95,72,065	3,20,07,93,029
Series 1C	3,47,07,36,922	4,13,72,55,741

(21) Investment in the Securities of the Sponsors and Group Companies of the Sponsors

The Company has following investment in the securities of group companies of the sponsors as at 31st March 2021.

(Amount ₹)

Infrastructure Debt Fund	Particulars	Face Value
Series 1B	IL&FS Wind Energy Limited	20,00,00,000
Series 1C	IL&FS Wind Energy Limited	29,90,00,000

The Company has following investment in the securities of group companies of the sponsors as at 31st March 2020.

(Amount ₹)

Infrastructure Debt Fund	Particulars	Face Value
Series 1B	IL&FS Wind Energy Limited	20,00,00,000
Series 1C	IL&FS Wind Energy Limited	29,90,00,000
Series 1B	IL&FS Solar Power Limited (ISPL)	54,70,00,000
Series 1C	IL&FS Solar Power Limited (ISPL)	61,90,00,000

(22) IL&FS IDF invested in Zero Coupon NCDs amounting to Rs. 2,000 million issued by IWEL in September 2016.

IWEL defaulted in payment of first tranche of Rs. 75,00,00,000 which was due on April 15, 2019 therefore the Board of Directors, in earlier years, has completely written down the aforesaid amount of Rs. 75,00,00,000 (comprising of Rs. 71,50,00,000 & Rs. 3,50,00,000 respectively in Scheme 1A and 1B) alongwith interest accrued till 30 September 2018.

The Committee of Creditors (COC) (including IDF) of IWEL granted an approval in April 2019 for sale of IWEL's stake in 7 Wind SPVs based on distribution framework governed by Section 53 of IBC. On receipt of approval from COC, IL&FS Group

completed sale of majority stakes held by IWEL to ORIX Japan and realized proceeds in November 2019 which is currently lying in an escrow account.

However, in January 2020, the IL&FS board applied to NCLAT for approval of a revised distribution framework for group resolution and the same was approved by NCLAT in March 2020. IL&FS is seeking to retrospectively apply revised distribution framework for distribution of IWEL proceeds which is a fundamental change to the earlier distribution approach based on which the COC approval was obtained. IL&FS's proposed plan for distribution is not in the interest of the unit holders.

In order to protect the interest of the unit holders, IDF has filed a civil appeal with Hon'ble Supreme Court in December, 2020 and awaiting outcome of the same.

The Board and Management expects to recover the carrying value of the investment.

- (23) IL&FS IDF invested in Zero Coupon NCDs amounting to Rs.210 Crores issued by IL&FS Solar Power Limited (ISPL) in December 2017. ISPL operates a solar power plant on contractual basis in Karnataka to meet the captive power requirement of Embassy group's tech park. ISPL had received a voluntary prepayment proposal from Embassy Energy Pvt Ltd (EEPL) involving termination of the current contract based on option available in the contract and payment for the contract termination. IDF has accrued interest on ISPL Zero Coupon NCDs up till January 31, 2020 and stopped accrual of interest thereafter. Accrued interest outstanding till January 31, 2020 was Rs. 56.31 crores. However per the legal order passed the final cut off date fixed was 31st December 2019 in the proposal and based on the proposal, IDF has received amount of Rs. 263.70 Crores on December 11, 2020 from ISPL during the year and excess interest accrual for the month of January' 2020 of Rs. 2.61 crores has been reversed. IDF has taken the impact of excess accrual as reversal of accrued interest of Rs. 68,42,815 and 77,43,515 in scheme 1B and 1C respectively.

- (24) (a) Investment in Babcock Borsig Limited has become NPA on November 01, 2019. IDF has stopped accruing Interest w.e.f. October 01, 2019 on conservative basis.

As per SEBI Regulations, IDF has made provision for the outstanding exposure in Babcock Borsig Limited. As of March 31, 2020, IDF had provided Rs. 2,12,71,089 and Rs. 7,95,30,227 in Scheme 1B & 1C respectively. Further, Rs. 12,73,25,800 and Rs. 47,60,56,960 in Scheme 1B & 1C respectively (net of reversal) has been provided during the current year.

The facility to Babcock Borsig Limited is secured through combination of listed shares, property, land and other securities.

- (b) Investment in GHV Hospitality (India) Pvt Limited (GHV) has become NPA with effect from October 01, 2019. No interest has been accrued on this investment in the books post September 30, 2019.

As per SEBI Regulations, IDF has made provision for the outstanding exposure in GHV. As of March 31, 2020, IDF had provided Rs. 17,00,00,000 and Rs. 14,30,00,000 in Scheme 1B & 1C respectively. Further, Rs. 17,00,00,000 and Rs. 14,30,00,000 in Scheme 1B & 1C respectively has been provided during the current year.

The Facility to GHV is secured through combination of mortgage of land/building, pledge of shares and other securities.

- (c) Investment in Williamson Magor & Co. Limited has become NPA on December 01, 2019 on account of non-payment of dues. IL&FS IDF has stopped accruing interest on NCD facility w.e.f. October 01, 2019 on conservatively basis.

As per SEBI Regulations, IDF has made provision for the outstanding exposure in Williamson Magor & Co. Limited. As of March 31, 2020, IDF had provided Rs. 5,78,00,000 and Rs. 3,80,00,000 in Scheme 1B & 1C respectively. Further, Rs. 41,41,41,299 and Rs. 27,22,72,827 in Scheme 1B & 1C respectively (net of reversal) has been provided during the current year.

The facility to Williamson Magor & Co Limited is secured through combination of listed shares, property, land and other securities.

Summary of provisions made during the year March 31, 2021 is given below:

Series	Opening Provision (A)	Provision made during the year (B)	Reversal of Provision made during the year (C)	Closing Provision (D) = (A+B-C)
1B	24,90,71,089	72,15,49,816	1,00,82,717	96,05,38,188
1C	26,05,30,227	90,73,56,294	1,60,26,506	1,15,18,60,015
Total	50,96,01,316	1,62,89,06,110	2,61,09,223	2,11,23,98,203

Summary of provisions made during the year March 31, 2020 is given below:

Series	Opening Provision (A)	Provision made during the year (B)	Reversal of Provision made during the year (C)	Closing Provision (D) = (A+B-C)
1B	-	24,90,71,089	-	24,90,71,089
1C	-	26,05,30,227	-	26,05,30,227
Total	-	50,96,01,316	-	50,96,01,316

- (25) SEBI Regulations specify the percentage of expenses that can be charged to schemes of mutual fund. Accordingly, IDF has not charged Audit fee, internal audit fee to the schemes. Also, certain other operating expenses are charged to the schemes upto to the permissible limit, and any excess amounts have been borne by the Asset Management Company.
- (26) IDF has received Rs. 19,77,190 & Rs. 24,71,745 in scheme 1B & 1C respectively pertaining to Investment which was repaid in year 2017, the same has been accounted for as investment income (Note 8). The Security was not part of holding of IDF during the year.
- (27) There are no unpaid redemption and unclaimed dividend as at March 31, 2021 (P.Y. Nil).
- (28) (a) There are no unit holders holding over 50% of the net assets in the Schemes as at the Balance Sheet dates.
- (b) There are no amounts to be disclosed as required under SEBI Regulation 25 (11) as the Schemes have not made any investments in the Companies or their Subsidiaries which have invested more than 5% of the Net Asset Value for the year ended March 31, 2020 and for the year ended March 31, 2019.
- (29) **Related party disclosure and disclosure under regulation 25(8) of SEBI Regulations**
 Related party disclosures pursuant to Accounting Standard 18 “Related Party disclosure” issued by the ICAI and disclosure under regulation 25(8) of SEBI Regulations are made as under:

a) The following are the related parties by control with whom transaction have been entered during the year:

- Investment Manager: IL&FS Infra Asset Management Limited
- Trustee: IL&FS AMC Trustee Limited
- Sponsor: IL&FS Investment Managers Limited. (IL&FS Financial Services Limited, till December 31, 2016)

b) Details of transactions during the year:

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1B		1C	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Management fees	3,60,54,994	3,95,91,181	4,23,09,102	4,65,76,279
Trusteeship fees	3,75,869	4,12,918	4,41,072	4,85,768

c) Year-end payables/Receivables:

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1B		1C	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payable				
Management fees payable	30,57,508	35,68,988	36,30,663	42,07,235
Trusteeship fees payable	32,167	37,177	38,200	43,825

(30) Contingent Liabilities/ Investment Commitment details are as under

Details	March 31, 2021	March 31, 2020
Underwriting Commitment	Nil	Nil
Uncalled liability on partly paid-up shares	Nil	Nil
Investment Commitment*	Nil	50,00,00,000

*The allocation between different schemes of the mutual fund will be done by the fund manager

(31) **Segment reporting**

The Mutual fund is engaged in business of investing amounts received from investors as unit capital, in accordance with their investment objectives to generate returns. The Investment objective of the scheme is to generate income and capital appreciation by investing primarily in infrastructure debt. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard - 17 "Segment Reporting" have not been made.

(32) Previous year figures have been regrouped and / or rearranged wherever necessary, to correspond to figures of the current year

Signature to Notes to Accounts

For Mukund. M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

For IL&FS Infra Asset Management Limited

Sd/-

Sd/-

Sd/-

(S. M. Chitale)
Partner
M. No.111383
Place: Mumbai

Nand Kishore
Chairman
DIN: 08267502
Place: Noida

Jignesh Shah
CEO & Managing Director
DIN: 01587849
Place: Mumbai

Sd/-

Neelesh Vernekar
Fund Manager
Place: Mumbai

For IL&FS AMC Trustee Limited

Sd/-

Sd/-

Chandra Shekhar Rajan
Director
DIN: 00126063
Place: Rajasthan

B Narasimhan
Director
DIN: 06360390
Place: Mumbai

Date: 28 June, 2021