

## **Note to Investors**

Investors are requested to take note that 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, has been downgraded to below investment grade

In case of IWEL, the subsidiaries of IWEL holding 873.5 MW of wind energy projects have, pursuant to a public auction process received financial bids from Gas Authority of India Limited (GAIL), and subsequently ORIX Corporation (being holder of balance shares in the entities) has exercised its right of first refusal to acquire IWEL’s stake (being 51% of total paid up capital). The sale price has also been determined through the public process and negotiations for improvement with ORIX. Pursuant to the Resolution Framework, the Committee of Creditors (COC) of IWEL [which includes IL&FS Mutual Fund (IDF)] has approved the transaction based on the proposed distribution of the sales proceeds under section 53 of the Insolvency and Bankruptcy Code, 2016 (IBC) whereby secured lenders of IWEL would be paid their proportionate debt outstanding as on September 30, 2018 which was indicated as cut-off date in COC meeting. Currently, the resolution process as outlined in the Resolution Framework approved by Infrastructure Leasing and Financial Services Limited (IL&FS) is underway and is expected to be filed with NCLT shortly. The entire sale process of IWEL’s subsidiaries is expected to take around 6 months

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 has been categorised as “Green” based on cash flow based solvency test undertaken by Resolution Consultant (Alvarez & Marsal) appointed by the board of directors of IL&FS and is capable of meeting all its financial obligations towards its lenders. Given the strength of the contractual framework for the underlying project and the long term nature of contract (with safeguards for premature termination), it has been decided with the approval of the Board of Directors of the IL&FS Infra Asset Management Limited and IL&FS AMC Trustee Limited 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. However, if the said circular / email is followed, the value of securities and its impact on scheme’s NAV as on June 28, 2019 would be as given below table:

<b>Scheme</b>	<b>Security</b>	<b>ISIN</b>	<b>Valued Amount as on June 28 2019</b>	<b>Diminution if applied</b>	<b>Impact on NAV as on June 2019 (%)</b>
IL&FS Infrastructure Debt Fund Series 1B	IL&FS Wind Energy Limited	INE810V08031	2532,11,687.00	1266,05,843.50	3.09%
IL&FS Infrastructure Debt Fund Series 1B	IL&FS Solar Power Limited	INE656Y08016	6496,51,546.00	974,47,731.90	2.38%
IL&FS Infrastructure Debt Fund Series 1C	IL&FS Wind Energy Limited	INE810V08015	3785,51,472.00	1892,75,736.00	3.93%
IL&FS Infrastructure Debt Fund Series 1C	IL&FS Solar Power Limited	INE656Y08016	7351,63,266.00	1102,74,489.90	2.29%
IL&FS Infrastructure Debt Fund Series 2A	IL&FS Wind Energy Limited	INE810V08015	4279,27,750.00	2139,63,875.00	12.75%
IL&FS Infrastructure Debt Fund Series 2B	IL&FS Wind Energy Limited	INE810V08015	2608,08,037.00	1304,04,018.50	5.60%
IL&FS Infrastructure Debt Fund Series 2B	IL&FS Solar Power Limited	INE656Y08016	201,90,267.00	30,28,540.05	0.13%
IL&FS Infrastructure Debt Fund Series 2C	IL&FS Wind Energy Limited	INE656Y08016	63,30,292.00	31,65,146.00	0.17%
IL&FS Infrastructure Debt Fund Series 2C	IL&FS Solar Power Limited	INE810V08015	5590,30,316.00	838,54,547.40	4.41%
IL&FS Infrastructure Debt Fund Series 3A	IL&FS Wind Energy Limited	INE810V08015	974,86,499.00	487,43,249.50	3.04%
IL&FS Infrastructure Debt Fund Series 3A	IL&FS Solar Power Limited	INE656Y08016	2731,62,441.00	409,74,366.15	2.56%
IL&FS Infrastructure Debt Fund Series 3B	IL&FS Wind Energy Limited	INE810V08015	1582,57,304.00	791,28,652.00	4.65%
IL&FS Infrastructure Debt Fund Series 3B	IL&FS Solar Power Limited	INE656Y08016	2553,47,500.00	383,02,125.00	2.25%

Note: The Undrawn Capital (Rs. 172.50 crores) for the following Schemes are as follows:

IL&FS Infrastructure Debt Fund Series 2A - Rs. 50.62 crores

IL&FS Infrastructure Debt Fund Series 2B - Rs. 67.50 crores

IL&FS Infrastructure Debt Fund Series 2C - Rs. 54.375 crores