

Recovery from Jorabat Shillong Expressway Ltd.

November 2023

Recovery of principal and interest amount with respect to holdings of Non-Convertible Debentures of Jorabat Shillong Expressway Limited by certain schemes of PGIM India Mutual Fund.

PGIM India Fixed Duration Fund – Series AR, PGIM India Fixed Duration Fund - Series AT, PGIM India Fixed Duration Fund – Series AU, PGIM India Fixed Duration Fund – Series AZ and PGIM India Fixed Duration Fund – Series BE, schemes of PGIM India Mutual Fund (together referred hereinafter as “Schemes” and individually as “Scheme”) had invested in non-convertible debentures (NCDs) of Jorabat Shillong Expressway Limited (JSEL), a special purpose vehicle and wholly owned subsidiary of IL&FS Transportation Networks Limited. These debentures carried a credit rating of AAA (SO) from CARE Ratings at the stage of the investment by the scheme signifying highest degree of safety in repayment of principal and interest payments.

In the wake of the IL&FS crisis and resulting litigation, several IL&FS affiliated entities, including JSEL defaulted on their debt servicing commitments. Resultantly, the bonds of JSEL were downgraded to default grade on March 04, 2019 by CARE, after they failed to serve their debt obligation on March 01, 2019. Due to the default, these debentures were valued at zero value in the books of the Schemes, in accordance with prudent valuation norms.

At the time of the maturity of these Schemes, the maturity proceeds paid out to the unit holders, excluded the value of the JSEL debentures that were pending realization as on the date of maturity. The details of the principal amount invested in JSEL by the Schemes along with the maturity dates are provided in the below table:

Scheme	Maturity Date of the Scheme	Investments in JSEL by the Scheme at Face Value (Rs.)
PGIM INDIA FIXED DURATION FUND AR	26-Apr-21	2,00,00,000
PGIM INDIA FIXED DURATION FUND AT	26-Apr-21	2,00,00,000
PGIM INDIA FIXED DURATION FUND AU	19-Apr-21	5,00,00,000
PGIM INDIA FIXED DURATION FUND AZ	23-Jun-21	2,50,00,000
PGIM INDIA FIXED DURATION FUND BE	02-Sep-21	3,69,00,000
Total		15,19,00,000

The IL&FS Group had been working on a resolution plan including sale of the above SPV for repayment of dues to its creditors.

We wish to inform you that the Schemes have now received the entire principal amount invested in JSEL along with the interest, in accordance with the terms of the resolution plan.

Scheme	Principal Recovered (Rs)	Interest Recovered (Rs)	Total Amount (Rs) (Principal + Interest)
PGIM INDIA FIXED DURATION FUND AR	2,00,00,000	19,22,839	2,19,22,839
PGIM INDIA FIXED DURATION FUND AT	2,00,00,000	19,22,839	2,19,22,839
PGIM INDIA FIXED DURATION FUND AU	5,00,00,000	48,07,099	5,48,07,099
PGIM INDIA FIXED DURATION FUND AZ	2,50,00,000	24,03,549	2,74,03,549
PGIM INDIA FIXED DURATION FUND BE	3,69,00,000	35,47,639	4,04,47,639
Total	15,19,00,000	1,46,03,965	16,65,03,965

Pursuant to the above recovery, PGIM India AMC distributed the entire sum recovered including principal and accrued interest to unit holders of the referred Schemes. An Account Statement and E-Mail intimation were sent to the unit holders informing them of the same.

Regards

PGIM India Asset Management Private Limited