

# Update on Jorabat Shillong Expressway Ltd.

July 2022

Dear Investor,

Hope you and your loved ones are safe and healthy!

You are receiving this update as you were an investor in one or more of the Fixed Duration Funds (FMPs) of PGIM India Mutual Fund listed in Table I below.

These FMPs held investments in Jorabat Shillong Expressway Limited (JSEL), a special purpose vehicle (SPV) promoted by the IL& FS group with a credit rating of AAA (SO) at the stage of investments.

JSEL was downgraded to default grade by credit rating agency CARE on March 5, 2019. Effective this date, the bonds were valued at zero in the books of the FMPs holding these investments. The maturity proceeds paid out to unit holders for these FMPs, therefore, excluded the value of the JSEL bonds that were pending realization as on the date of maturity of the FMPs.

**Table I**

Scheme	Maturity Date	Investments at Face Value (INR Crs.)
PGIM India Fixed Duration Fund - AR	26-April-2021	2.00
PGIM India Fixed Duration Fund - AT	26-April-2021	2.00
PGIM India Fixed Duration Fund - AU	19-April-2021	5.00
PGIM India Fixed Duration Fund - AZ	23-June-2021	2.50
PGIM India Fixed Duration Fund - BE	02-September-2021	3.69

As intimated to you in our earlier communication on the subject, resolution proceedings are currently underway for IL&FS group entities including JSEL and we continue to track progress on the same. We wanted to keep you informed of a couple of key developments with respect to JSEL in the last few months.

1. The Committee of Creditors for IL&FS has proposed alternative strategies for monetising the JSEL road asset in the expectation of a higher recovery compared to the highest bidder (Sekura Roads). While a higher recovery, as suggested, would be a positive development, the matter is currently sub judice and contingent on how soon the matter gets resolved in the Court. You can find more details on this by [clicking here](#).
2. One of the Bond Holders, a Mutual Fund, has on 6th May 2022 sold its entire holding of bonds of JSEL recovering 83% of the principal value. This is as per the note released by the concerned Mutual Fund. They were holding Bonds of JSEL with maturities upto 2031.

We continue to hold our exposure to these bonds as on date. Based on the developments on the matter this far, we are of the considered opinion that, as secured creditors, we stand a high probability of recovering our full principal. The maturity of the bond was on March 01, 2021. We continue to monitor all key developments on the resolution process and will keep you updated as the matter progresses. As indicated in our earlier communication on the subject, recoveries if any, from the referred exposure would be immediately credited to unit holders in the scheme in proportion to the units held by them in the scheme.

Regards,

PGIM India MF Team