

Update on IL&FS Investments

Investments and Downgrade

On 8th September 2018 ICRA downgraded long and short-term ratings of Infrastructure Leasing and Financial Services Limited (IL&FS). Rating was downgraded to below investment grade and subsequently after a few days to default.

Since the issuer had been downgraded below investment grade, valuation agencies had stopped providing scrip level valuation of various debt Instruments of IL&FS. As per SEBI Valuation norms, debt instruments of companies rated below investment grade are required to be valued based on fair valuation norms. Accordingly, Debt Instruments of IL&FS has been fair-valued after applying recommendations of the Valuation Committee of Tata Mutual Fund.

Our Communication with IL & FS and Current status

We have taken steps towards the settlement of maturity amounts from IL & FS and sent notices to the company.

We received a response from IL&FS on our first notice wherein they have cited the NCLAT order, presently insulating them from legal recourse and suits from creditors for non-repayment.

Accordingly, in view of the last two defaults (September and October 2018), based on information in public domain and various interactions with the company, it was felt unlikely that these instruments (commercial papers) would be repaid in the near future. Hence it was felt prudent by TAML valuation committee to markdown the entire holding of IL&FS (CP) held in Tata Money Market Fund and Tata Short Term Bond Fund by 100%.

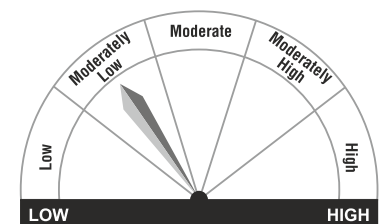
We would be continuously monitoring the developments with regards to the IL & FS and make all efforts to recover our investments in due course of time.

These products are suitable for investors who are seeking*:

Tata Short Term Bond Fund: • Regular Fixed Income for Short Term. • Investment in Debt / Money Market Instruments / Government Securities.

Tata Money Market Fund: • Regular Income over Short Term • Investment in Money Market Instruments.

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at Moderately Low risk

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.