Background: - Principal Mutual Fund had investment in IL&FS Financial Services Limited Commercial paper matured on 24th Sep 2018 amounting to Rs 75 Crs in 5 Schemes (Principal Hybrid Equity Fund, Principal Low Duration Fund, Principal Cash Management Fund, Principal Ultra Short-Term Fund and Principal Arbitrage Fund). ILFS defaulted during their period and the necessary provision was made and it was held in the books as "Nil" value. Pursuant to the Merger of the schemes of the Principal Mutual Fund schemes with the schemes of Sundaram Mutual Fund schemes, these investments moved to Sundaram Mutual Fund.

Scheme	ISIN	Units	Amount	% of Total Value
Sundaram Liquid Fund (Formerly known as Principal Cash Management Fund)	INE121H14JU3	1130	56,50,00,000	75.33%
Sundaram Aggressive Hybrid Fund (Formerly known as Principal Hybrid Equity Fund)	INE121H14JU3	200	10,00,00,000	13.33%
Sundaram Ultra Short Duration Fund (Formerly Known as Principal Ultra Short-Term Fund)	INE121H14JU3	100	5,00,00,000	6.67%
Sundaram Low Duration Fund (Formerly known as Principal Low Duration Fund)	INE121H14JU3	60	3,00,00,000	4.00%
Sundaram Arbitrage Fund (Formerly Known as Principal Arbitrage Fund)	INE121H14JU3	10	50,00,000	0.67%

The Government of India replaced the IL&FS board via the NCLT Mumbai and imposed a moratorium on the group. The NCLAT approved a formal Resolution Framework on March 12, 2020. Under this framework, creditors submitted claims for liabilities up to October 15, 2018, to the Claims Management Advisor, Grant Thornton Bharat LLP.

To accelerate payouts without waiting for final entity resolutions, the New Board secured NCLAT approval for an interim distribution process on May 31, 2022. Management subsequently identified an initial list of Indian IL&FS Group companies for these payouts.

Grant Thornton Bharat LLP was appointed as the 'Consultant for Interim Distribution Process' specifically to manage the distribution of proceeds for IL&FS Financial Services Limited (IFIN).

FY 2024-25 Group Payout: IL&FS Group companies initiated an interim distribution of ₹5,000 crore, consisting of ₹1,500 crore in cash and ₹3,500 crore in Roadstar Infra Investment Trust (InvIT) units.

InvIT Structure: The Roadstar InvIT holds six underlying road assets (MBEL, SBHL, PSRDCL, BAEL, TRDCL, and HREL) with an overall Enterprise Valuation of ₹8,576 crore. These units are distributed via private placement followed by a SEBI-compliant listing.

Scheme Recoveries

March 5, 2025: The eligible schemes received ₹3.17 crores in cash, credited based on their specific security exposure.

April 2025: The schemes received Roadstar InvIT units valued at ₹2 crores, with a face value of ₹25,00,000 per unit

July 2026: The IL&FS Board initiated a subsequent cash distribution, resulting in a total receipt of ₹8.93 crores by the eligible schemes as of July 16, 2026

Tabulation of the Interim Distribution:

Particulars	Liquid Fund	Aggressive Hybrid Fund	Ultra short Term Duration Fund	Low Duration Fund	Arbitrage Fund	Total
Commercial Paper O/s exposure - Rs Crs.	56.50	10.00	5.00	3.00	0.50	75.00
% of Total O/ S Value	75.33%	13.33%	6.67%	4.00%	0.67%	100.00%
Cash & INVITs received on March ’25 & April ’25 (Rs . IN Crs)	3.90	0.69	0.34	0.21	0.03	5.17
% of Cash Received & INVITs received on Total Exposure	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
Cash Received on July ’26 (Rs . in Crs)	6.73	1.19	0.60	0.36	0.06	8.93
% of Cash Received & on Total Exposure	11.91%	11.91%	11.91%	11.91%	11.91%	11.91%
Total Recovery as on 16th July 2026 (Rs. In Crs)	10.63	1.88	0.94	0.56	0.09	14.11
% of Total Recovery	18.81%	18.81%	18.81%	18.81%	18.81%	18.18%
Net Outstanding (Rs. In Crs)	45.87	8.12	4.06	2.44	0.41	60.89

% of Impact on NAV on the date of amount received 16th July 2026 (Rs. In Crs)

Scheme Name	AUM as on 15/07/26	ILFS Amount Received	Annualised Impact %	Absolute Impact %
Liquid Fund	7,698	6.73	31.90%	0.09%
Aggressive Hybrid Fund	9,106	1.19	4.77%	0.01%
Ultra Short Duration Fund	2,532	0.60	8.58%	0.02%
Low Duration Fund	384	0.36	33.93%	0.09%
Arbitrage Fund	595	0.06	3.65%	0.01%

The respective schemes have accounted the cash receipt on 16th July 2026