

B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of IL&FS Asian Infrastructure Managers Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of IL&FS Asian Infrastructure Managers Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to Note 22 of the financial statements which describes the situation facing the Company in view of the investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Company). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years referred in the note. However, the Supreme Court of India has stayed NCLT order to reopen past books of IL&FS and its above referred two subsidiaries. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company) by the SFIO and re-opening of books of accounts of the Ultimate Holding Company and its above referred two subsidiaries by the NCLT, we are unable to comment on the consequential impact thereof on these financial statements.

Attention is invited to Note 14 of the financial statements which describes that the Company has not been able to determine the accurate and complete list of related parties for the period 1 April 2017 to 31 March 2019, as defined under Ind AS 24, Related Party Disclosures and as per the Act. In the absence of the said information, we are unable to obtain sufficient appropriate audit evidence with regard to completeness and accuracy of related party disclosures made in the financial statements and on the Company's compliance with the provisions of the Act with regard to related party transactions. We draw attention to the qualified opinion paragraph of our report on internal financial controls in Annexure B.

Independent Auditors' Report (Continued)

IL&FS Asian Infrastructure Managers Limited

Basis for Qualified Opinion (Continued)

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

As explained in Note 23 in the financial statements regarding no fee revenue earned during the period and management's expectation of Company's ability to at least meet its obligation over the next 12 months out of its earnings other than fee revenue and liquid assets. As stated therein, the Company's business plans for new fund raise have been kept on hold pending completion of IL&FS Investment Managers Limited ("Holding Company") stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of the financial statements is appropriate. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report (*Continued*)

IL&FS Asian Infrastructure Managers Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Independent Auditors' Report (*Continued*)

IL&FS Asian Infrastructure Managers Limited

Other Matter

The opening balance sheet as at 1 April 2017 (transition date) included in these financial statements, is based on the previously issued statutory financial statements of the Company prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 4 May 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) Except for the possible effect of the matter relating to Related Parties described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) The matter relating to going concern describe under Material Uncertainty Related to Going Concern paragraph above and matters relating to investigation by SFIO against IL&FS and its subsidiaries (including the Company) and NCLT order of re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years described under Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

Independent Auditors' Report (Continued)

IL&FS Asian Infrastructure Managers Limited

Report on Other Legal and Regulatory Requirements (Continued)

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 16 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16), in our opinion and according to the information and explanations given to us, there is no remuneration paid by the company to its directors during the current year. Accordingly, there is no remuneration paid in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W- 100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
23 May 2019

IL&FS Asian Infrastructure Managers Limited

“Annexure A” to the Independent Auditors’ Report

(Referred to in our report of even date)

- i. According to the information and explanation given to us and based on our examination of the records of the Company, the Company does not hold any fixed assets in the current financial year. Thus, paragraph 3 (i) of the Order is not applicable to the Company
- ii. The Company is a service company primarily rendering fund management services. Accordingly, it does not hold any inventories. Thus paragraph 3 (ii) of the Order is not applicable to the Company.
- iii. The Company has stated that it has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. It may be noted that the Company has placed unsecured Intercompany Deposits of Rs. 20,000,000 (fully provided as at balance sheet date, refer Note 7 of financial statements) with Infrastructure Leasing & Financial Services Limited (‘IL&FS’), the Ultimate Holding Company in which none of its directors are personally interested, but which is a related party. Considering this, we report that
 - a. in view of the investigation by SFIO against IL&FS and its subsidiaries (including the Company), as stated in Note 22 of the financial statements, which are ongoing, we are unable to comment on whether the terms and conditions of the grant of such Intercompany Deposits are prejudicial to the Company’s interest;
 - b. there is a stipulated schedule for repayment of principal and interest. The repayment/ receipt were not regular;
 - c. details of amount overdue for more than 90 days as at 31 March 2019 is as follows:

Name of the Party	Principal Overdue (Rs.)	Interest Overdue (Rs.)	Total Overdue (Rs.)
IL&FS	20,000,000	917,508	20,917,508

As informed, the recovery of the Intercompany Deposit will be through the resolution process to be approved by the NCLT as stated in Note 7 of financial statements.

- iv. To the best of our knowledge and according to the information and explanation provided to us, the Company has not granted any loans, given any guarantee or provided any security in connection with loan to any of its Directors or to any person in whom the Director is interested. The Company has complied with the provisions of Section 186 of the Act, with respect to the loan granted and investments made, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under. Thus, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

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IL&FS Asian Infrastructure Managers Limited

“Annexure A” to the Independent Auditors’ Report (Continued)

- vii. (a) According to the information and explanation given to us and on the basis of our examination of the books of account, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, goods and services tax, cess and other statutory dues have been regularly deposited with the authorities. As explained to us, the Company did not have any dues on account of provident fund, service tax, sales tax, employees’ state insurance, wealth tax, duty of customs, duty of excise and value added tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and services tax, cess and other statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are disputed dues outstanding with respect to income tax as at 31 March 2019. On account of dispute, outstanding dues are as follows:

Name of statute	Nature of dues	Forum where dispute pending	Period to which the amount related	Amount Involved (Rs.)	Amount unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income- Tax (Appeals)	FY 2010 – 11	363,060	300,590

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from financial institution, bank, Government or debenture holders. Thus, paragraph 3 (viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans. Thus, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, it does not have whole-time key managerial personnel. Thus, paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable to the Company.




IL&FS Asian Infrastructure Managers Limited

“Annexure A” to the Independent Auditors’ Report (*Continued*)

- xiii. Attention is invited to Note 14 of financial statements and as described in the Basis for Qualified Opinion section above, due to the limitation described in the said note, our verification of the Company’s compliance with section 188 of the Companies Act, 2013 and disclosure of details in the financial statements as required under Ind AS is limited to those parties identified by the Company. Accordingly, we are unable to report whether all transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and whether details have been disclosed in the financial statements as required by the applicable accounting standards. The Company doesn’t have Audit Committee and accordingly section 177 is not applicable.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or allotted fully or partly convertible debentures during the year. Thus, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or person connected with them. Thus, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W- 100024



N Sampath Ganesh

Partner 

Membership No: 042554

Mumbai
23 May 2019

IL&FS Asian Infrastructure Managers Limited

“Annexure B” to the Independent Auditors’ Report

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (1(f)) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Qualified Opinion

We have audited the internal financial controls with reference to financial statements of IL&FS Asian Infrastructure Managers Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

According to the information and explanation provided to us and based on our audit, the following material weakness have been identified as at 31 March 2019:

- (a) The Company did not have an appropriate internal control system with regards to identification of related parties and thereby did not have a complete list of related parties for the reporting period which could potentially result in the Company not complying with the provisions of Companies Act, 2013 and/or Ind AS 24, Related Party Disclosures.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2019 financial statements of the Company, and the material weakness has an effect on our opinion on the financial statement of the Company. Refer Basis for Qualified Opinion of our report on the financial statements.

Management’s responsibility for internal financial controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).



IL&FS Asian Infrastructure Managers Limited

“Annexure B” to the Independent Auditors’ Report (*Continued*)

Auditor’s responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W- 100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
23 May 2019

IL&FS ASIAN INFRASTRUCTURE MANAGERS LIMITED
CIN : U66020MH2006PLC161439
BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	As at March 31, 2019	As at March 31 2018	Amount (₹) As at April 1, 2017
ASSETS				
Non Current Assets				
(a) Financial Assets				
- Investments	3	100,000	100,000	100,000
(b) Income Tax Asset (net)	5	141,019	55,118	1,094,520
Total non-current assets		241,019	155,118	1,194,520
Current Assets				
(a) Financial Assets				
(i) Investments	3	-	-	60,479,787
(ii) Cash and Cash Equivalents	6	44,075,586	28,374,652	765,174
(iii) Other financial assets	7	2,619,041	36,158,163	-
(b) Other Current Assets	8	1,420,160	1,387,164	1,510,615
Total current assets (Net)		48,114,787	65,919,979	62,755,576
TOTAL ASSETS		48,355,806	66,075,097	63,950,096
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	9	45,918,370	45,918,370	45,918,370
(b) Other Equity		2,134,646	19,889,119	17,483,450
Equity attributable to owners of the Company		48,053,016	65,807,489	63,401,820
Total Equity		48,053,016	65,807,489	63,401,820
LIABILITIES				
Non-current liabilities				
Deferred Tax Liabilities (Net)	4	-	-	32,560
Total non-current liabilities		-	-	32,560
Current liabilities				
Financial Liabilities				
(a) Trade payables				
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	10	-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10	277,790	267,608	461,479
(b) Other Current Liabilities	11	25,000	-	54,237
Total current liabilities		302,790	267,608	515,716
TOTAL EQUITY AND LIABILITIES		48,355,806	66,075,097	63,950,096

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration Number 116231W/W-100024



N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar
DIN: 00060698



Sanjay Mitra
DIN: 00030836



Place : Mumbai
Date : May 23, 2019

IL&FS ASIAN INFRASTRUCTURE MANAGERS LIMITED
CIN : U66020MH2006PLC161439
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Amount (₹)

	Particulars	Note Ref.	For the year ended March 31, 2019	For the year ended March 31, 2018
1	INCOME			
	Revenue from operations		-	-
	Other Income	12	4,841,110	3,782,698
	Total Revenue		4,841,110	3,782,698
2	EXPENSES			
	Other expenses	13	561,075	687,515
	Total Expenses		561,075	687,515
3	Profit before exceptional items and tax (1-2)		4,280,035	3,095,183
4	Exceptional Items (Refer Note 7)	22	(20,917,508)	-
5	Profit/(loss) after exceptional items and before tax (3-4)		(16,637,473)	3,095,183
6	Tax Expense			
	Current Tax		1,117,000	780,000
	Prior Year Taxes		-	(57,926)
	Deferred Tax	4	-	(32,560)
	Total Tax Expense	18	1,117,000	689,514
7	Net Profit/(loss) after tax (5-6)		(17,754,473)	2,405,669
8	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss		-	-
9	Total Comprehensive income for the year (7+8)		(17,754,473)	2,405,669
	Earnings per equity share			
	Equity shares of par value ₹ 10/- each			
	Basic and Diluted	15	(3.87)	0.52

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm Registration Number 116231W/W-100024



N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar
DIN: 00060698



Sanjay Mitra
DIN: 00030836



Place : Mumbai
Date : May 23, 2019

IL&FS ASIAN INFRASTRUCTURE MANAGERS LIMITED
CIN : U66020MH2006PLC161439
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity Share Capital

	Note	Amount in ₹
Balance as at April 1, 2017	9	45,918,370
Changes in equity share capital		-
Balance as at March 31, 2018	9	45,918,370
Changes in equity share capital		-
Balance as at March 31, 2019	9	45,918,370

b. Other equity

	Retained Earnings (₹)
Balance at April 1, 2017	17,483,450
Addition during the year from issue of equity shares	-
<u>Total Comprehensive Income for the year</u>	
Profit/(loss) for the year	2,405,669
Other Comprehensive Income	-
Balance at March 31, 2018	19,889,119
<u>Total Comprehensive Income/(loss) for the year</u>	
Profit/(loss) for the year	(17,754,473)
Other Comprehensive Income	-
Balance at March 31, 2019	2,134,646

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm Registration Number 116231W/W-100024



N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar
DIN: 00060698



Sanjay Mitra
DIN: 00030836



Place : Mumbai
Date : May 23, 2019

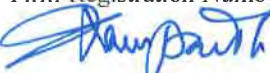
IL&FS ASIAN INFRASTRUCTURE MANAGERS LIMITED
CIN : U66020MH2006PLC161439
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Amount (₹)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
I.	Cash Flow from Operating Activities		
	Profit/(Loss) Before Tax	(16,637,473)	3,095,183
	Adjustments For :		
	Interest Income	(4,308,211)	(3,301,166)
	Expected Credit loss on for Loan receivable and its interest thereon	20,917,508	
	Net (Profit)/loss on sale of investment	(57,899)	5,410
	Dividend Income	-	(271,668)
	Operating Loss Before Working Capital Changes	(86,075)	(472,241)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Other Non-Current Asset	(32,996)	123,451
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade Payables	10,182	(193,871)
	Other Current Liabilities	25,000	(54,237)
		(83,889)	(596,898)
	Less: Taxes paid	(1,202,901)	317,328
	Net Cash generated / (used in) from Operating Activities	(1,286,790)	(279,570)
II.	Cash Flow from Investing Activities		
	Interest Received	1,929,825	2,143,003
	(Increase)/ Decrease in Current Investments	57,899	60,474,377
	Loan given	(20,000,000)	(35,000,000)
	Loan refunded	35,000,000	-
	Dividend Income	-	271,668
	Net Cash generated from Investing Activities	16,987,724	27,889,048
III.	Net Increase in Cash and Cash Equivalents (I+II)	15,700,934	27,609,478
	Cash and Cash Equivalent at the beginning of the year (Refer Note 7)	28,374,652	765,174
	Cash and Cash Equivalent at the end of the year (Refer Note 7)	44,075,586	28,374,652
	Net Increase in Cash and Cash Equivalents	15,700,934	27,609,478

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached.
For B S R & Associates LLP
Chartered Accountants
Firm Registration Number 116231W/W-100024



N Sampath Ganesh
Partner
Membership No.042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar
DIN: 00060698



Sanjay Mitra
DIN: 00030836



Place : Mumbai
Date : May 23, 2019

IL&FS ASIAN INFRASTRUCTURE MANAGERS LIMITED

(1) Corporate Information

IL&FS Asian Infrastructure Managers Limited is a Public Limited Company domiciled in India and its Registered Office is situated at The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. The Company has been incorporated under the Companies Act, 1956 on April 27, 2006 and is a domestic private equity fund management company which manages funds on behalf of leading Indian and International Institutions

As at March 31, 2019, IL&FS Investment Managers Limited, the holding company owned the Company's entire equity share capital

(2) Significant accounting policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time

The financial statements upto and for the year ended 31 March 2018 were prepared in accordance with Companies (Accounting standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act. Previous periods have been restated to Ind AS. As these financial statements prepared in accordance with Ind AS, Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows is provided in Note 21. These financial statements were approved by the Board of Directors and authorised for issue on May 23, 2019

(b) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value

(c) Fair Value Measurement

Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Further information about the assumptions made in measuring fair values is included in the note 19(B) financial instruments



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(d) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at :

- amortised cost;
- fair value through other comprehensive income ("FVOCI");
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition except if in the period the Company changes its business model for managing the financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL

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Subsequent measurement and gains and losses are recognised as :

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss

Financial liabilities : Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss

(iii) De-recognition

Financial Asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

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(v) Cash and cash equivalents

Cash comprises of demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balance, as defined above as they are considered an integral part of the Company cash management

(e) Revenue Recognition

- (i) Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive dividend is established
- (ii) Interest income or expense is recognised using the effective interest method

(f) Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

(g) Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and amounts pertaining to Investments which have been committed but not called for

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date

(h) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate(EIR). ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss

(i) Earnings Per Share

In determining earnings per share, the Company considers the profit attributable to the owners of the Company. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of additional equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date

(j) Goods and Services Tax/Service Tax

Goods and Services Tax ("GST") / Service tax is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing the credits



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(k) Segment reporting

The Company operates in one reportable business segment i.e. “Asset Management and other related service”

(l) Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

(m) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes

- (a) Note 20 Impairment of financial assets (including trade receivable)
- (b) Note 23 Estimation for preparation of financials under going concern assumption

Recent Accounting Pronouncement

Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 as part of the Companies (Ind AS) Amendment Rules, 2019) which are effective for the annual period beginning from April 01, 2019. The Company intends to adopt these standards and amendments from the effective date

Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company’s financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards

(i) Amendment to Ind AS 12 Income Taxes :

Income tax consequences of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, should be recognised when a liability to pay dividend is recognised

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognised

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes

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(ii) **Amendments to Ind AS 109 Financial Instruments :**

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion)

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that :

- Have a prepayment feature which results in a negative compensation
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held

(3) **Investments**

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Amounts (₹)	Quantity	Amounts (₹)	Quantity	Amounts (₹)
Non-Current investments						
Unquoted Managerial Units invested in Venture Capital Funds at FVTPL						
Unquoted						
Pan Asia Project Development Fund	1,000	100,000	1,000	100,000	1,000	100,000
Total	1,000	100,000	1,000	100,000	1,000	100,000
Aggregate amount of unquoted investments		100,000		100,000		100,000
Current investments						
Investment in Mutual Funds at FVTPL						
Unquoted						
Reliance Medium Fund - Daily Dividend Plan	-	-	-	-	1,261,352	21,563,953
Reliance Money Manager Fund - Daily Dividend Plan	-	-	-	-	26,663	26,863,012
Birla Sunlife Cash Plus - Daily Dividend	-	-	-	-	63,403	6,352,623
Birla Sunlife Savings Fund - Daily Dividend	-	-	-	-	56,753	5,700,199
Total investment in mutual funds		-		-		60,479,787
Aggregate amount of unquoted investments		-		-		60,479,787

The Company exposure to price risk for fair value measurement is disclosed in Note 19

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(4) **Deferred Tax Asset/(Liability)**

The income tax expense for the year can be reconciled to the accounting profit as follows :

Particulars	Amount in ₹				
	Closing Balance March 31, 2019	Movement Recognised in Profit and Loss	Closing Balance March 31, 2018	Movement Recognised in Profit and Loss	As at April 1, 2017
Tax effect of items constituting deferred tax liabilities					
FVTPL financial asset	-	-	-	(32,560)	32,560
Total	-	-	-	(32,560)	32,560

No deferred tax has been recognised in respect of unabsorbed business loss as it is not probable that future taxable profits will be available against which they can be used

(5) **Income Tax Asset (net)**

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Non-Current			
Advance payment of taxes	141,019	55,118	1,094,520
Total (A)	141,019	55,118	1,094,520
Income tax payable (B)	-	-	-
Net Income Tax Assets (A - B)	141,019	55,118	1,094,520

(6) **Cash and Cash Equivalents**

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
In current accounts	1,029,828	8,574,652	765,174
In fixed deposits account	43,045,758	19,800,000	-
Total Cash and Cash Equivalents	44,075,586	28,374,652	765,174

(7) **Other Financial Asset**

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Loans Receivables	20,000,000	35,000,000	-
Interest accrued on fixed deposit	2,619,041	1,110,697	-
Interest accrued on loans receivables	917,508	47,466	-
Less: Impairment loss allowance	(20,917,508)	-	-
Total Other Financial Asset	2,619,041	36,158,163	-

In respect of Inter corporate deposit given to Infrastructure Leasing & Financial Services Limited ("IL&FS") the total outstanding due as on March 31, 2019 including interest is ₹ 20,917,508/-. During the year IL&FS defaulted on their debt obligations and their credit rating was downgraded to Default ("D") status



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The Inter corporate deposit placed by the Company with IL&FS are unsecured. Considering the uncertainty around timing and the amount to be realised through the resolution process to be approved by the National Company Law Tribunal, the management has provided for the entire amount due towards Inter corporate deposit including the accrued interest

(8) Other Current Assets

Particulars	Amount in ₹		
	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Advances other than capital advances	-	-	224,833
Indirect Taxes Recoverable	1,420,160	1,387,164	1,285,782
Total Other Current Assets	1,420,160	1,387,164	1,510,615

(9) Equity Share Capital

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number of shares	Amounts (₹)	Number of shares	Amounts (₹)	Number of shares	Amounts (₹)
Share Capital						
Authorised						
5,000,000 Equity Shares of ₹ 10/- each	5,000,000	50,000,000	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed and Fully Paid up						
4,591,837 Equity Shares of ₹ 10/- each fully paid-up, with voting rights	4,591,837	45,918,370	4,591,837	45,918,370	4,591,837	45,918,370
	4,591,837	45,918,370	4,591,837	45,918,370	4,591,837	45,918,370

(i) Details of shares held by each shareholder holding more than 5% shares :

	Equity Shares of ₹ 10/- each Fully Paid up	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
a	IL&FS Investment Managers Limited (Holding Company)	4,591,837	100%	4,591,837	100%	2,341,837	51%
b	ORIX Corporation, Japan	-	-	-	-	2,250,000	49%

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- (ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year :

Particulars	Opening balance	Issued during the year	Closing balance
As at March 31, 2019			
Number of shares	4,591,837	-	4,591,837
Amounts (₹)	45,918,370	-	45,918,370
As at March 31, 2018			
Number of shares	4,591,837	-	4,591,837
Amounts (₹)	45,918,370	-	45,918,370
As at April 1, 2017			
Number of shares	4,591,837	-	4,591,837
Amounts (₹)	45,918,370	-	45,918,370

- (iii) Details of number of shares held by the holding company :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Fully paid up equity shares with voting rights			
IL&FS Investment Managers Limited	4,591,837	4,591,837	2,341,837

(10) Trade Payables

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	277,790	267,608	461,479
Total Trade Payables	277,790	267,608	461,479

According to the records available with the Company, there were no dues to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence disclosures, if any, relating to amounts unpaid as at the year-end together with the interest paid / payable as required under the said Act have not been given. This information has been provided by the Company and relied upon by the Auditors

The Company exposure to liquidity risk relating to trade payables is disclosed in Note 20

(11) Other Current Liabilities

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Other payables			
Statutory Dues payable	25,000	-	54,237
Total Other Current Liabilities	25,000	-	54,237



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(12) Other Income

Particulars		For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
a)	Interest Income		
	Interest on Fixed Deposit	3,390,703	3,253,700
	Interest on loans receivables	917,508	47,466
	Interest on Income Tax Refund	-	215,274
b)	Dividend Income		
	Dividend income from Current non-trade Investments	-	271,668
c)	Net Gain / (Loss) on sale of investments		
	On sale of other current investments	57,899	(5,410)
d)	Other income	475,000	-
Total Other Income		4,841,110	3,782,698

(13) Other Expenses

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Rates and Taxes	6,323	47,447
Auditors remuneration and out-of-pocket expenses	410,977	430,250
Miscellaneous Expenses	11,075	
Other Expenses	-	468
Legal and Professional Expenses	132,700	209,350
Total Other Expenses	561,075	687,515

Payment to Auditor	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Statutory Audit	250,000	250,000
Limited review of quarterly results	145,632	175,000
Out-of-pocket expenses	1,956	5,250
For Other services	13,389	-
Total	410,977	430,250

(14) Disclosures as required by the IND AS-24 on "Related Party Disclosures" are made below :

The Company is dependent on information from the Ultimate Holding Company for its Related Parties as defined under Ind AS 24 and under the Companies Act, 2013 during the period from April 1, 2017 to March 31, 2019. The Ultimate Holding Company has not been able to provide the said information to the Company for the whole of the period referred to above. In the absence of the above information, the Company has identified its related party's relationship on the basis of information made available by the Ultimate Holding Company in the past. Accordingly, the related parties may not be complete and accurate. However, the Company believes that unavailability of the required information may not have a material impact on the financial statements



- (a) Name of the Related Parties (with whom transactions entered into during the year ended March 31, 2019) and Description of Relationship :

Nature of Relationship	Name of Entity
Holding Company (control exist)	IL&FS Investment Managers Limited ("IIML")
Ultimate Holding Company (control exist)	Infrastructure Leasing & Financial Services Limited ("IL&FS")
Fellow Subsidiary	IL&FS Transportation Networks Limited ("ITNL")

- (b) The nature and volume of transactions during the year ended March 31, 2019 with the above related parties were as follows :

Nature of Transaction	Amount in ₹		
	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Transaction for the year ended March 31, 2019			
Other reimbursement paid	-	944,063	-
Loan given [ILFS]	20,000,000	-	-
Loan Refunded [ITNL]	-	-	35,000,000
Interest Income	917,508	-	263,699
Balances as at March 31, 2019			
Loans Receivable *	20,000,000	-	-
Interest Accrued *	917,508	-	-

* Out of the above Loan receivable outstanding as on March 31, 2019, provision has been created of ₹ 20,917,508/-

- (c) The nature and volume of transactions during the year ended March 31, 2018 with the above related parties were as follows :

Nature of Transaction	Amount in ₹	
	Holding Company	Fellow Subsidiary
Transaction for the year ended March 31, 2018		
Loan given [ITNL]	-	35,000,000
Interest Income [ITNL]	-	52,740
Other Reimbursements (paid)	640,982	-
Balances as at March 31, 2018		
Loans Receivable [ITNL]	-	35,000,000
Interest accrued [ITNL]	-	47,466
Trade Payables	31,600	
Balances as at April 1, 2017		
Trade Payables	978	

All transaction with related parties are priced on an arm's length basis and resulting outstanding balance are expected to be recovered in cash within six months of the reporting except for which provision is already made

(15) Earnings Per Equity Share (EPS)

In accordance with the Indian Accounting Standard on 'Earnings Per Share' (Ind AS 33), the Basic Earnings Per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by the number of ordinary equity shares for the respective period as under :

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	Particulars	Units	Year ended March 31, 2019	Year ended March 31, 2018
a	Profit/(loss) After Tax	(₹)	(17,754,473)	2,405,669
b	Weighted Average Number of Ordinary Shares	Numbers	4,591,837	4,591,837
c	Nominal Value Per Ordinary Share	(₹)	10	10
d	Earnings Per Share (For Basic and Diluted)	(₹)	(3.87)	0.52

(16) **Contingent Liabilities**

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Income tax demand contested by the Company for A.Y 11-12	363,060	-

(17) **Segment Reporting**

The operations of the Company are limited to one segment viz. Asset Management and other related service. As such, there are no separate reportable business or geographical segments as per as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment

(18) **Income Tax Expense**

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2019 (₹)
(a) Income Tax expense		
Current tax on Profit for the year	1,117,000	780,000
Deferred Tax	-	(32,560)
Prior Year Taxes	-	(57,926)
Total Income tax expense	1,117,000	689,514
(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate		
Profit from operations before income tax expense	(16,637,473)	3,095,183
India tax rate	26%	25.75%
Income tax expense Rounded	-	797,000
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Deduction under various sections of Income Tax Act, 1961		(70,000)
Disallowance under various sections of Income Tax Act, 1961	1,117,000	-
Disallowance under 14A	-	19,500
Deferred tax	-	(32,560)
Prior Year Taxes	-	(57,926)
Others	-	33,500
Total Income tax expense	1,117,000	689,514

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(19) Fair Value Measurements :

(a) Financial Instruments by category : The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

As at March 31, 2019	Carrying amount (₹)			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial assets				
Equity Instruments	100,000	-	-	100,000
Loan Receivable	-	-	-	-
Cash and Cash Equivalents	-	-	44,075,586	44,075,586
Other Financial Asset	-	-	2,619,041	2,619,041
	100,000	-	46,694,627	46,794,627
Financial Liabilities				
Trade Payables	-	-	277,790	277,790
	-	-	277,790	277,790

As at March 31, 2018	Carrying amount (₹)			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial assets				
Equity Instruments	100,000	-	-	100,000
Loan Receivable	-	-	35,000,000	35,000,000
Cash and Cash Equivalents	-	-	28,374,652	28,374,652
Other Financial Asset	-	-	1,158,163	1,158,163
	100,000	-	64,532,815	64,632,815
Financial Liabilities				
Trade Payables	-	-	267,608	267,608
	-	-	267,608	267,608

As at April 1, 2017	Carrying amount (₹)			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial assets				
Equity Instruments	100,000	-	-	100,000
Mutual Funds	60,479,787	-	-	60,479,787
Cash and Cash Equivalents	-	-	765,174	765,174
	100,000	-	765,174	61,344,961
Financial Liabilities				
Trade Payables	-	-	461,479	461,479
	-	-	461,479	461,479

(b) Fair value hierarchy : Fair Valuation Measurement Hierarchy :

As at March 31, 2019

Particulars	Carrying Amount	Amount in (₹)		
		Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
Equity Instruments	100,000	-	-	100,000



As at March 31, 2018

Particulars	Carrying Amount	Amount in (₹)		
		Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
Equity Instruments	100,000	-	-	100,000

As at April 1, 2017

Particulars	Carrying Amount	Amount in (₹)		
		Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Mutual Funds	60,479,787	60,479,787	-	-
Equity Instruments	100,000	-	-	100,000

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described in Note 2 (d) of the financial statement

(20) **Financial Risk Management** : The Company has exposure to the following risks from financial instruments :

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

Risk management framework

The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the risk management process to ensure adherence to appropriate risk limits and controls are set in place

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position

Others financial asset are Loans given and interest accrued on the same. Provision is created on a case to case basis depending on circumstances with respect to non-recoverability of the amount. At the end of the year, the details were as follows :

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Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Interest accrued on fixed deposit	2,619,041	1,110,697	-
Interest accrued on loans receivables	917,508	47,466	-
Loans Receivables	20,000,000	35,000,000	-
Less: Impairment loss allowance	(20,917,508)	-	-
Total Other Financial Asset	2,619,041	36,158,163	-

Reconciliation of expected credit loss on other financial asset

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Expected credit loss at the beginning of the year	-	-
Add/(less): changes in allowance	20,917,508	-
Expected credit loss at the end of the year	20,917,508	-

Cash and cash equivalents are held with an Indian bank having high quality credit rating

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risk that may arise

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities

Maturity profile of financial liabilities

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Less than 1 year			
Non- interest bearing instrument			
Trade payable	277,790	267,608	461,479

Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the fair value of its holdings of financial instruments. The Company's financial assets and liabilities are denominated in INR and all transactions are made in INR. Therefore the Company is not exposed foreign exchange risk

Interest rate risk

The Company is not exposed to interest rate risk as the Company has fixed interest bearing financial assets

Price risk

The Company has invested in the Mutual Funds and Equity instrument

Mutual fund and Equity instrument, Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors



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A movement of 5% in NAV mutual funds on either side can lead to a gain/loss of ₹ 3,023,989/- on the overall portfolio as at April 1, 2017

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. The Debt equity ratio as on March 31, 2019, March 31, 2018 and April 1, 2017 is negative which signifies the Company has more than sufficient cash to pay off its liabilities

(21) First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes

(a) Ind AS optional exemptions

The Company has not availed any IND AS optional exemption

(b) Ind AS mandatory exceptions

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS)

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI
- Impairment of financial assets based on the expected credit loss model

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De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the de-recognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the de-recognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done prospectively from the date of transition to Ind AS

(i) Effect of Ind AS adoption on the standalone balance sheet as April 1, 2017 :

(Amount in ₹)

Particulars	Note	As at April 1, 2017		
		Previous GAAP	Effect of Transition to Ind AS	As per Balance Sheet
ASSETS				
Non-Current Assets				
(a) Financial Assets				-
Investments		100,000	-	100,000
(b) Income Tax Asset (net)		1,094,520	-	1,094,520
Total non-current assets		1,194,520	-	1,194,520
				-
Current Assets				-
(a) Financial Assets				-
(i) Investments	1	60,359,361	120,426	60,479,787
(ii) Cash and Cash Equivalents		765,174	-	765,174
(iii) Other financial assets		224,833	-	224,833
(b) Other Current Assets		1,285,782	-	1,285,782
Total current assets (Net)		62,635,150	120,426	62,755,576
				-
TOTAL ASSETS		63,829,670	120,426	63,950,096
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital		45,918,370	-	45,918,370
(b) Other Equity	1	17,395,584	87,866	17,483,450
Equity attributable to owners of the Company		63,313,954	87,866	63,401,820
				-
Total Equity		63,313,954	87,866	63,401,820

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Particulars	Note	As at April 1, 2017		
		Previous GAAP	Effect of Transition to Ind AS	As per Balance Sheet
LIABILITIES				
Non-current liabilities				
Deferred Tax Liabilities (Net)	1	-	32,560	32,560
Total non-current liabilities		-	32,560	32,560
Current liabilities				
(a) Financial Liabilities				
Trade payables		461,479	-	461,479
(b) Other Current Liabilities		54,237	-	54,237
Total current liabilities		515,716	-	515,716
TOTAL EQUITY AND LIABILITIES		63,829,670	120,426	63,950,096

Note 1 :

Under the previous GAAP, investments in mutual funds were classified as non current investments or current investments based on the intended holding period and realisability. Non current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended April 1, 2017. This increased the retained earnings by ₹ 87,886/- as at April 1, 2017 net of deferred Tax

(ii) Effect of Ind AS adoption on the standalone balance sheet as at March 31, 2018 :

There are no material adjustments to standalone balance sheet as at March 31, 2018

(iii) Reconciliation of Total Equity as at March 31, 2018 and April 1, 2017 :

Particulars	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Equity as reported under previous GAAP	19,889,119	17,395,584
Ind AS: Adjustments increase (decrease):		
Profit on Sale of mutual Fund Adjusted	(120,426)	-
Gain on fair Valuations of Mutual Fund	-	120,426
Deferred Tax impact on fair valuation adjustments	32,560	(32,560)
Equity as reported under IND AS	19,801,253	17,483,450

(iv) Reconciliation of Total Comprehensive Income for the year ended March 31, 2018 :

There are no material adjustment to the statement for the year ended March 31, 2019

(v) There are no material adjustments to the cash flow statements

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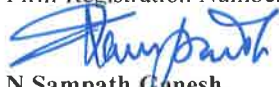


(22) The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against Infrastructure Leasing & Financial Services Limited (IL&FS), the Ultimate Holding Company and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigation agencies. On December 3, 2018, MCA on the directions of the National Company Law Tribunal, Mumbai (NCLT) has impleaded various Group Companies of IL&FS (which includes the Company) as Respondents to the Petition filed by them on October 1, 2018. Further based on another petition of the MCA under section 130 (1) of the Companies Act, 2013, the NCLT has, on January 1, 2019, ordered re-opening of books of accounts for the past financial year 2012-13 to financial year 2017-18 of 'IL&FS' ('the Ultimate Holding Company'), IL&FS Financial Services Limited ('IFIN' a fellow subsidiary) and ITNL. On April 29, 2019, the Supreme Court of India has issued order granting a stay on the above referred NCLT order to reopen the books of accounts. While the Company, based on its current understanding, believes that the above would not have a material impact on the financial statements, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage

(23) The fund tenure of PAN Asia Project Development Fund is schedule to conclude on May 23, 2019 and the company has sought extension from the contributors. Management expects that its future income from liquid assets held by the Company as at March 31, 2019 will be sufficient to meet the Company's existing and future obligations over the next 12 months. Management believes that, subject to receipt of necessary Board approvals, the Company has adequate funds to commit seed capital for new fund raise as part of its efforts to increase revenues. Further, NCLAT vide its order dated February 11, 2019 has also classified the Company under the "Green Category" based on a 12 month cash flow solvency test, which enables the Company to continue to meet all its payment obligation (both financial and operational) as and when they become due

Meanwhile, the IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Group. The resolution plan, inter alia, involves sale of assets/businesses/companies owned by IL&FS. And in this regard, the IL&FS Board has on December 21, 2018 invited a public Expression of Interest (EoI) for its sale of entire stake in IL&FS Investment Managers Limited (IIML), the holding Company. Accordingly, the Company's plans for new fund raise have been kept on hold pending completion of the stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of these financial statements is appropriate

In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firm Registration Number 116231W/W-100024


N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar
DIN: 00060698



Sanjay Mitra
DIN: 00030836



Place : Mumbai
Date : May 23, 2019