N. M. RAIJI & CO.
Chartered Accountants
Universal Insurance Building,
Pherozeshah Mehta Road,
Mumbai-400 001. INDIA
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Independent Auditor's Report

To the Members of IL&FS INFRA ASSET MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of IL&FS INFRA ASSET MANAGEMENT LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. We draw your attention to the following:

In respect of an unsecured Inter corporate Deposit (ICD) given to IL&FS Financial Services Limited (IFIN), the interest accounting to Rs.40,68,493 for the current year on the total outstanding due of Rs. 5 crores (after write off of Rs 15 crores), has not been accounted for, in accordance with Ind AS 115 "Revenue from Contracts with Customers". However, there is no impact on the loss for the year as a provision would have been made for the interest income as being doubtful of recovery and the consequent adjustments in deferred tax would cancel out each other.

4. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

5. **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report included in the Annual report, but does not include the financial statements, and our auditor's report thereon
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the management is 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

9. 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 the 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.

   Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the order.

11. As required by Section 143(3) of the Act, based on our audit of the financial statements we report, to the extent applicable 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) In our opinion, except for the matter referred to in para 3, 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, except for the matters referred to in para 3 above, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The qualified opinion relating to the non-accounting of the interest on the ICD given to IFIN and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No.108296W

Vinay D. Balse
Partner
Membership. No.: 39434

Place: Mumbai
Date : April 15, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management, in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable to the Company.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable to the Company.

(iii) In respect of unsecured loans granted by the Company to its fellow subsidiary company, covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'):

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Subsidiaries listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrower (IFIN) has not been regular in the payment of the principal and interest as stipulated.

c) There are overdue amounts totaling to Rs. 5 Crores, in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans, made investments or provided any guarantees. Consequently, reporting under clause (iv) of CARO 2016 is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Consequently, reporting under clause (v) of the CARO 2016 is not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities. According to information and explanation given to us there were no dues payable in respect of Provident fund, Employee' state insurance and Custom duty during the year.

(b) There were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax and other material statutory dues in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax and Goods and Service Tax as on 31 March 2019, on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.Consequently, reporting under clause (ix) of the CARO 2016 is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration other than sitting fees paid to Directors during the year and hence reporting under clause (xi) of the CARO 2016 is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Consequently, reporting under clause(xii) of the CARO 2016 is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Consequently, reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of holding Company or persons connected with them. Consequently, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No.108296W

Vinay D. Balse
Partner
Membership. No.: 39434

Place: Mumbai
Date : April 15, 2019

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **IL&FS INFRA ASSET MANAGEMENT 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.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India(the "ICAI"). 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No.108296W

Vinay D. Balse
Partner
Membership. No.: 39434

Place: Mumbai
Date : April 15, 2019

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN: U65191MH2013PLC239438
BALANCE SHEET AS AT MARCH 31 2019

Amount ₹

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	3	475,080	1,545,395	2,143,610
(b) Intangible Assets	3	79,973	108,625	56,398
(c) Financial Assets				
(i) Other Financial Assets	4	4,330	4,330	4,330
(d) Income Tax assets (net)	22	43,866,692	4,827,214	2,416,467
(e) Deferred Tax Assets	5	2,285,006	1,166,065	1,110,889
(f) Other Assets	6	25,093,615	30,317,289	29,494,310
Total Non-current Assets		**71,804,696**	**37,968,918**	**35,226,004**
Current Assets				
(a) Financial assets				
(i)Trade receivables	7	62,120,370	20,994,201	16,018,932
(ii) Cash and cash equivalents	8	180,621,956	104,463,120	238,940,073
(iii) Other Financial Assets	4	7,782,174	203,044,406	5,903,782
(b) Other assets	6	6,295,385	11,913,296	5,701,098
Total Current Assets		**256,819,885**	**340,415,023**	**266,563,885**
Total Assets		**328,624,581**	**378,383,941**	**301,789,889**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	9	193,980,000	193,980,000	193,980,000
(b) Other Equity	10	122,313,165	176,789,841	96,262,667
Total Equity		**316,293,165**	**370,769,841**	**290,242,667**
LIABILITIES				
Non-current Liabilities				
(a) Employee benefit obligations	11	2,348,819	1,963,344	2,344,227
Total Non-current Liabilities		**2,348,819**	**1,963,344**	**2,344,227**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	12	2,715,161	568,042	5,415,699
(b) Other current liabilities	13	5,432,222	4,055,998	1,600,524
(c) Employee benefit obligations	14	1,835,214	1,026,716	2,186,772
Total Current Liabilities		**9,982,597**	**5,650,756**	**9,202,995**
Total Liabilities		**12,331,416**	**7,614,100**	**11,547,222**
Total Equity and Liabilities		**328,624,581**	**378,383,941**	**301,789,889**

Notes annexed hereto forms integrated part of Financial Statements

As per our report of even date attached
For **N M RAIJI & Co.**
Chartered Accountants
Firm Registration No. 108296W

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

Vinay D Balse
Partner
Membership No 39434
Mumbai, April 15, 2019

For and on Behalf of the Board

Nand Kishore
Chairman & Director
DIN: 08267502

Jignesh Shah
Managing Director & CEO
DIN: 01587849

Amit Mainkar
Chief Financial Officer

Dinesh Ladwa
Company Secretary

IL&FS Infra Asset Management Limited

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN: U65191MH2013PLC239438
STATEMENT OF PROFIT AND LOSS

Amount ₹

		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from Operations	15	250,278,708	194,328,222
II.	Other Income	16	10,160,400	17,041,402
III.	**TOTAL INCOME**		**260,439,108**	**211,369,624**
IV.	**EXPENSES**			
	(a) Depreciation and Amortization	3	452,772	690,924
	(b) Employee Benefit Expenses	17	40,351,410	45,495,488
	(c) Other Operating Expenses	18	74,655,659	52,854,040
	(d) Exceptional Item ICD written off (Refer Note 20 f)		150,203,425	-
	(e) Exceptional Item ICD provided for (Refer Note 20 f)		50,000,000	-
	TOTAL EXPENSES		**315,663,266**	**99,040,452**
V	**(LOSS) /PROFIT BEFORE TAX (III-IV)**		**(55,224,158)**	**112,329,172**
VI.	**Tax Expenses**			
	Current Tax		-	32,985,232
	Deferred Tax		(1,010,772)	(380,508)
	TOTAL TAX EXPENSES		**(1,010,772)**	**32,604,724**
VII.	**(LOSS) / PROFIT FOR THE YEAR AFTER TAX (V-VI)**		**(54,213,386)**	**79,724,448**
VIII.	**OTHER COMPREHENSIVE INCOME**			
	(i) Items that will not be reclassified subsequently to profit & loss			
	(a) Remeasurement of the net defined benefit liability/asset		371,459	(1,128,058)
	(ii) Income tax on items that will not be reclassified subsequently to profit & loss		108,169	(325,332)
	OTHER COMPREHENSIVE INCOME FOR THE YEAR		**263,290**	**(802,726)**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(54,476,676)**	**80,527,174**
	EARNINGS PER EQUITY SHARE			
	(Face Value ₹ 10 per share)			
	Basic and Diluted	19	(2.79)	4.11

Notes annexed hereto forms integrated part of Financial Statements

As per our report of even date attached

For **N M RAIJI & Co.**
Chartered Accountants
Firm Registration No. 108296W

Vinay D Balse
Partner

Membership No 39434
Mumbai, April 15, 2019

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

For and on Behalf of the Board

Nand Kishore
Chairman & Director
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Chief Financial Officer

Dinesh Ladwa
Company Secretary

IL&FS Infra Asset Management Limited

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN U65191MH2013PLC239438
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

Amount ₹

Balance at the beginning of April, 1 2017	Changes in Share Capital during 2017-18	Balance at the end of March 31, 2018	Changes in Share Capital for the year ended March 31, 2019	Balance at the end of March 31, 2019
193,980,000	-	193,980,000	-	193,980,000

B. Other Equity

Amount ₹

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
Balance as at April 1, 2017	**96,262,667**		**96,262,667**
Total Comprehensive Income for 2017-18	79,724,448	(802,726)	80,527,174
Balance as at March 31, 2018	**175,987,115**	**(802,726)**	**176,789,841**
Total Comprehensive Income for year ended March 31, 2019	(54,213,386)	263,290	(54,476,676)
Balance as at March 31, 2019	**121,773,729**	**(539,436)**	**122,313,165**

Notes annexed hereto forms integrated part of Financial Statements

As per our report of even date attached
For **N M RAIJI & Co.**
Chartered Accountants
Firm Registration No. 108296W

Vinay D Balse
Partner
Membership No 39434
Mumbai, April 15, 2019

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

For and on Behalf of the Board

Nand Kishore
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Chief Financial Officer

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Company Secretary

IL&FS Infra Asset Management Limited

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN U65191MH2013PLC239438
CASH FLOW STATEMENT

Amount ₹

	Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit for the period		**(55,224,158)**	**112,329,172**
	Adjustments for:			
	Bad Debts written off (ICD)		150,203,425	-
	Provison on ICD		50,000,000	-
	Provision for Employee Benefits		822,514	(412,884)
	Depreciation		452,772	690,924
	Interest Income		(10,152,503)	(17,032,837)
	Assets written off the year		646,195	-
	Loss / (Profit) from Sale of Fixed Assets		(7,897)	(8,565)
	Operating Profit before Working Capital Changes		**136,740,348**	**95,565,810**
	Adjustments for changes in:			
	(Increase) / Decrease in Trade Receivables		(41,126,169)	(4,144,693)
	Increase / (Decrease) in Trade Payables		2,147,119	(4,212,134)
	Decrease / (Increase) in Other Current and Non-Current Assets		10,650,489	(7,929,188)
	Increase / (Decrease) in Long Term and Other Current Liabilities		1,376,224	1,819,954
			109,788,011	**81,099,749**
	Advance payment of Tax (net of refund)		(39,039,478)	(35,395,979)
	NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	A	**70,748,533**	**45,703,770**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets		-	(149,661)
	Proceeds from Sale of Fixed Assets		7,897	13,290
	Interest Income received		5,402,406	19,955,648
	Fixed Deposits placed during the year		(156,567,284)	(313,697,000)
	Fixed Deposits matured during the year		80,113,822	449,153,845
	Inter Corporate Deposit placed during the year		-	(200,000,000)
	NET CASH USED IN INVESTING ACTIVITIES	B	**(71,043,159)**	**(44,723,878)**
(C)	**NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT**	(A+B)	(294,626)	979,892
	Cash and Cash Equivalent at the beginning of the year		4,866,120	3,886,228
	Cash and Cash Equivalent at the end of the year		**4,571,494**	**4,866,120**
	(Refer Note 8)			

Notes annexed hereto forms integrated part of Financial Statements
As per our report of even date attached
For **N M RAIJI & Co.**
Chartered Accountants
Firm Registration No. 108296W

Vinay D Balse
Partner

Membership No 39434
Mumbai, April 15, 2019

For and on Behalf of the Board

Nand Kishore
Chairman & Director
DIN: 08267502

Jignesh Shah
Managing Director & CEO
DIN: 01587849

Amit Mainkar
Chief Financial Officer

Dinesh Ladwa
Company Secretary

Notes forming part of the financial statements

1. Corporate Information

IL&FS Infra Asset Management Limited was incorporated on January 8, 2013 and is a subsidiary of IL&FS Investment Managers Limited. The Company acts as Investment Manager to Schemes of IL&FS Mutual Fund (IDF) and principal business of the Company is to provide management advisory & administrative services to IL&FS Mutual Fund (IDF) in accordance with the Investment Management Agreement between IL&FS AMC Trustee Limited and the Company, dated January 21, 2013 and amended on September 5, 2013 and amended on January 16, 2017

The Registered office of the Company is situated at The IL&FS Financial Centre, 1st Floor, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra

2. Significant accounting policies

Statement of compliance

These financial statements have been prepared, in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of accounting standards prescribed under Section 133 of the Companies Act read with the Companies (Accounting Standards) Rules, 2006.

These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017.

a. 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. (refer accounting policy regarding financial instruments)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

Company's financial statements are prescribed in Indian Rupees (Rs.) which is also its functional currency.

b. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

N. M. RAJU & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

IL&FS Infra Asset Management Limited

transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are generally involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

c. Use of Estimates

The preparation of the financial statements requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results would differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize

d. Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognized when it is realized or realizable and earned. Revenue is considered as realized or realizable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured. Revenue from services is recognized in the accounting period in which the services are rendered.

i) Investment management and advisory fee is recognized at specific rates agreed upon with relevant schemes, and is applied on the average daily net assets of each scheme (excluding inter-scheme investments, where applicable, and investments made by the Company in the respective scheme), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996, as amended

ii) Interest income on fixed deposits/inter corporate deposits is accrued proportionately based on period for which the same is placed

e. Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recongnised as a liability as at the Balance Sheet date on the basis of actuarial valuation as per the Projected Unit Credit Method

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 30 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972. The liability

N. M. RAIJI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

IL&FS Infra Asset Management Limited

in respect of defined benefit plan and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. The service cost, net interest on the net defined benefit liability/(asset) is treated as a net expense within employment cost and are recognized immediately in the statement of profit and loss

f. Foreign Currency Transactions and Translations

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values are recognized

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement / settlement of all monetary items are recognized in the Statement of Profit and Loss

g. Income Tax

Tax Expense comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the year.

Current Tax expense or credit for the year is the amount of tax payable on taxable income for the year on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

h. Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, directly attributable to bringing the asset to the site and in working condition for its intended use

Intangible Assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any

Depreciation

Depreciation on asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method. As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset , the operating conditions of the asset, the past history of replacement , anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets:

Asset Type	Useful Life
Data Processing Equipments- Server and Networking	4 years
Specialised Office Equipment	3 years
Mobile Phones, Tablets and Soft Furnishing	year of capitalisation
Lease Improvements	lease period

Assets costing Rs 5,000 or less, are fully depreciated in the year of capitalisation

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined

N. M. RAJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

i. Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognised in Statement of Profit and Loss for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows discounted to their present value using pre-tax discount rate that reflect current market assessments of the time value of money and is specific to the assets.

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.
A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

k. Financial Instruments

Financial Assets

Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets , which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

Subsequent measurement:
a) Financial assets carried at amortised cost (AC)
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

b) Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is subsequently measured at fair value through other comprehensive income if it 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.

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss

d) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further, Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires

N. M. RAIJI & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited ★

l. Cash and cash equivalents

Cash comprises cash on hand and 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's cash management.

m. 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.

n. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) **Estimated useful lives of tangible assets**:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value.Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) **Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

c) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

e) Defined benefit plans:

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ income include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

o. Fund Expenses

Annual recurring expenses related to the schemes of IL&FS Mutual Fund (IDF), which are in excess of internal expense limits, are borne by the Company

The Company also absorbs the expenses relating to the launch of the schemes of IL&FS Mutual Fund (IDF)

p. Distribution Commission

Distribution Commission and related expenses on closed ended schemes are expensed out over the tenure of the respective schemes, commencing from the month in which units are allotted

q. GST Input Credit

GST input credit 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

r. First-time adoption exemptions

Overall principles

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, by not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below

Exemptions and exceptions availed

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly , the Company has elected to continue with the carrying value of all of its plant and equipment, and intangible assets recognized as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Recent Accounting Pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. As there are no lease arrangements entered by the Company this standard is not applicable to the Company.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company is of the view that effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-
On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. This amendment to the Standard may not be applicable to the Company

N. M. RAIJI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

IL&FS Infra Asset Management Limited *

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN U65191MH2013PLC239438
Notes forming part of the financial statements
Note 3: Property, plant and equipment

Amount ₹

Description of Assets	Data Processing Equipments	Office Equipments	Furniture & Fixutres	Electrical Installations	Leasehold Improvements	Tangible Assets	Intangible Assets	Grand Total
I. Deemed Cost								
Balance as at April 1, 2017	**389,667**	**53,136**	**1,012,710**	**341,639**	**346,458**	**2,143,610**	**56,398**	**2,200,008**
Additions	-	41,351	-	-	-	41,351	108,310	149,661
Disposals	-	45,000	-	-	-	45,000	-	45,000
Balance as at March 31, 2018	**389,667**	**49,487**	**1,012,710**	**341,639**	**346,458**	**2,139,961**	**164,708**	**2,304,669**
Additions	-	-	-	-	-	-	-	-
Disposals	-	10,000	525,527	305,369	346,458	1,187,354	-	1,187,354
Balance as at March 31, 2019	**389,667**	**39,487**	**487,183**	**36,270**	**-**	**952,607**	**164,708**	**1,117,315**
II. Accumulated Depreciation								
Balance as at April 1, 2017	-	-	-	-	-			
Depreciation expense for the year	183,185	52,108	119,649	40,565	239,334	634,841	56,083	690,924
Depreciation on disposal of assets	-	40,275	-	-	-	40,275	-	40,275
Balance as at March 31, 2018	**183,185**	**11,833**	**119,649**	**40,565**	**239,334**	**594,566**	**56,083**	**650,649**
Depreciation expense for the year	152,369	15,483	113,049	36,095	107,124	424,120	28,652	452,772
Depreciation on disposal of assets	-	10,000	116,654	68,047	346,458	541,159	-	541,159
Balance as at March 31, 2019	**335,554**	**17,316**	**116,044**	**8,613**	**-**	**477,527**	**84,735**	**562,262**
III. Disposal of Assets								
IV.Carrying Value (I - II)								
Balance as at March 31, 2019	**54,113**	**22,171**	**371,139**	**27,657**	**-**	**475,080**	**79,973**	**555,053**
Balance as at March 31, 2018	**206,482**	**37,654**	**893,061**	**301,074**	**107,124**	**1,545,395**	**108,625**	**1,654,020**

N. M. RAIJI & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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NOTE 4: OTHER FINANCIAL ASSETS

Other Financial Assets comprises of the following:-

Amount ₹

(i) Non-current financial assets	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Security Deposit	4,330	4,330	4,330
Total (i)	**4,330**	**4,330**	**4,330**

(ii) Current financial assets			
(a) Interest accrued but not due	7,730,568	2,980,471	5,903,282
(b) Others	51,606	63,935	500
(c) ICD	50,000,000	200,000,000	-
Less: Provision for ICD	(50,000,000)	-	-
Total (ii)	**7,782,174**	**203,044,406**	**5,903,782**
TOTAL (i)+(ii)	**7,786,504**	**203,048,736**	**5,908,112**

NOTE 5: DEFERRED TAX

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Depreciation and Employee Benefits	763,731	1,166,065	1,110,889
Carry Forward Loss	1,521,275	-	-
TOTAL	**2,285,006**	**1,166,065**	**1,110,889**

NOTE 6: OTHER ASSETS

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Other Assets comprises of the following:-			
(i) Other Non-current assets			
(a) Prepaid Expenses	25,093,615	30,317,289	29,494,310
Total (i)	**25,093,615**	**30,317,289**	**29,494,310**
(ii) Other Current assets			
(a) Prepaid Expenses	6,155,342	6,623,519	5,506,278
(b) Indirect tax recoverable	140,043	5,289,777	194,820
Total (ii)	**6,295,385**	**11,913,296**	**5,701,098**
TOTAL (i)+(ii)	**31,389,000**	**42,230,585**	**35,195,408**

NOTE 7 : TRADE RECEIVABLE

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured, Considered good	62,120,370	20,994,201	16,018,932
TOTAL	**62,120,370**	**20,994,201**	**16,018,932**

NOTE 8 : CASH & CASH EQUIVALENTS

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance with Banks			
i) in current accounts	4,571,494	4,866,120	3,886,228
ii) in deposit accounts with original maturity more than 3 mont	176,050,462	99,597,000	235,053,845
	180,621,956	**104,463,120**	**238,940,073**

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

NOTE 9 : SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Authorised Share capital : Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000	25,000,000	250,000,000
Issued and subscribed capital comprises: Equity Shares of Rs. 10/- each fully paid-up	19,398,000	193,980,000	19,398,000	193,980,000	19,398,000	193,980,000
	19,398,000	**193,980,000**	**19,398,000**	**193,980,000**	**19,398,000**	**193,980,000**

(i) The Company has one class of Equity Shares with face value of Rs 10 each. Each Shareholder has a voting right in proportion to their holding of the paid up Equity Share Capital of the Company. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(ii) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	Amount ₹
As at 1st April, 2017	**19,398,000**	**193,980,000**
Shares issued during the year	-	-
As at 31st March, 2018	**19,398,000**	**193,980,000**
Shares issued during the year	-	-
As at 31st March, 2019	**19,398,000**	**193,980,000**

(iii) Details of Equity shares held by holding Company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹	No. of Shares	Amount ₹
IL&FS Investment Managers Limited	16,800,000	168,000,000	16,800,000	168,000,000	16,800,000	168,000,000
	16,800,000	**168,000,000**	**16,800,000**	**168,000,000**	**16,800,000**	**168,000,000**

(iv) Details of Equity shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
IL&FS Investment Managers Limited	16,800,000	86.61%	16,800,000	86.61%	16,800,000	86.61%
Life Insurance Corporation of India	1,500,000	7.72%	1,500,000	7.72%	1,500,000	7.72%
	18,300,000	**94.33%**	**18,300,000**	**94.33%**	**18,300,000**	**94.33%**

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Note 10 : Other Equity

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Retained earnings			
Balance at beginning of period	176,789,841	96,262,667	
Profit for the period	(54,213,386)	79,724,448	
Other Comprehensive Income	263,290	(802,726)	
Balance at end of the period	**122,313,165**	**176,789,841**	**96,262,667**

NOTE 11 : Non Current- Employee Benefit Obligations

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Leave Encashment	2,348,819	1,963,344	2,344,227
Total	**2,348,819**	**1,963,344**	**2,344,227**

NOTE 12 : TRADE PAYABLES

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade Payables – Other than micro, small and medium enterprises	2,715,161	568,042	5,415,699
	2,715,161	**568,042**	**5,415,699**

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

NOTE 13 : OTHER LIABILITIES

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Other Current liabilities			
(a) Statutory Dues	5,042,739	3,420,475	1,053,524
(b) Other Payable	389,483	635,523	547,000
Total	**5,432,222**	**4,055,998**	**1,600,524**

NOTE 14 : Current Employee Benefit Obligations

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Leave Encashment	1,351,596	1,445,566	1,192,053
Provision for Gratuity	483,618	(418,850)	994,719
Total	**1,835,214**	**1,026,716**	**2,186,772**

Note 15 : REVENUE FROM OPERATIONS

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Management Fee	250,278,708	194,328,222
Total	**250,278,708**	**194,328,222**

Note 16 : OTHER INCOME

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income	10,148,845	17,025,780
Profit of sale of assets	7,897	8,565
Misceallenous Income	3,658	7,057
	10,160,400	**17,041,402**

N. M. RAIJI & CO. * MUMBAI * CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Note 17 : EMPLOYEE BENEFIT EXPENSES Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Allowances	37,550,167	42,632,833
Contribution to Provident and Other Funds	2,458,861	2,554,989
Staff Training and Welfare Expenses	342,382	307,666
	40,351,410	**45,495,488**

Note 17.1 : DEFINED CONTRIBUTION PLANS

The Company makes Provident Fund and Pension Fund contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	1,081,506	1,249,041
Employer's Contribution to Pension Fund	846,346	596,740

Note 17.2 : DEFINED BENEFIT PLANS

The Company provides gratuity (which is funded) as employee benefit schemes to its employees. The following table sets out the status of the defined benefit scheme and the amount recognised in the financial statements:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation :

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit obligation at beginning of theperiod	3,792,462	4,602,636
Current Service Cost	563,691	636,993
Interest Cost	298,846	335,532
Benefits paid / Liability Transferred out	(1,028,757)	(623,687)
Actuarial (Gains)/ loss	388,904	(1,159,012)
Defined Benefit obligation at period end	4,015,146	3,792,462

(ii) Expenses recognised during the period:

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
In Income Statement		
Current Service Cost	563,691	636,993
Interest Cost	(32,982)	72,515
Net Cost	**530,709**	**709,508**
In Other Comprehensive Income (OCI)		
Actuarial (Gains)/losses	388,904	(1,159,012)
Return on Plan Assets	(17,445)	30,954
Net (income)/expense for the period recognised in OCI	**371,459**	**(1,128,058)**

(iii) Actuarial Assumptions:

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Mortality Table	IALM(06-08)	IALM(06-08)
Discount rate (per annum)	7.88%	7.29%
Rate of escalation in salary (per annum)	6.50%	8.50%

IALM- Indian Assured Lives Mortality

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the obligations.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Note 18 : OTHER OPERATING EXPENSES

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	5,590,805	5,786,848
Electricity Charges	212,117	121,182
Rates & Taxes	566,253	312,306
Travelling & Conveyance	2,088,443	1,259,365
Legal & Professional Charges	49,344,594	24,089,975
Repairs & Maintenance	2,697,541	2,881,065
Software Support charges	1,454,085	1,527,614
Insurance Expenses	1,130,545	1,042,322
Brand Subscription Charges	1,056,848	1,874,868
Service Charges	913,500	784,852
Director Sitting Fees	1,070,000	1,655,000
Communication Expenses	217,239	236,159
Printing and Stationery	172,760	217,952
Auditors' Remuneration	375,000	380,444
Distribution Commission	4,370,109	4,034,746
Business Promotion	629,895	5,279,203
CSR contribution	1,886,000	1,325,000
Miscellaneous Expenses	879,925	45,139
	74,655,659	**52,854,040**

Note 18.1 : PAYMENT TO AUDITORS

Amount ₹

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit Fees	375,000	380,444
	375,000	**380,444**

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Note 19 : Earning Per Share

Amount ₹

Particulars	For the year ended March 31, 2019	For the Year Ended March 31, 2018
Profit / (Loss) for the year attributable to Equity Shareholders (₹)(A)	(54,213,386)	79,724,448
Weighted Average Number of Equity Shares (B)	19,398,000	19,398,000
Nominal Value per share (₹)	10	10
Basic and Diluted Earnings per share(₹) (A/B)	(2.79)	4.11

Note 20 : Related Party Transactions

a) Name of the Related Parties and Description of Relationship:

Sr No	Ultimate Holding Company
1	Infrastructure Leasing and Financial Services Limited (IL&FS)
Sr No	**Holding Company**
1	IL&FS Financial Services Limited (till December 31, 2016) (IFIN)
2	IL&FS Investment Managers Limited (From January 1, 2017)
Sr No	**Fellow Subsidiaries**
1	IL&FS Financial Services Limited (from January 1, 2017) (IFIN)
2	IL&FS Securities Services Limited (ISSL)
3	Livia India Limited (LIVIA)
4	ISSL CPG BPO Private Limited (ISSL SPG)
5	IL&FS Academy of Applied Development (IAAD)
6	IL&FS Urban Infrastructure Manager Limited (IUIML)
7	IL&FS Transportation Networks Limited (ITNL)
Sr No	**Key Managerial Person**
1	Mr Jignesh Shah (Managing Director &CEO)
2	Mr Amit Mainkar (Chief Financial Officer)
3	Mr Dinesh Ladwa (Company Secretary)

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

Amount ₹

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries	Key Managerial Person/Mutual Fund Managed by the Company
Rent Expenses			
IL&FS	4,693,889		-
IFIN		196,200	-
Electricity Charges			
IL&FS	212,117		-
Service Charges			
IFIN		895,000	-
IL&FS	18,500		
Repairs & Maintenance Expenses			
IL&FS	4,013		
LIVIA	-	1,913,973	-
Brand Subscription Charges Expenses			
IL&FS	1,056,848	-	-
Legal & Professional Expenses			
ISSL		2,775,327	
Deputation Income			
IL&FS	538,920		
Managerial Remuneration			
Jignesh Shah	-	-	12,222,608
Amit Mainkar	-	-	5,803,630
Dinesh Ladwa	-	-	2,134,068
Management Fees			
IDF	-	-	250,278,708

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

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

Amount ₹

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries	Key Managerial Person/Mutual Fund Managed by the Company
Rent Expenses			
IL&FS	5,173,712	-	-
IFIN	-	200,195	-
Electricty Charges			
IL&FS	140,622	-	-
Service Charges			
IFIN	-	784,852	-
Repairs & Maintenance Expenses			
LIVIA	-	2,686,874	-
IL&FS	100,840		
Brand Subscription Charges Expenses			
IL&FS	1,874,868	-	-
Legal & Professional Expenses			
ISSL	-	2,039,440	-
Inter Corporate Deposit			
IFIN	-	200,000,000	-
Interest Income			
IFIN	-	226,027	-
Deputation Cost (Net)			
IL&FS	433,380	-	-
Managerial Remuneration			
Jignesh Shah	-	-	12,533,650
Amit Mainkar	-	-	6,181,648
Dinesh Ladwa	-	-	2,162,100
Management Fees			
IDF	-	-	194,328,222

d) Statement of significant balances as at March 31, 2019 are as follows:

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries	Mutual Fund Managed by the Company
Trade Receivables			
IDF			62,036,996
IAAD		956	
IUIML		17,905	
ITNL		26,968	
IL&FS	516		
Short Term Loans & Advances			
IFIN		216,500,000	-
Interest Accrued but not due			
IFIN	-	-	-
Trade Payables			
IL&FS	14,389	-	-
IFIN	241,650	-	-
ISSL			-

e) Statement of significant balances as at March 31 2018 are as follows:

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries	Mutual Fund Managed by the Company
Trade Receivables			
IDF	-	-	20,149,859
IAAD	-	956	-
IUIML	-	15,687	-
ITNL	-	12,836	-
IL&FS	814,396	-	-
Short Term Loans & Advances			
IFIN	-	200,000,000	-
Interest Accrued but not due			
IFIN		203,425	-
Trade Payables			
IL&FS		-	-
IFIN		-	-

(f)(i) The Company had given an ICD of Rs 200,000,000/- to IL&FS Financial Services Limited (IFIN) on March 27, 2018, when IFIN had a AAA rating. The ICD is unsecured. During the year credit rating of IFIN as been downgraded to 'D'. Since the substantial part of IFIN lending have become NPA, the Company has during the year, written off an amount of Rs 150.203.425 (Rs 203,425 is interest accrured in FY 2017-18) and made a provision for the balance Rs 50,000,000. Further the Company has not accrued interest income on the said amount of Rs 50,000,000 for which provision has been made in full.

(ii) The deferred tax asset on the said provision of Rs 50,000,000/- has not been created in the books on grounds of prudence, as there is a strong likelihood of the Company being sold, in which case, as per SEBI Regulations ,an exit option will have to be given to all existing investors. There is a strong possibility that a majority of the investors may choose to exit, due to which there may not be adequate taxable profits to absorb the deferred tax asset.

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited

Note 21 : SEGMENT REPORTING

The Company acts as the asset manager of IL&FS Mutual Fund (IDF). Accordingly, the Company operates in single operating & geographical segments as per IND AS 108 Operating Segments

Note 22 : TAXATION

Amount ₹

Income tax recognised in the profit and loss account

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Current Tax	-	32,985,232
Deferred Tax	(902,603)	(705,840)
Total income tax expenses recognised in the current period	(902,603)	32,279,392

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

Amount ₹

Particulars	For the ended March 31, 2019	For the ended March 31, 2018
Profit / (Loss) before tax	(55,224,158)	112,329,172
Applicable tax rate	0.00%	28.84%
Computed tax expense	-	32,395,733
Effect of expenses not considered in determing profits	-	589,499
Tax expense recognized in the statement of profit and loss	-	**32,985,232**

The tax rate used for the reconciliations above is a corporate tax rate payable by corporate entities in India on taxable profits under the Income Tax Law

Non Current Tax Asset

Amount ₹

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance Tax and Tax Deducted at source (Net of provision)			
At the start of the period	4,827,214	2,416,467	6,405,766
Tax paid during the period	39,039,478	2,410,747	(3,989,299)
At the end of the period	43,866,692	4,827,214	2,416,467

Note 23 : First time IND AS adoption reconciliation

There are no material IND AS adjustments to the Balance Sheet, Statement of Profit & Loss, Statement of of Cash Flow and Net Profit/Other Equity as reported under previous GAAP

Note 24 : Financial Risk Management

Credit risk

Credit risk is the risk that customers or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities which is primarily trade receivables.

The Company is the Asset Manager of IL&FS Mutual Fund (IDF) which is the only customer of the Company. The Company earns Management Fees from the Fund at the specified rates agreed upon with relevant schemes in accordance with SEBI (Mutual Funds) Regulations, 1996, as amended. The Company timely receives the Management Fees regularly and regulary monitors the credit risk arising from the same

Note 25 : Previous year's figures have been regrouped/reclassified to make them comparable with those of current year

Note 26 : The financial statements were approved by issue by the Board of Directors on April 15, 2019

For and on Behalf of the Board of Directors

Nand Kishore Chairman & Director DIN: 08267502	**Jignesh Shah** Managing Director & CEO DIN: 01587849
Amit Mainkar Chief Financial Officer	**Dinesh Ladwa** Company Secretary

N. M. RAIJI & CO. MUMBAI CHARTERED ACCOUNTANTS

IL&FS Infra Asset Management Limited