

B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of IL&FS Urban Infrastructure Managers Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of IL&FS Urban 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 34 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 24 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 Urban 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

Attention is invited to Note 35 in the financial statements regarding likely significant reduction in the Company's future fee revenue and management's expectation of Company's ability to at least meet its obligations over the next 12 months out of its earnings and liquid assets. As stated therein, the Company's plan for new business 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 Urban 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 Urban 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 Urban 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 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;
 - 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 Urban Infrastructure Managers Limited

“Annexure A” to the Independent Auditors’ Report

(Referred to in our report of even date)

- i. (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, there is no immovable property held by the Company during the year.
- ii. The Company is a service company primarily rendering asset management and advisory 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 in the financial year ended 31 March 2018 placed/renewed unsecured Intercompany Deposits of Rs. 20,000,000 (fully provided as at balance sheet date, refer Note 10 of financial statements) with IL&FS Financial Services Limited (‘IFIN’), a fellow subsidiary which is still outstanding in which none of its directors are personally interested, but which is a related party. Considering this, we report that
 - a. no loans to related parties were granted during the year;
 - b. there is a stipulated schedule for repayment of principal and interest in respect of the aforesaid loan granted in an earlier year of which 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.)
IFIN	20,000,000	1,299,637	21,299,637

As informed, the recovery of the Intercompany Deposit will be through the resolution process to be approved by the NCLT as stated in Note 10 of financial statements.

- iv. To the best 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.

IL&FS Urban Infrastructure Managers Limited

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

- vii. (a) According to the information and explanations 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 provident fund, income tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the authorities, though there have been slight delays in few cases. As explained to us, the Company did not have any dues on account of 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 no dues outstanding with respect to income tax or goods or service tax as at 31 March 2019 on account of any dispute.
- 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 Urban Infrastructure Managers Limited

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

- xiii. Attention is invited to Note 24 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 persons 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 Urban 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 Urban 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 Urban 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

IL&FS URBAN INFRASTRUCTURE MANAGERS LIMITED
CIN: U67190MH2006PLC162433
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) Property, Plant and Equipment	2	357,529	706,137	1,276,031
(b) Capital work-in-progress	2	-	-	3,154,500
(c) Other Intangible Assets	2	1,827,477	3,140,073	131,566
		2,185,006	3,846,210	4,562,097
Financial Assets:				
(i) Loans	3	545,449	580,730	657,629
(ii) Other Financial Assets	4	2,373,385	2,373,385	2,373,385
Total Current Assets		2,918,834	2,954,115	3,031,014
Deferred Tax Assets (Net)	5	-	14,080,480	13,471,132
Income Tax Asset (Net)	6	36,388,328	29,160,340	18,737,953
Sub Total		41,492,168	50,041,145	39,802,196
Current Assets				
(a) Financial Assets:				
(i) Trade Receivables	7	4,724,410	17,940,100	12,178,130
(ii) Cash and Cash Equivalents	8	31,713,457	11,150,701	93,214,497
(iii) Loans	9	32,839	63,222	157,508
(iv) Other Financial Assets	10	6,495,644	86,283,065	26,319,208
(b) Other Current Assets	11	3,056,706	1,811,835	1,702,116
Sub Total		46,023,056	117,248,923	133,571,459
TOTAL ASSETS		87,515,224	167,290,068	173,373,655
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	12	10,000,000	10,000,000	10,000,000
(b) Other Equity	13	63,288,184	138,236,899	143,257,621
Sub Total		73,288,184	148,236,899	153,257,621
LIABILITIES				
Non-Current Liabilities				
(a) Other Non-Current Liabilities	14	-	432,000	467,100
(b) Employee Benefit Obligations	15	1,588,171	1,910,758	1,881,139
Sub Total		1,588,171	2,342,758	2,348,239
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables:				
- total outstanding dues of micro enterprises and small enterprises	16	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	16	5,065,432	1,836,892	3,557,217
(ii) Other Financial Liabilities	17	113,002	741,686	-
(b) Employee Benefit Obligations	18	6,098,569	11,621,350	12,707,492
(c) Other Current Liabilities	19	1,361,866	2,510,483	1,503,086
Sub Total		12,638,869	16,710,411	17,767,795
TOTAL EQUITY AND LIABILITIES		87,515,224	167,290,068	173,373,655

The accompanying notes are integral part of financial statements


In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firms Registration No : 116231/W/W-100024


N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

 
Manoj Borkar **Baiju Mathew**
Director **Director**
DIN : 00060698 DIN : 05274214


Bisweswar Hattnaik
Chief Executive Officer
Place : Mumbai
Date : May 23, 2019

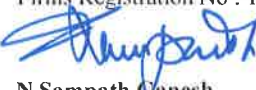
IL&FS URBAN INFRASTRUCTURE MANAGERS LIMITED
CIN: U67190MH2006PLC162433

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

		Amount (₹)		
Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
	Revenue :			
I	Revenue from operations	20	23,577,790	89,700,927
II	Other Income	21	13,293,827	12,053,032
III	Total Revenue (I + II)		36,871,617	101,753,959
	Expenses :			
(a)	Employee benefits expense	22	40,584,691	62,564,151
(b)	Depreciation and amortisation expense	2	1,808,453	1,667,169
(c)	Other expenses	23	35,024,188	36,072,280
IV	Total expenses (a + b + c)		77,417,332	100,303,600
V	Profit/(Loss) before exceptional items and tax (III - IV)		(40,545,715)	1,450,359
VI	Exceptional items (Refer Note 10)		21,299,637	-
VII	Profit/(Loss) Before tax (V - VI)		(61,845,352)	1,450,359
VIII	Tax expense/(benefits) :			
	Current tax	30	-	390,405
	Deferred tax	5	14,080,480	(609,348)
	Prior Year Taxes		-	7,012,239
	Total Tax expense		14,080,480	6,793,296
IX	Net Profit/(Loss) after Tax (VII - VIII)		(75,925,832)	(5,342,937)
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Actuarial Gain/(Loss) of the defined benefit plans [net]		977,117	322,215
XI	Total Comprehensive income for the year (IX + X)		(74,948,715)	(5,020,722)
	Earnings per equity share			
	Equity shares of par value ₹ 10/- each			
	Basic & Diluted	25	(74.95)	(5.02)

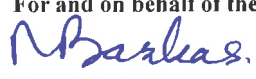
The accompanying notes are integral part of financial statements


In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firms Registration No : 116231/W/W-100024


N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board


Manoj Borkar
Director
DIN : 00060698


Baiju Mathew
Director
DIN : 05274214


Bisweswar Pattnaik
Chief Executive Officer

Place : Mumbai
Date : May 23, 2019

IL&FS URBAN INFRASTRUCTURE MANAGERS LIMITED
CIN: U67190MH2006PLC162433

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(a) Equity Share Capital

	Note	Amount (₹)
Balance as at April 1, 2017		10,000,000
Changes in equity share capital		-
Balance as at March 31, 2018	12	10,000,000
Changes in equity share capital		-
Balance as at March 31, 2019	12	10,000,000

(b) Other equity

	General Reserve	Retained Earnings	Amount (₹)
			Total
Balance as at April 1, 2017	8,785,027	134,472,594	143,257,621
Total Comprehensive Income for the year			
Profit/(Loss) for the year	-	(5,342,937)	(5,342,937)
Other Comprehensive Income	-	322,215	322,215
Balance as at March 31, 2018	8,785,027	129,451,872	138,236,899
Total Comprehensive Income for the year			
Profit/(Loss) for the year	-	(75,925,832)	(75,925,832)
Other Comprehensive Income	-	977,117	977,117
Balance as at March 31, 2019	8,785,027	54,503,157	63,288,184



In terms of our report attached
For B S R & Associates LLP
Chartered Accountants
Firms Registration No : 116231/W/W-100024



N Sampath Garesh
Partner
Membership No. 042554

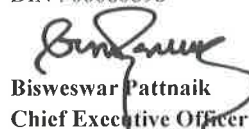
Place : Mumbai
Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar
Director
DIN : 00060698

Baiju Mathew
Director
DIN : 05274214


Bisweswar Pattnaik
Chief Executive Officer

Place : Mumbai
Date : May 23, 2019

IL&FS URBAN INFRASTRUCTURE MANAGERS LIMITED
CIN: U67190MH2006PLC162433

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Sr. No.	Particulars	Amount (₹)	
		Year ended March 31, 2019	Year ended March 31, 2018
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT/(LOSS) BEFORE TAX	(61,845,352)	1,450,359
	Adjustments for:		
	Depreciation and amortisation expense	1,808,453	1,667,169
	Interest Income	(3,610,058)	(6,756,979)
	Provision for Bad and Doubtful Debts	21,241,970	19,092,640
	Provision for Inter-Corporate Deposit (ICD) including interest	21,299,637	-
	Provision/liability no longer required written back	(3,890,000)	(2,505,000)
	Other Comprehensive Income	977,117	322,215
	(Profit)/Loss on sale of Property Plant and Equipment (Net)	(19,929)	4,147
	Operating Profit/(Loss) before working capital changes	(24,038,162)	13,274,551
	Changes in working capital		
	Adjustment for (increase)/decrease in operating assets :		
	Trade Receivables	(1,593,451)	(27,718,208)
	Other Current Assets	(1,244,871)	(109,719)
	Other Financial Assets (Current)	(7,132,780)	932,678
	Other Financial Assets (non current)	35,282	76,898
	Adjustment for increase/(decrease) in operating liabilities :		
	Trade Payables	3,228,540	(1,720,325)
	Other Current Liabilities	(1,148,618)	1,007,397
	Short Term Provisions	(1,632,781)	1,418,858
	Other Financial Liabilities	(628,685)	741,686
	Other Long Term Liabilities	(432,000)	(35,100)
	Long Term Provisions	(322,587)	29,619
	Cash generated from operations	(34,910,112)	(12,101,665)
	Net Income tax paid	(7,227,988)	(17,825,029)
	Net Cash flow from/(used in)operating activities	A (42,138,100)	(29,926,694)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Interest Income	2,828,177	8,818,326
	ICD placed/refunded	60,000,000	(60,000,000)
	Capital expenditure on Property, Plant and Equipment including capital advance	(149,514)	(976,750)
	Proceeds from sale of Property, Plant and Equipment	22,193	21,322
	Net Cash flow from/(used in) investing activities	B 62,700,856	(52,137,102)



C.	Net Increase/(Decrease) in Cash and Cash Equivalents	(A + B)	20,562,756	(82,063,796)
	Cash and Cash Equivalent at the beginning of the year		11,150,701	93,214,497
	Cash and Cash Equivalent at the end of the year		31,713,457	11,150,701
	Net Increase/(Decrease) in Cash and Cash Equivalents		20,562,756	(82,063,796)

The accompanying notes are integral part of financial statements

In terms of our report attached

For B S R & Associates LLP

Chartered Accountants

Firms Registration No : 116231/W/W-100024



N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : May 23, 2019

For and on behalf of the Board

Manoj Borkar

Director

DIN : 00060698

Baiju Mathew

Director

DIN : 05274214



Bisweswar Pattnaik

Chief Executive Officer

Place : Mumbai

Date : May 23, 2019

Note 1: Notes forming part of the financial statements for the year ended March 31, 2019

A. Corporate Information

IL&FS Urban Infrastructure Managers Limited (“Company”) was incorporated on May 24, 2006 and is a wholly owned subsidiary of IL&FS Investment Mangers Limited. The Company functions as the Asset Manager for the Pooled Municipal Debt Obligations (PMDO) Facility. The objective of the PMDO Facility is to provide long tenure term loans to meet the debt requirements of urban infrastructure projects across cities in India. Accordingly, the Company is in the business of providing asset management and advisory services. The Company is a Public Limited Company incorporated and domiciled in India. The address of its corporate office is The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051

B. 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 (CA 2013) read with the Companies (Indian Accounting Standards) Rules as amended from time to time

The Financial Statements upto and for the year ended March 31, 2018 were prepared in accordance with Companies (Accounting Standards) and Rules 2006, notified under Section 133 of the Act and other relevant provisions of the Act. Previous period figures have been restated to Ind AS. As these financial statements are 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 been affected the previously reported financial position, financial performance and cash flows is provided in Note 33. 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

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 March 31, 2019 is included in the following notes

Note 31 - Impairment of financial assets (including trade receivable)

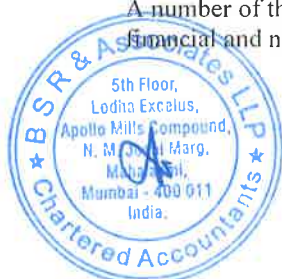
Note 15 - Estimation of defined benefit obligations

Note 35 - Estimation for preparation of financials under going concern assumption

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 Note 31 - financial instruments

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



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 de-recognised

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

e) Cash and Cash Equivalents

Cash comprises of demand deposits with banks. Cash equivalents are short-term balances 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



f) Revenue Recognition

i) Rendering of Services

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount

Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable 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 recognised in the accounting period in which the services are rendered

- a. Income from upfront fee is recognised at rates agreed upon with borrowers on execution of loan documents between PMDO lenders and its borrower
- b. Asset Management Fee is recognised when it is reasonably certain that the revenue will flow to the Company at rates agreed upon with borrowers of PMDO Facility on the outstanding loan balance over the term of funding
- c. Consultancy fee and Professional fee are recognised when it is reasonably certain that the revenue will flow to the Company at the rates agreed upon

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event

ii) Recognition of Interest Income

Interest income on fixed deposits is accrued proportionately based on period for which the same is placed

g) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease rental expenses in respect of operating leases are equated over the lease period

h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use as intended by the management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Category of Asset	Estimated Useful Life (in years)
Assets :	
Furniture and Fixtures	5
Data Processing Equipments	3
Office Equipments	4
Lease hold improvement	Over the lease period
Intangible Assets :	
Computer Software	3



As per CA 2013, depreciation of Property, Plant and Equipment has to be provided based on estimated useful life as per Schedule II of the Companies Act 2013. However, there are certain categories of assets in whose cases the 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:

- (i) Mobile Phones 100% during the year of capitalisation due to extensive usage and technological obsolescence
- (ii) Furniture and Fixtures as per current policy of 5 years as against the useful life of 10 years provided in the CA 2013
- (iii) Office equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (iv) Individual assets costing ₹ 5,000/- or less in the year of capitalisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ₹ 1/-

An item of property, plant and equipment is derecognised 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 as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss

Intangible Assets: Intangible Assets consist of Computer Software which has been purchased by the Company

Transition to IND AS: On transition to IND AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2017, measured as per previous GAAP, and use that carrying value as the deemed cost of such property, plant and Equipment

i) Impairment

(a) 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 18 and Ind AS 115

ECL is the difference between all contractual cash flows that are due to the group 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



(b) Non-financial assets

Intangible assets and property, plant and equipment

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets

j) Employee Benefits

- i) Short Term Obligations: Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled
- ii) Retirement benefit costs and termination benefits: Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund

The Company provides for gratuity, a defined benefit plan (funded with Life Insurance Corporation of India). Incremental liability for gratuity based on actuarial valuation/management estimates as per the projected unit credit method as at the reporting date, is charged as expenses in the Statement of Profit and Loss. Actuarial gains and losses arising from changes in actuarial/management assumptions are recognised in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period

- iii) Leave Encashments: The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on the actual number of days of unutilised leave at each Balance Sheet date on the basis of a management estimate/independent actuarial valuation

k) Taxation

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

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

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

l) 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

m) Cash flow Statements

i) Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

ii) Cash comprises cash on hand, balance in Bank current account and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value



n) 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

o) Goods and Services Tax/Service Tax Input Credit

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

p) Segment reporting

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

q) 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

C. 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

Ind AS 116 – Leases:

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases

The Company plans to apply Ind AS 116 on April 1, 2019, using the modified retrospective approach. Therefore, the impact (if any) on adoption of the new standard will be recognised as an adjustment to the opening balance of retained earnings at April 1, 2019, with no restatement of comparative information

The Company is in the process of analysing the impact of new lease standard on its financial statements

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

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

iii. Amendments to Ind AS 19 Employee Benefits:

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement)

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income. Other amendments made to the existing standards, that are not yet effective are not expected to result in a material impact on the Company's financial statements



Note 2: Property, Plant and Equipment

Description of Asset	Amount (₹)				
	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Computer	Total
I) Deemed Cost					
Balance as at April 1, 2017	5	20,930	910,557	344,539	1,276,031
Additions	-	-	98,664	185,189	283,853
Disposals	-	-	64,140	126,645	190,785
Balance as at March 31, 2018	5	20,930	945,081	403,083	1,369,099
Additions	-	-	149,515	-	149,515
Disposals	-	5,905	298,502	112,290	416,697
Balance as at March 31, 2019	5	15,025	796,094	290,793	1,101,917
II) Accumulated Depreciation and impairment					
Balance as at April 1, 2017	-	-	-	-	-
Deletion on disposal of sale	-	-	62,546	101,178	163,724
Depreciation expense for the year	-	6,428	532,615	287,643	826,686
Balance as at March 31, 2018	-	6,428	470,069	186,465	662,962
Deletion on disposal of sale	-	3,642	298,500	112,288	414,430
Depreciation expense for the year	-	5,355	359,676	130,825	495,856
Balance as at March 31, 2019	-	8,141	531,245	205,002	744,388
III) Net Carrying Amount					
Balance as at April 1, 2017	5	20,930	910,557	344,539	1,276,031
Balance as at March 31, 2018	5	14,502	475,012	216,618	706,137
Balance as at March 31, 2019	5	6,884	264,849	85,791	357,529

Capital work-in-progress

Description of Assets	Amount (₹)
	Capital Work in progress
I) Gross Carrying Amount	
Balance as at April 1, 2017	3,154,500
Additions	-
Disposals	3,154,500
Balance as at March 31, 2018	
Additions	-
Disposals	-
Balance as at March 31, 2019	-



Other Intangible Assets

Description of Assets	Amount (₹)
	Intangible Assets
I) Deemed Cost	
Balance as at April 1, 2017	131,566
Additions	3,848,990
Disposals	-
Balance as at March 31, 2018	3,980,556
Additions	-
Disposals	-
Balance as at March 31, 2019	3,980,556
II) Accumulated Depreciation and impairment	
Balance as at April 1, 2017	-
Deletion on disposal of sale	-
Depreciation expense for the year	840,483
Balance as at March 31, 2018	840,483
Deletion on disposal of sale	-
Depreciation expense for the year	1,312,596
Balance as at March 31, 2019	2,153,079
III) Net Carrying Amount	
Balance as at April 1, 2017	131,566
Balance as at March 31, 2018	3,140,073
Balance as at March 31, 2019	1,827,477

Note 3: Loans

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Loans to Employees	545,449	580,730	657,629
Total	545,449	580,730	657,629

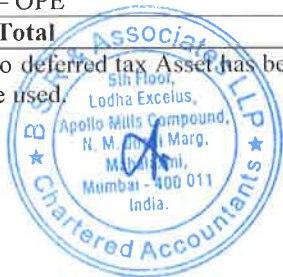
Note 4: Other Financial Assets

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Security Deposits (Unsecured, considered good)	2,373,385	2,373,385	2,373,385
Total	2,373,385	2,373,385	2,373,385

Note 5: Deferred Tax Assets (Net)

Particulars	Amount (₹)				
	As at April 1, 2017	Movement Recognised in Profit and Loss	As at March 31, 2018	Movement Recognised in Profit and Loss	As at March 31, 2019
Tax effect of items constituting deferred tax Assets/liabilities					
On difference between book balance and tax balance of Property, Plant and Equipment	1,236,134	(387,117)	849,017	(849,017)	-
Compensated Absences	722,122	(325,301)	396,821	(396,821)	-
Deferred Rent	272,850	(124,066)	148,784	(148,784)	-
Provision for Bad & Doubtful Debts	10,439,656	2,237,407	12,677,063	(12,677,063)	-
Provision for Bad & Doubtful Debts – OPE	800,370	(791,575)	8,795	(8,795)	-
Total	13,471,132	609,348	14,080,480	(14,080,480)	-

No deferred tax Asset has been recognised as it is not probable that future taxable profits will be available against which it can be used.



Note 6: Income Tax Assets (Net)

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Non Current			
Advance payment of Taxes	36,388,328	29,160,340	18,737,953
Total	36,388,328	29,160,340	18,737,953

Note 7: Trade Receivables

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Trade Receivables - Unsecured	70,717,161	69,123,710	60,398,406
Less: Allowance for ECL	65,992,751	51,183,610	48,220,276
Total	4,724,410	17,940,100	12,178,130

Note 8: Cash and Cash Equivalents

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
(a) Cash on hand	-	-	26,499
(b) Balances with banks:			
- in current accounts	1,313,457	1,781,261	9,694,570
- in fixed deposits account	30,400,000	9,369,440	83,493,428
Total Cash and Cash Equivalents	31,713,457	11,150,701	93,214,497

Note 9: Loans

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Loan to Employees	32,839	63,222	157,508
Total	32,839	63,222	157,508



Note 10: Other Financial Assets

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
(a) Loan Receivable (ICD)	20,000,000	80,000,000	20,000,000
Less: Impairment Loss Allowance (Refer Note 32)	20,000,000	-	-
Loan Receivable (a)	-	80,000,000	20,000,000
(b) Interest Accrued But Not Due on Fixed Deposits and ICD	1,698,627	916,745	2,978,093
Less: Impairment Loss Allowance (Refer Note 32)	(1,299,637)	-	-
Interest Accrued (Net of Provision) (b)	398,990	916,745	2,978,093
(c) Advances to Employees	45,615	-	-
(d) Other Advances	-	13,000	-
(e) Contractually Reimbursable expenses:	15,570,096	8,439,548	9,286,852
Less: Allowance for ECL	9,519,057	3,086,228	5,949,825
Contractually Reimbursable expenses (Net)	6,051,039	5,353,320	3,337,027
(f) Other Recoverable	-	-	4,088
Total Other Financial Assets (a + b + c + d + e + f)	6,495,644	86,283,065	26,319,208

In respect of ICD given to IL&FS Financial Services Limited (IFIN), the total outstanding due as on March 31, 2019 including interest is ₹ 212.99 lakhs. During the year, IFIN defaulted on their debt obligations and their credit rating was downgraded to Default ("D") status

The ICD placed by the Company with IFIN 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 ICD including the accrued interest

Note 11: Other Current Assets

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Advances other than Capital Advances			
(i) Balances with Government Authorities (other than Income Taxes)			
(a) Service Tax Credit available	-	-	971,577
(b) GST Credit Available	2,307,214	1,550,328	-
Sub Total (i)	2,307,214	1,550,328	971,577
(ii) Others			
(c) Prepaid expenses	246,502	261,507	730,539
(d) Prepaid Gratuity	502,990	-	-
Sub Total (ii)	749,492	261,507	730,539
Total	3,056,706	1,811,835	1,702,116



Note 12: Equity Share Capital

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Authorised			
Equity shares of ₹ 10/- each with voting rights (2,000,000 – No. of shares)	20,000,000	20,000,000	20,000,000
Issued, Subscribed & Paid-up			
Equity shares of ₹ 10/- each with voting rights (1,000,000 – No. of shares)	10,000,000	10,000,000	10,000,000
Total	10,000,000	10,000,000	10,000,000

i) **Reconciliation of the number of shares outstanding at the beginning of the year and end of the year:**

Particulars	Opening Balance	Issued during the year	Closing Balance
As at March 31, 2019			
Number of Shares	10,00,000	-	10,00,000
Amounts (₹)	10,000,000	-	10,000,000
As at March 31, 2018			
Number of Shares	10,00,000	-	10,00,000
Amounts (₹)	10,000,000	-	10,000,000
As at April 1, 2017			
Number of Shares	10,00,000	-	10,00,000
Amounts (₹)	10,000,000	-	10,000,000

ii) **Details of Holding Company and shareholders holding more than 5% of the share capital:**

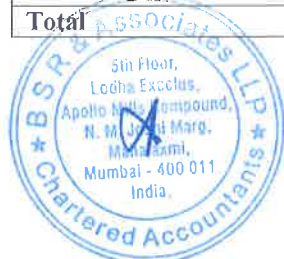
Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL&FS Investment Managers Limited	1,000,000	100%	1,000,000	100%	1,000,000	100%

Note 13: Other Equity

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
General Reserve			
Opening Balance	8,785,027	8,785,027	8,785,027
Add: Appropriation from Profit and Loss Account	-	-	-
Less : Utilised during the year	-	-	-
Balance at the end of the year (A)	8,785,027	8,785,027	8,785,027
Surplus in Statement of Profit & Loss			
Opening Balance	129,451,872	134,472,594	143,015,752
Add: Profit/(Loss) for the year	(74,948,715)	(5,020,722)	(8,543,158)
Balance at the end of the year (B)	54,503,157	129,451,872	134,472,594
Total (A+B)	63,288,184	138,236,899	143,257,621

Note 14: Other Non-Current Liabilities

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Deferred Rent	-	432,000	467,100
Total	-	432,000	467,100



Note 15: Employee Benefit Obligations

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Provision for employee benefits :			
Compensated Absences	1,588,171	1,910,758	1,879,082
Gratuity	-	-	2,057
Total	1,588,171	1,910,758	1,881,139

Disclosure as required under IND AS 19 on “Employee Benefits” (revised) is as under :

a) Defined Contribution Plan

The Company has recognised ₹ 905,696/- (Previous year ₹ 1,405,309/- in the Statement of Profit and Loss under Company’s Contribution to Provident Fund, which is maintained with the office of Regional Provident Fund Commissioner, Chennai and ₹ 780,879/- (Previous year ₹ 1,102,455/-) on contribution to Superannuation Fund maintained with Life Insurance Corporation of India

b) Defined Benefit Plans

The Company operates funded post retirement defined benefit plans for gratuity, details of which are as follows :

Changes in the present value of obligation	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Liability as at the beginning of the year	2,735,103	2,811,888
Add Interest Cost:	210,995	186,015
Add Current Service Cost:	223,422	604,131
Less Benefits Paid directly by the Company:	-	-
Less Benefits Paid directly from the Assets:	(652,320)	(500,533)
Add Past Service Cost	-	-
Add Settlement Cost	-	-
Add Curtailment Cost	-	-
Actuarial (gain)/loss (Financial Assumptions)	-	-
Actuarial (gain)/loss (Demographic Assumptions)	-	-
Actuarial (gain)/loss (Experience)	(980,702)	(366,398)
Liability as at the end of the year	1,536,498	2,735,103

Changes in the Plan Assets	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Value of Assets as at the beginning of the year	2,466,281	2,809,831
Add Adjustments to the Opening Balance	49,912	-
Add Expected (modified) Return on Assets	169,024	185,866
Add Contributions made	10,176	15,300
Less Benefits Paid out of the Assets	(652,320)	(500,533)
Return on Plan Assets excluding Expected (modified) income	(3,585)	(44,183)
Value of Assets as at the end of the year	2,039,488	2,466,281



Other Comprehensive Income (Net Actuarial gain/loss)	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Actuarial gain/(loss) in inter-valuation Period (Experience): Obligation	(980,702)	(366,398)
Actuarial gain/(loss) in inter-valuation Period (Change in parameters): Obligation	-	-
Actuarial (gain)/loss in inter-valuation year: (Demographic) Obligation	-	-
Less Excess Return on Plan Assets over expected returns	3,585	44,183
Actuarial gain/loss in inter-valuation Period recognised in OCI	(977,117)	(322,215)
Adjustment for Limit on net assets	-	-

The Amounts to be Recognised in the Balance Sheet	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Present value of obligation on the accounting date	(1,536,498)	(2,735,103)
Fair Value of Plan Assets on the accounting date	2039,488	2,466,281
Effect of Asset Ceiling	-	-
Net Asset/(liability) recognised in Balance Sheet	502,990	(268,822)
Funded Status	502,990	(268,822)
Unrecognised Liability	-	-

Expense to be recognised in Profit and loss	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Net Interest Cost	41,971	149
Current Service Cost	223,422	604,131
Past Service Cost	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Expense to be recognised in Profit and loss	265,393	604,280

Principal Actuarial Assumptions	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Interest (Discount) Rate (Liabilities)	7.57%	7.70%
Interest Rate (Rate of Return on Assets)	8.05%	8.05%
Salary escalation Rate (per annum)	6.50%	6.50%
Resignations Rate (per annum)	3.00%	3.00%
Mortality	Ind. (2006-08)	Ind. (2006-08)

Reconciliation	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Net Liability as at the beginning of the year	268,822	2,057
Expenses recognised in profit and loss	265,393	604,280
Transferred to Other Comprehensive Income	(977,117)	(322,215)
Less: Adjustments to last valuation Closing Balance	(49,912)	-
Less: Benefits paid directly by the Company	-	-
Less: Contributions made to the fund	(10,176)	(15,300)
(Asset)/Liability recognised in the Balance Sheet	(502,990)	268,822



Actual Return on Plan Assets	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Expected return on Plan Assets	169,024	185,866
Actuarial gain (loss) on Plan Assets	(3,585)	(44,183)
Actual return on Plan Assets	165,439	141,683

Experience Related Adjustments	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Liability Side	980,702	366,398
Asset Side	(3,585)	(44,183)

Compliance with Schedule III of Companies Act 2013	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Value of Current Year Obligation	36,277	54,866
Present Value of Non-current Year Obligation	1,500,221	2,680,237
Expected Additions to the Asset in the Current Year	-	-
Net Current Year Obligation	(36,277)	(54,866)

Note 16: Trade Payables

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,065,432	1,836,892	3,557,217
Total	5,065,432	1,836,892	3,557,217

Note: 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 32

Note 17: Other Financial Liabilities

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Other Payables	113,002	741,686	-
Total	113,002	741,686	-

Note 18: Employee Benefit Obligations

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Super Annuation Payable	38,526	51,778	-
Provision for Compensated Absences	60,045	240,750	207,492
Provision for Gratuity	-	268,822	-
Provision for Performance Related Pay	5,999,998	11,060,000	12,500,000
Total	6,098,569	11,621,350	12,707,492



Note 19: Other Current Liabilities

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Income received in advance	-	97,670	-
Statutory Dues	1,361,866	2,161,711	1,181,784
Deferred Rent	-	251,102	321,302
Total	1,361,866	2,510,483	1,503,086

Note 20: Revenue from Operations

Revenue from operations comprises of

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Asset Management Fees	23,577,790	87,200,927
Professional Fees	-	2,500,000
Total	23,577,790	89,700,927

Note 21: Other Income

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
(a) Interest on Fixed Deposits and Loans	3,610,058	6,756,979
(b) Others	16,134	19,856
(c) Profit on sale of assets	19,929	8,655
(d) Provision/liability no longer required written back *	3,890,000	2,505,000
(e) Recovery from NPA clients	5,610,478	2,111,113
(f) Miscellaneous Income	147,228	651,429
Total	13,293,827	12,053,032

*Note: Provision/liability no longer required written back includes reversal of excess provision of Performance Related Pay of FY 2017-18 amounting to ₹ 37,90,000/- (previous year ₹ 25,05,000/-)

Note 22: Employee Benefits Expenses

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Salaries, Bonus & Allowances	36,010,588	57,682,203
Contribution to Provident & other funds	2,934,698	2,995,598
Staff welfare expenses	1,639,405	1,886,350
Total	40,584,691	62,564,151

Note:

- a) All eligible employees are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. The company contributes as specified under the law to the provident fund where set up as a trust and to the respective regional provident fund commissioner. The company contributes to the provident fund where setup as a trust are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contribution and shortfall, if any, as an expenses in the year incurred
- b) All eligible employees are entitled to benefits under gratuity, a defined contribution plan



Note 23: Other Expenses

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Brand Value subscription charges	500,000	1,000,000
Electricity and Water Charges	411,015	557,397
Rent	4,750,898	6,027,441
Repairs and Maintenance	1,325,803	1,482,692
Insurance	19,185	30,002
Rates and Taxes	131,694	233,042
Postage and Telecommunication	437,120	619,527
Travelling and Conveyance	155,545	767,122
Printing and Stationery	104,558	218,000
Business Promotion Expenses	-	4,864
Legal and Professional Expenses	3,813,487	2,129,825
Payment to auditors (refer note below)	329,939	459,000
General Expenses	1,208,666	2,435,009
Membership fees	354,000	289,772
Expected Credit loss on account of Trade Receivables	21,241,970	19,092,640
CSR Expenditure (Refer Note No. 27)	240,308	713,145
Loss on Property, Plant and Equipment sold/written off	-	12,802
Total	35,024,188	36,072,280

Amount paid/payable to the statutory auditors is as below:

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Statutory Audit	100,000	450,000
Limited review of quarterly results	218,448	-
Out of Pocket Expenses	11,491	9,000
Total	329,939	450,000

Above amounts exclude GST/Service tax

Note 24: Disclosures as required by the IND AS-24 on “Related Party Disclosures” are made below:

a) Details of Related Parties:

Sr No.	Ultimate Holding Company
1	Infrastructure Leasing & Financial Services Limited (IL&FS)
	Holding Company
1	IL&FS Investment Managers Limited
	Fellow Subsidiaries
1	ISSL CPG BPO Private Limited
2	Vansh Nimay Infraprojects Limited
3	IL&FS Environmental Infrastructure and Services Limited
4	East Delhi Waste Processing Company Private Limited
5	RDF Power Projects Limited
6	IL&FS Infra Asset Management Limited
7	IL&FS Academy of Applied Development
8	IL&FS Financial Services Limited (“IFIN”)
9	Livia India Limited
10	IL&FS Infrastructure Development Corporation Limited
11	IL&FS Transportation Networks Limited
12	Andhra Pradesh Urban Infrastructure Asset Managers Limited



Sr No.	Key Managerial Personnel
1	Mr Baiju Mathew – Director (from August 9, 2018) (Chief Executive Officer - Upto July 31, 2018)
2	Mr Rajesh Kotian – Director (upto August 9, 2018)
3	Mr Bisweswar Pattnaik – Chief Executive Officer (with effect from August 1, 2018)

The Company has adopted Ind AS 24, for the first time and is dependent on information from the IL&FS for its Related Parties as defined under Ind AS 24 and under the CA 2013 during the period from April 1, 2017 to March 31, 2019. IL&FS 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 IL&FS in the past. Accordingly, the related parties identified by the Company 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

b) Details of related party outstanding balances:

Sr. No.	Nature of Transaction	Amount (₹)		
		Balances as at March 31, 2019	Balances as at March 31, 2018	Balances as at April 1, 2017
1	Infrastructure Leasing & Financial Services Limited	-	55,694	67,486
2	IL&FS Environmental Infrastructure and Services Limited			
	Trade Receivable	6,493,943	3,499,302	8,974,055
	Other financial Assets - Contractually reimbursable expenses	-	-	16,529
3	East Delhi Waste Processing Company Private Limited			
	Trade Receivable	8,948,051	4,896,863	5,180,275
	Other financial Assets - Contractually reimbursable expenses	14,484	-	8,878
4	IL&FS Financial Services Limited			
	Other financial Assets - Contractually reimbursable expenses	5,308,196	503,659	547,543
	Other Financial Asset (ICD)	20,000,000	20,000,000	20,000,000
	Other financial Asset (Interest accrued but not due on ICD)	1,299,637	587,105	659,651
	Trace Payable	2,822,118	26,074	547,543
5	RDF Power Projects Limited			
	Trade Receivable	11,846,746	5,993,351	250,191
	Other financial Assets - Contractually reimbursable expenses	63,055	9,349	86,236
6	IL&FS Infrastructure Development Corporation Limited			
	Other financial Assets - Contractually reimbursable expenses	29,141	208,269	55,455
7	IL&FS Transportation Network Limited			
	Other Financial Asset (ICD)	-	60,000,000	-
8	Andhra Pradesh Urban Infrastructure Asset Managers Limited			
	Other financial Assets - Contractually reimbursable expenses	106,021	-	-



Transactions during the year with related parties

Sr. No.	Nature of Transaction	Amount (₹)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
1	IL&FS		
	Expense		
	Rent and Maintenance	3,614,076	4,090,290
	Brand Subscription Fees	500,000	1,000,000
	Car Parking Charges	102,000	72,000
	Medical Insurance	-	8,08,497
	Reimbursement of Expenses	334,214	6,54,305
2	IL&FS Environmental Infrastructure and Services Limited		
	Income		
	Fund Management Fee	2,796,114	6,371,026
	Reimbursement of Expenses claimed	-	2,756
3	East Delhi Waste Processing Company Private Limited		
	Income		
	Fund Management Fee	3,755,907	8,560,396
	Reimbursement of Expenses claimed	12,274	2,756
4	IL&FS Financial Services Limited		
	Income		
	Reimbursement of Expenses claimed	983,675	720,839
	Interest on ICD	711,097	1,565,911
	Rent	585,000	780,000
	Deputation Cost	2,113,655	651,358
	Expenses		
	Deputation Cost	916,667	1,500,000
	Amount transferred for employee Transfer - Gratuity	1,032,898	-
	Amount transferred for employee Transfer - Leave Encashment	854,656	-
	Amount transferred for employee Transfer - Leave Travel Allowance	349,565	-
	Rent and Maintenance	-	397,967
	Reimbursement of Expenses	45,780	312,589
	Others		
	ICD placed	-	20,000,000
5	Livia India limited		
	Expenses		
	Computer & Software Maintenance charges	-	822,464
6	IL&FS Infra Asset Management Limited		
	Expenses		
	Reimbursement of Expenses	14,392	58,557
7	RDF Power Projects Limited		
	Income		
	Fund Management Fee	4,960,324	10,966,348
	Reimbursement of Expenses claimed	46,184	9,349



Sr. No.	Nature of Transaction	Amount (₹)	
		For the year ended March 31, 2019	For the year ended March 31, 2018
8	IL&FS Infrastructure Development Corporation Limited		
	Income		
	Reimbursement of Expenses claimed	21,345	327,324
9	IL&FS Transportation Networks Limited		
	Income		
	Interest on ICD	452,055	90,911
	Others		
	ICD placed	-	60,000,000
	ICD repaid	60,000,000	-
10	Andhra Pradesh Urban Infrastructure Asset Managers Limited		
	Income		
	Deputation Cost	89,848	-

Transactions during the year with Key Managerial Personnel

Sr. No.	KMPs	Nature of Transaction	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
1	Mr Baiju Mathew	Salary	3,253,584	8,873,416
2	Mr Bisweswar Pattnaik	Salary	3,899,505	-

Note:

In respect of IFIN, 100% provisioning has been made in respect of ICD outstanding as on March 31, 2019 – ₹ 20,000,000/- and Interest accrued on ICD – ₹ 1,299,637/-

Company has made 100% provisioning in respect of AMC fees recoverable and/or OPE recoverable in respect of following parties:

- IL&FS Environmental Infrastructure and Services Limited
- East Delhi Waste Processing Company Private Limited
- IL&FS Financial Services Limited
- RDF Power Projects Limited
- IL&FS Infrastructure Development Corporation Limited

In respect of Andhra Pradesh Urban Infrastructure Asset Manager Limited, provision has been made of ₹ 29,050/- out of total recoverable of ₹ 106,021/-

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

Note 25: Earning Per Share

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 equity shares for the respective period as under:

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Net Profit/(Loss) after Tax	(74,948,715)	(5,020,722)
Weighted average number of equity shares used in computing earnings per share (Nos.)	10,00,000	10,00,000
Basic & Diluted Earnings Per Share	(74.95)	(5.02)
Nominal Value Per Share	10	10



Note 26: Leases

The Company has entered into Operating Lease arrangements towards business centre arrangement towards use of office facility. The minimum future payment during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Not later than one year	2,880,000	3,951,000
Later than one year but not later than 5 years	3,840,000	6,720,000
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	6,111,900	8,006,441
Less: Sub Lease	857,000	1,979,000
Less: Deferred Rent reversal	(504,002)	-
Amount charged to the Statement of Profit and Loss (on non-cancellable lease) (Net of sub lease and deferred rent reversal)	4,750,898	6,027,441

Note 27: CSR expenditure

Particulars	For the year ended March 31, 2019 (₹)
a) Gross amount required to be spent by the Company	240,308
b) Amount spent during the year on :	
	In Cash
(i) Construction/acquisition of any asset	-
(ii) On purpose other than (i) above	240,308

Note 28: Segment Reporting

- Description of segments and principal activities: The Company is in the business of providing Asset management and other related services in India. As such, there are no separate reportable business segments or geographical segment as per Indian Accounting Standard 108 on "Operating Segment". It is considered appropriate by the Management to have a single segment i.e. "Asset Management and other related services"
- Segment Revenue: The Company is in the business of providing asset management and advisory services only in India
- All assets of the Company are domiciled in India
- Information about revenue from major customers
- There are four customers contributing in excess of 10% of the total revenue of the Company. The amounts for the same are as follows:

Particulars	For the year ended March 31, 2019 (₹)	For the year ended March 31, 2018 (₹)
Revenue	18,489,075	4,54,05,295

Note 29: Contingent liabilities and commitments (to the extent not provided for) – There are Nil contingent liabilities and commitments as on March 31, 2019 (Previous year Nil)



Note 30: Income tax Expense

Particulars	March 31, 2019 (₹)	March 31, 2018 (₹)
a) Income tax expense		
Current Tax		
Current tax on profit for the year	-	309,405
Deferred tax	14,080,480	(609,348)
Income tax short provision of earlier years		7,012,239
Total income tax expense	14,080,480	6,793,296
b) Reconciliation of tax expense and accounting profit multiplied by tax rate		
Profit/(Loss) from operations before income tax expenses	(61,845,352)	1,450,359
Indian tax rate	26%	25.75%
Tax on profit/loss	-	373,467
Tax effect of amounts which are not deductible (allowable) in calculating taxable income		
Bad debt provision	-	4,916,355
Bad Debts written off	-	(4,890,673)
Others	-	(8,744)
Deferred tax	14,080,480	(609,348)
Short Provision for tax relating to prior years	-	7,012,239
Total Income tax expenses	14,080,480	67,93,296

Note 31: Fair Value Measurement

(a) Financial Instruments by Category:

March 31, 2019	Carrying amount			Amount (₹)
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial Assets				
Loans (Non Current)	-	-	545,449	545,449
Security Deposits	-	-	2,373,385	2,373,385
Trade Receivables	-	-	4,724,410	4,724,410
Inter-Corporate Deposit			-	-
Cash and Cash Equivalents	-	-	31,713,457	31,713,457
Loans to Employees (Current)			32,839	32,839
Others	-	-	6,495,644	6,495,644
Total Financial Assets	-	-	45,885,184	45,885,184
Financial Liabilities				
Trade Payables	-	-	5,065,432	5,065,432
Others	-	-	113,002	113,002
Total Financial Liabilities	-	-	5,178,434	5,178,434



				Amount (₹)
March 31, 2018	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial Assets				
Loans (Non Current)	-	-	580,731	580,731
Security Deposits	-	-	2,373,385	2,373,385
Trade Receivables	-	-	17,940,100	17,940,100
Cash and Cash Equivalents	-	-	11,150,701	11,150,701
Loans to Employees (Current)	-	-	63,222	63,222
Others	-	-	86,283,065	86,283,065
Total Financial Assets	-	-	118,391,205	118,391,205
Financial Liabilities				
Trade Payables	-	-	1,836,892	1,836,892
Others	-	-	741,686	741,686
Total Financial Liabilities	-	-	2,578,578	2,578,578

				Amount (₹)
April 1, 2017	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial Assets				
Loans (Non Current)	-	-	657,629	657,629
Security Deposits	-	-	2,373,385	2,373,385
Trade Receivables	-	-	12,178,130	12,178,130
Cash and Cash Equivalents	-	-	93,214,497	93,214,497
Loans to Employees (current)	-	-	157,508	157,508
Others	-	-	26,319,208	26,319,208
Total Financial Assets	-	-	134,900,357	134,900,357
Financial Liabilities				
Trade Payables	-	-	3,557,217	3,557,217
Others	-	-	-	-
Total Financial Liabilities	-	-	3,557,217	3,557,217

(b) Fair value hierarchy:

As at March 31, 2019

Particulars	Carrying Amount (₹)	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At Amortised Cost				
Loans (Non Current)	545,449	-	-	-
Security Deposits	2,373,385	-	-	-
Trade Receivables	4,724,410	-	-	-
Cash and Cash Equivalents	31,713,457	-	-	-
Loans to Employees (Current)	32,839	-	-	-
Others	6,495,644	-	-	-
Financial Liabilities				
At Amortised Cost				
Trade Payables	5,065,432	-	-	-
Others	113,002	-	-	-



As at March 31, 2018

Particulars	Carrying Amount (₹)	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Loans (Non Current)	580,731	-	-	-
Security Deposits	2,373,385	-	-	-
Trade Receivables	17,940,100	-	-	-
Cash and Cash Equivalents	11,150,701	-	-	-
Loans to Employees (Current)	63,222	-	-	-
Others	86,283,065	-	-	-
Financial Liabilities				
At Amortised Cost				
Trade Payables	1,836,892	-	-	-
Others	741,686	-	-	-

As at April 1, 2017

Particulars	Carrying Amount (₹)	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Loans (Non Current)	657,629	-	-	-
Security Deposits	2,373,385	-	-	-
Trade Receivables	12,178,130	-	-	-
Cash and Cash Equivalents	93,214,497	-	-	-
Loans to Employees (Current)	157,508	-	-	-
Others	26,319,208	-	-	-
Financial Liabilities				
At Amortised Cost				
Trade Payables	3,557,217	-	-	-
Others	-	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described in note 1(B)(c) of the financial statement

Note 32: Financial Risk Management

The Company has exposure to the following risks from financial instruments:

1. Credit risk
2. Liquidity risk
3. 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

At the end of the period, the details of the trade receivables were as follows:

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Trade Receivable	70,717,161	69,123,710	60,398,406
Provision for ECL	65,992,751	51,183,610	48,220,276

Reconciliation of expected credit loss on trade receivables

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Expected credit loss at the beginning of the year	51,183,610	48,220,276
Add/(less): changes in allowance	14,809,141	2,963,334
Expected credit loss at the end of the year	65,992,751	51,183,610

Others financial assets comprise of ICD placed with Related Party, interest accrued on fixed deposits and ICD placed with Related Party, advances recoverable on account of reimbursement of out of pocket expenses and advance given to employees. 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:

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)	As at April 1, 2017 (₹)
Loan Receivable (ICD)	20,000,000	80,000,000	20,000,000
Less: Provision for ICD places with related party	20,000,000	-	-
(A)	-	80,000,000	20,000,000
Interest accrued on Fixed Deposits and ICD	1,698,627	916,745	2,978,093
Provision for interest accrued on ICD placed with Related Party	(1,299,637)	-	-
(B)	398,990	916,745	2,978,093
Contractually Reimbursable expenses	15,570,096	8,439,548	9,286,852
Provision for Expected credit loss	(9,519,057)	(3,086,228)	(5,949,825)
(C)	6,051,039	5,353,320	3,337,027
Advances to Employees (D)	45,615	-	-
Other Advances (E)	-	13,000	-
Other Recoverables (F)	-	-	4,088
Total Other Financials Assets (A + B + C + D + E + F)	6,595,644	86,283,065	26,319,208

Reconciliation of expected credit loss on Contractually Reimbursable expenses

Particulars	As at March 31, 2019 (₹)	As at March 31, 2018 (₹)
Expected credit loss at the beginning of the year	3,086,228	5,949,825
Add/(less): changes in allowance	6,432,829	(2,863,597)
Expected credit loss at the end of the year	9,519,057	3,086,228

Cash and Cash Equivalents are held with banks 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	5,065,432	1,836,892	3,557,217
Other financial liabilities	113,002	741,686	-

Market risk

Market risk' is the risk that changes in market prices, such as interest rates, foreign exchange 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 most transactions are made in INR

Interest rate risk

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

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

Note 33: First-time adoption exemptions

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. Exemptions and exceptions availed

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



A.1 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. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets

Accordingly, the Company has elected to continue with the carrying value of all of its plant and equipment, and intangible assets recognised 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

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101

A.2 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.

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 derecognised 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 Balance Sheet as at April 1, 2017

		Amount (₹)	
	Previous GAAP	Effect of Transition to Ind AS	Ind AS Balance Sheet
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1,276,031	-	1,276,031
Capital Work in Progress	3,154,500		3,154,500
Other Intangible Assets	131,566	-	131,566
Financial Assets			
Loans to Employees	657,629	-	657,629
Other Financial Assets	2,373,385	-	2,373,385
Deferred Tax Assets (Net)	13,471,132	-	13,471,132
Income Tax Asset (Net)	18,737,953	-	18,737,953
Total non-current assets	39,802,196	-	39,802,196
Current Assets			
Financial Assets			
Trade Receivables	21,297,521	(9,119,391)	12,178,130
Cash and Cash Equivalents	93,214,497	-	93,214,497
Loans to Employees	157,508	-	157,508
Other financial assets	29,956,361	(3,637,153)	26,319,208
Other Current Assets	1,702,116	-	1,702,116
Total Current assets	146,328,003	(12,756,544)	133,571,459
Total Assets	186,130,199	(12,756,544)	173,373,655
LIABILITIES			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10,000,000	-	10,000,000
Other Equity	156,014,165	(12,756,544)	143,257,621
Non-Current Liabilities			
Other Non-current Liabilities	467,100	-	467,100
Employee Benefit Obligations	1,881,139	-	1,881,139
Total Non-Current Liabilities	2,348,239	-	2,348,239
Current Liabilities			
Financial Liabilities			
Trade Payables	3,557,217	-	3,557,217
Other current liabilities	1,503,086	-	1,503,086
Employee Benefit Obligations	12,707,492	-	12,707,492
Total Current Liabilities	17,767,795	-	17,767,795
Total Liabilities	20,116,034	-	20,116,034
Total Equity and Liabilities	186,130,199	(12,756,544)	173,373,655

Under the previous GAAP, trade receivable and advances recoverable were disclosed at cost less provision for doubtful receivables. Under Ind AS, these are carried at cost less provision for expected credit loss, wherein the provision is determined based on expected credit loss, capturing both cash loss as well as loss on account of time value of money, as per Ind AS 109, Financial Instruments. The consequential tax effect has also been recognised



(ii) **Effect of Ind AS adoption on the Balance Sheet as at March 31, 2018**

There are no material adjustments to Balance Sheet as at March 31, 2018

(B) **Reconciliation of Total Equity**

Particulars	Amount (₹)	
	As at March 31, 2018	As at April 1, 2017
Equity as reported under previous GAAP	143,241,274	156,014,165
Ind AS: Adjustments increase (decrease):		
Provision for expected credit losses on trade receivables and OPE recoverable	(5,004,375)	(12,756,544)
Equity as reported under Ind AS	138,236,899	143,257,621

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

Particulars	For the year ended March 31, 2018
Profit/(Loss) as per previous GAAP	(12,772,891)
Ind AS: Adjustments increase (decrease)	
Provision for expected credit losses on trade receivables	7,752,169
Remeasurement of Employee future benefits - Actuarial Gains and Losses	(322,215)
Total adjustment to profit or loss	7,429,954
Profit/(Loss) under Ind AS	(5,342,937)
Other comprehensive income	322,215
Total comprehensive income under Ind AS	(5,020,722)

There are no material adjustments to the cash flow statements

Note 34:

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 IL&FS 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 Company 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, IFIN 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

Note 35:

Management expects that its future income from liquid assets held by the Company as at March 31, 2019 will be sufficient to meet at least Company's existing and future obligations arising over next 12 months. Management believes that, subject to necessary Board approvals, the Company has adequate funds to allocate seed commitment for a new fund raise as part of an alternate plan

Mz B



Meanwhile, the IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Company. 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, 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
Firms Registration No : 116231/W/W-100024



N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai

Date : May 23, 2019

For and on behalf of the Board



Manoj Borkar
Director
DIN : 00060698



Baiju Mathew
Director
DIN : 05274214



Bisweswar Pattnaik
Chief Executive Officer

Place : Mumbai

Date : May 23, 2019