

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIML ASSET ADVISORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIML ASSET ADVISORS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W - 100018)



Rukshad N. Daruvala
Partner
(Membership No.111188)

Place: Mumbai
Date: April 27, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **IIML Asset Advisors Limited** (the "Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W - 100018)



Rukshad N. Daruvala
Partner
(Membership No.111188)

Place: Mumbai
Date: April 27, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act").
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause 3(iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Further Company does not have any unclaimed deposits and hence reporting under the provisions of Sections 73 to 76 or any other relevant provisions of the Act is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income-tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	High Court of Bombay	AY 2008-09	12,378,123	1,051,814
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2010-11	33,009,864	7,641,704
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	AY 2011-12	67,077,725	50,632,995

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the CARO 2016 is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not appointed any managerial person in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013 during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W - 100018)



Rukshad N. Daruvala
Partner
(Membership No.111188)


Place: Mumbai
Date: April 27, 2016

IIML ASSET ADVISORS LIMITED
CIN : U74140MH2005PLC158416
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Notes	Amount (₹)			
		As at March 31, 2016		As at March 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	44,071,000		44,071,000	
Reserves and Surplus	4	38,705,392	82,776,392	72,470,318	116,541,318
Non-Current Liabilities					
Long Term Provisions	5		3,458,453		2,898,900
Current Liabilities					
Trade Payables	6				
(a) total outstanding dues of micro enterprises and small enterprises		-		-	
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,161,467		1,127,053	
Other Current Liabilities	7	599,964		1,929,267	
Short Term Provisions	8	66,152,754	67,914,185	65,506,438	68,562,758
TOTAL			154,149,030		188,002,976
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	234,520		420,073	
Deferred Tax Assets	10	2,708,000		2,255,000	
Long Term Loans and Advances	11	12,787,679	15,730,199	12,277,128	14,952,201
Current Assets					
Current Investments	12	-		144,084,202	
Trade Receivables	13	20,409,348		21,542,083	
Cash and Cash Equivalents	14	117,317,188		6,860,396	
Short Term Loans and Advances	15	555,002		564,094	
Other Current Assets	16	137,293	138,418,831	-	173,050,775
TOTAL			154,149,030		188,002,976
Notes to Financial Statements	1-26				


The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants


Rukshad N. Daruvala
Partner

For and on behalf of the Board


Manoj Borkar
Director
DIN - 00060698


Krishnakumar G
Director
DIN - 00090715

Place : Mumbai
Date : April 27, 2016


Place : Mumbai
Date : April 27, 2016

IIML ASSET ADVISORS LIMITED
CIN : U74140MH2005PLC158416
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
MARCH 31, 2016

Particulars	Notes	Amount (₹)	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Income :			
Revenue from Operations	17	88,134,240	87,022,243
Other Income	18	7,067,554	14,371,626
Total Income		95,201,794	101,393,869
Expenses :			
Employee Benefits Expense	19	49,758,558	54,092,106
Operating and Administrative Expenses	20	17,924,312	15,935,006
Depreciation	9	326,199	257,075
Total Expenses		68,009,069	70,284,187
Profit before Tax		27,192,725	31,109,682
Tax expense :			
- Current tax		7,307,000	7,758,000
- Deferred tax	10	(453,000)	(476,000)
- Short provision for tax in respect of earlier Year		-	1,010,000
Profit for the year		20,338,725	22,817,682
Earnings per equity share: (Face Value ₹100 per share) (Basic and Diluted)	21	90.49	101.52
Notes to Financial Statements	1-26		

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants


Rukshad N. Daruvala
Partner

For and on behalf of the Board

 
Manoj Borkar **Krishnakumar G**
Director Director
DIN - 00060698 DIN - 00090715

Place : Mumbai
Date : April 27, 2016

Place : Mumbai
Date : April 27, 2016

IIML ASSET ADVISORS LIMITED
CIN : U74140MH2005PLC158416
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Amount in (₹)

	Particulars		For the Year ended March 31, 2016	For the Year ended March 31, 2015
(A)	CASH FLOW FROM OPERATING ACTIVITIES			
	PROFIT BEFORE TAX		27,192,725	31,109,682
	Adjustments for:			
	Depreciation		326,199	257,075
	(Profit) / Loss on sale of Fixed Assets		(7,996)	(64,000)
	Provision for Employee Benefits (Net)		1,205,869	1,746,793
	Dividend Income		(6,497,952)	(6,465,257)
	Interest Income		(181,055)	(2,591,565)
	Unrealised Foreign Exchange Loss		-	13,247
	Net Profit on Sale of Current Investments		-	(13,202)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		22,037,790	23,992,773
	Adjustments for changes in:			
	(Increase) / Decrease in Trade Receivables		1,132,735	27,934,743
	(Increase) / Decrease in Short Term Loans and Advances		9,092	1,773,115
(Increase) / Decrease in Other Current Assets		(137,293)	-	
Increase / (Decrease) in Trade Payables		34,414	(2,820,589)	
Increase / (Decrease) in Other Current Liabilities		(1,329,303)	-	
Cash generated from Operations		21,747,435	50,880,042	
Income Tax Paid (Net)		(7,817,551)	(16,959,158)	
NET CASH GENERATED FROM / (USED) IN OPERATING ACTIVITIES	A	13,929,884	33,920,884	
(B)	CASH FLOW FROM INVESTING ACTIVITIES			
	(Increase) / Decrease in Current Investments (Net)		144,084,202	(37,819,953)
	Dividend Income		6,497,952	6,465,257
	Purchase of Fixed Assets		(140,650)	(602,450)
	Inter Corporate Deposit Refunded		-	50,000,000
	Interest Income		181,055	2,591,565
	Proceeds from Sale of Fixed Assets		8,000	64,000
NET CASH GENERATED FROM / (USED) IN INVESTING ACTIVITIES	B	150,630,559	20,698,419	
(C)	CASH FROM FINANCING ACTIVITIES			
	Dividend on Equity Shares		(44,952,400)	(44,952,400)
	Dividend Distribution Tax paid on Dividend on Equity Shares		(9,151,251)	(7,639,660)
NET CASH FROM / (USED) IN FINANCING ACTIVITIES	C	(54,103,651)	(52,592,060)	

(D)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C)	110,456,792	2,027,243
	Cash and Cash Equivalents at the beginning of the year		6,860,396	4,833,153
	Cash and Cash Equivalents at the end of the year (Refer Note 14)		117,317,188	6,860,396

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants



Rukshad N. Daruvala
Partner

Place : Mumbai
Date: April 27, 2016

For and on behalf of the Board



Manoj Borkar
Director
DIN - 00060698

Place : Mumbai
Date: April 27, 2016



Krishnakumar G
Director
DIN - 00090715

Notes to Financial Statements

(1) Background

IIML Asset Advisors Limited was incorporated on December 28, 2005 and is a wholly owned subsidiary of IL&FS Investment Mangers Limited. The Company is in the business of Investment Advisory Services

(2) Significant Accounting Policies

a) Basis of accounting and preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("CA 2013") as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

b) Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make certain estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as on the date of the Financial Statements and the reported Income and Expenses during the reporting period.

The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any changes in such estimates are recognised prospectively

c) Fixed Assets (Tangible and Intangible) and Depreciation/Amortisation

Fixed Assets are carried at cost less accumulated depreciation/amortisation & impairment losses if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use

Depreciation on fixed asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method based on the estimated useful life of the assets, which are as follows :

Category of Asset	Estimated Useful Life (in years)
Tangible Fixed Assets :	
Data Processing Equipments	3
Office Equipments	4

As per the CA 2013, depreciation of fixed assets has to be provided based on estimated useful life as per Schedule II of the CA 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 and Ipad / Tablets 100% depreciated during the year of capitalisation due to extensive usage and technological obsolescence
- (ii) Office Equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (iii) 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

d) Impairment of Assets

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 discounting 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

e) 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 is equated over the lease period

f) Investments

- i) Investments are recognised at actual cost including costs incidental to acquisition such as brokerage fees and duties
- ii) Investments are classified as non-current or current at the time of acquisition of such investments
- iii) Non current investments are individually valued at cost less provision for diminution, other than temporary
- iv) Current investments are valued at lower of cost or fair value, computed scrip-wise

g) Foreign Currency Transactions and Translations

- i) Initial recognition

Foreign currency transactions are recorded at the rate prevailing on the date of transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are restated at the closing rate

- ii) Measurement at the balance sheet date



Non-Monetary items which are carried in terms of historical cost denominated in foreign currency at the Balance Sheet date are reported using the exchange rate at the date of the transaction

iii) **Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss

h) Forward Contract Transactions

The Company enters into forward contracts to hedge its assets and liabilities

The premium or discount arising at the inception of a Forward Contract is amortised as income or expense over the life of such Contract

At the reporting date, Forward contracts are revalued and gains/losses if any, are recognised in the Statement of Profit and Loss

Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income or expense in the period in which such cancellation or renewal is made

i) Revenue Recognition

- i) Advisory fee income are recognised based on contractual arrangements
- ii) Dividend income is recognised once the unconditional right to receive dividend is established
- iii) Interest income on fixed deposits/inter corporate deposits is accrued proportionately based on period for which the same is placed

j) Employee Benefits

- i) Contributions to Provident Fund, a defined contribution plan are charged as expenses in the Statement of Profit and Loss as per the applicable Law/Rules
- ii) The Company provides for gratuity, a defined benefit plan (unfunded). Incremental liability for gratuity based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged as expenses in the Statement of Profit and Loss together with actuarial gain or loss
- iii) Compensation absences, other long term employee benefit, are provided for based on actuarial valuation obtained at the year end

k) Taxation

Tax Expense comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the year. Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws



Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss

l) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements

m) Cash flow Statements

- i) Cash flows are reported using the indirect method, whereby profit 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 of cash on hand 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 net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of eligible shares outstanding during the year. 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 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



(3) **Share Capital**

a) Share Capital of the Company consists of the following:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Authorised Share Capital :		
Class A 225,000 Equity shares (Previous Year Class A 225,000 Equity shares) of ₹ 100/- each	22,500,000	22,500,000
Class B 220,000 (Previous Year Class B 2,20,000 Equity shares) Equity shares of ₹ 100/- each	22,000,000	22,000,000
	44,500,000	44,500,000
Issued, Subscribed and Fully Paid up Share Capital :		
Class A 224,762 Equity shares (Previous year Class A 224,762 Equity shares) of ₹ 100/- each	22,476,200	22,476,200
Class B 215,948 Equity shares (Previous year Class B 215,948 Equity shares) of ₹ 100/- each	21,594,800	21,594,800
	44,071,000	44,071,000

b) List of the shareholders holding more than 5% of the share capital :

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	No of Class A Shares held	% of Holding	No of Class A Shares held	% of Holding
IL&FS Investment Managers Limited (Holding Company)	224,762	100.00	224,762	100.00

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	No of Class B Shares held	% of Holding	No of Class B Shares held	% of Holding
IL&FS Investment Managers Limited (Holding Company)	215,948	100.00	215,948	100.00

c) Class A Equity Shares of ₹ 100 each fully paid up have a voting right in proportion to their holding of the Class A Equity Share Capital of the Company
Class B Equity shares of ₹ 100 each fully paid up do not have voting rights and are not entitled to distributable profits or voting rights of the Company and hence are not considered in computation of Earnings per share

d) The Company has proposed dividend for the year ended March 31, 2016, on Class A Shares @ ₹ 200/- per share aggregating ₹ 54,103,651/- inclusive of dividend distribution tax of ₹ 9,151,251/-

The Company had proposed dividend for the year ended March 31, 2015, on Class A Shares @ ₹ 200/- per share aggregating ₹ 54,103,651/- inclusive of dividend distribution tax of ₹ 9,151,251/-

(4) **Reserves and Surplus :**

The movement in Reserves and Surplus is as under:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Capital Redemption Reserve :		
Balance at the end of the year	20,000,000	20,000,000
General Reserve :		
Balance at beginning / end of the year	2,772,000	2,772,000
	2,772,000	2,772,000
Surplus in the Statement of Profit and Loss :		
Balance at beginning of the year	49,698,318	80,984,287
Add: Profit for the year	20,338,725	22,817,682
Less : Proposed Dividend (including Dividend tax)	(54,103,651)	(54,103,651)
Balance at the end of the year	15,933,392	49,698,318
	38,705,392	72,470,318

(5) **Long Term Provisions :**

Long Term provision consists of:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Provision for Employee benefits (Gratuity)	3,458,453	2,898,900
	3,458,453	2,898,900

Disclosures relating to Accounting Standard 15 "Employee Benefits" (Revised) are provided below :

i) **Defined-Contribution Plans :**

The Company has recognised ₹ 2,748,620/- (Previous year – ₹ 2,626,607/-) as expenses in the Statement of Profit and Loss being Company's contribution to Provident Fund, which is maintained with the office of Regional Provident Fund Commissioner.

ii) **Defined- Benefits Plans :**

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions:

	As at March 31, 2016	As at March 31, 2015
Discount Rate	7.86%	7.99%
Salary Escalation	6.50%	6.50%

Attrition Rate	2.00%	2.00%
Rate of Return on Plan Assets	NA	NA
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The table below sets out the status of unfunded post-retirement benefits plans for gratuity:

I.	Change in Defined Benefit Obligation:	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
	Liability at the beginning of the year	2,950,038	2,268,722
	Current Service Cost	671,764	609,475
	Interest Cost	235,708	181,271
	Benefits Paid	-	(541,154)
	Actuarial loss/(gain) on obligations	(340,927)	431,724
	Liability at the end of the year	3,516,583	2,950,038
II.	Expenses Recognised in the Statement of Profit and Loss:	For year ended March 31, 2016 (₹)	For year ended March 31, 2015 (₹)
	Current Service Cost	671,764	609,475
	Interest Cost	235,708	181,271
	Net Actuarial loss/(gain)	(340,927)	431,724
	Expense Recognised in Statement of Profit and Loss	566,545	1,222,470
III.	Balance Sheet Reconciliation:	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
	Opening Net Liability	2,950,038	2,268,722
	Expense	566,545	1,222,470
	Benefits Paid	-	(541,154)
	Amount Recognised in Balance Sheet	3,516,583	2,950,038

IV.	Experience Adjustments	For year ended March 31, 2016 (₹)	For year ended March 31, 2015 (₹)	For year ended March 31, 2014 (₹)	For year ended March 31, 2013 (₹)	For year ended March 31, 2012 (₹)
	Experience Adjustment on Liability (Gain)/loss	(389,462)	24,439	116,492	(961,063)	125,528

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors.

The above information is certified by the actuary and relied upon by the auditors.

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(6) **Trade Payables:**

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,161,467	1,127,053
	1,161,467	1,127,053

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

(7) **Other Current Liabilities:**

Other Current Liabilities consists of :

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Statutory dues	499,249	1,929,267
Other Payables	100,715	-
	599,964	1,929,267

(8) **Short Term Provisions:**

Short Term provisions consist of:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Provision for employee benefits		
- Gratuity	58,130	51,138
- Compensated Absences	3,909,917	3,270,593
- Performance Related Pay	6,000,000	6,000,000
Provision for Dividend	44,952,400	44,952,400
Provision for Dividend Tax	9,151,251	9,151,251
Provision for taxation (net of advance tax of ₹ 7,182,944/- (Previous year net of advance tax of ₹ 7,182,944/-))	2,081,056	2,081,056
	66,152,754	65,506,438

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(9) Fixed Assets :

Current Year :

Description of Assets	GROSS BLOCK				DEPRECIATION				Amount in (₹)	
	As on 01.04.2015	Additions	Deductions	As on 31.03.2016	Up to 31.03.2015	For the year	Deductions	Up to 31.03.2016	As At 31.03.2016	NET BLOCK
Tangible Assets (Owned) :										
Office Equipments	530,131	140,650	(110,500)	560,281	530,131	140,642	(110,496)	560,277	4	
Data Processing Equipments	630,490	-	-	630,490	210,417	185,557	-	395,974	234,516	
Total	1,160,621	140,650	(110,500)	1,190,771	740,548	326,199	(110,496)	956,251	234,520	

Previous Year :

Description of Assets	GROSS BLOCK				DEPRECIATION				Amount in (₹)	
	As on 01.04.2014	Additions	Deductions	As on 31.03.2015	Up to 31.03.2014	For the year	Deductions	Up to 31.03.2015	As At 31.03.2015	NET BLOCK
Tangible Assets (Owned) :										
Office Equipments	609,131	72,950	151,950	530,131	558,120	123,961	151,950	530,131	-	
Data Processing Equipments	844,990	529,500	744,000	630,490	821,303	133,114	744,000	210,417	420,073	
Total	1,454,121	602,450	895,950	1,160,621	1,379,423	257,075	895,950	740,548	420,073	




(10) **Deferred Tax Asset :**

Deferred Tax has been accounted for in accordance with the requirements under the Accounting Standard - 22 "Accounting for Taxes on Income"

- a) During the current year the timing differences have resulted in a net deferred tax asset of ₹ 2,708,000/- with a write back of ₹ 453,000/- to the Statement of Profit and Loss.
- b) The deferred tax asset recognised in the accounts as on March 31, 2016 are as follows:

Nature of Timing Differences	March 31, 2015 Asset (₹)	Adjusted/ Added during the year (₹)	March 31, 2016 Asset (₹)
Net Depreciation	237,000	13,058	250,058
Employee Benefits	2,018,000	439,942	2,457,942
	2,255,000	453,000	2,708,000
Previous Year	1,779,000	476,000	2,255,000

(11) **Long Term Loans and Advances :**

Long Term Loans and Advances consists of amounts expected to be realised beyond twelve months from the Balance Sheet date:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Advance tax (net of provision of tax of ₹78,036,238/- (Previous year net of provision of tax of ₹70,729,238/-))	12,787,679	12,277,128
	12,787,679	12,277,128

(12) **Current Investments:**

The details of current investments are provided below:

Particulars	As at March 31, 2016			As at March 31, 2015		
	Units	Face Value (₹)	Amount (₹)	Units	Face Value (₹)	Amount (₹)
Non Trade – Investment in units of Mutual Funds - Unquoted – Lower of cost or fair value						
Mutual Fund Scheme						
Tata Treasury Manager Fund-Regular Plan-Daily Dividend	-	-	-	10,160	1,000	10,246,284
Reliance Liquid Fund – Treasury Plan – Daily Dividend Option – Dividend Reinvestment	-	-	-	7,745	1,000	11,840,659

Mutual Fund Scheme	Units	Face Value (₹)	Amount (₹)	Units	Face Value (₹)	Amount (₹)
Kotak Treasury Advantage Fund – Daily Dividend (Regular Plan)	-	-	-	3,383,672	10	34,107,647
Kotak Floater Short Term – Daily Dividend (Regular Plan)	-	-	-	15,045	1,000	15,220,029
Birla Sun Life Savings Fund – Daily Dividend-Regular Plan –Reinvestment	-	-	-	226,634	100	22,730,673
Birla Sun Life Cash Plus – Daily Dividend –Regular Plan - Reinvestment	-	-	-	498,417	100	49,938,910
			-			144,084,202

(13) **Trade Receivables:**

The details of Trade Receivables are as under:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Unsecured, considered good :		
Trade Receivable (outstanding for less than 6 months from the date they are due for payment)	20,409,348	21,542,083
	20,409,348	21,542,083

(14) **Cash and Cash equivalents :**

Cash and Cash equivalents consist of:

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Cash on hand	9,212	15,130
Balance with Banks		
- in Current Account	1,307,976	6,845,266
- in Fixed Deposits	116,000,000	-
	117,317,188	6,860,396

(15) **Short Term Loans and Advances :**

Short Term Loans and advances consist of :

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Unsecured, considered good :		
Prepaid Expenses	293,702	165,407
Sundry Deposits	96,101	92,113
Other Advances	165,199	306,574
	555,002	564,094

Other Advances include recoverable on account of reimbursement of out of pocket expenses.

(16) **Other Current Assets :**

Other current Assets consist of :

Particulars	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Accrued Interest	137,293	-
	137,293	-

(17) **Revenue from Operations :**

Revenue from Operations comprises of:

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Fees from Advisory Services	88,134,240	87,022,243
	88,134,240	87,022,243

Income in Foreign Currency (on accrual basis) on:

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Fees from Advisory Services	88,134,240	87,022,243
	88,134,240	87,022,243



(18) Other Income :

Other Income comprises of:

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Dividend Income from current, non-trade Investments	6,497,952	6,465,257
Profit on sale of current, non-trade Investments	-	13,202
Foreign exchange gain (net)	167,051	1,866,115
Profit on sale of fixed asset	7,996	64,000
Interest on Inter Corporate Deposit	-	2,591,565
Interest on Employee Loan	5,556	2,692
Interest on Fixed Deposit with Banks	175,499	-
Excess Provision for Performance Related Pay in respect of earlier year written back	213,500	3,344,000
Other Income	-	24,795
	7,067,554	14,371,626

(19) Employee Benefits Expense :

Employee Benefits expense consist of :

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Salaries and Allowances	46,237,390	49,843,829
Contribution to Provident Fund	2,748,620	2,864,634
Gratuity Expense	566,545	1,222,470
Staff Training and Welfare Expenses	206,003	161,173
	49,758,558	54,092,106



(20) **Operating and Administrative Expenses :**

a) Operating and Administrative Expenses consist of:

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Operating lease rentals	8,861,316	8,717,441
Communication expenses	347,481	446,994
Professional fees	4,022,782	2,076,786
Travelling and conveyance	2,760,719	3,181,889
Brand subscription fees	579,303	655,424
Repairs & Maintenance	574,639	476,242
Miscellaneous expenses	778,072	380,230
	17,924,312	15,935,006

b) Miscellaneous expenses include general administration expenses.

c) Professional fees includes amounts paid/payable to Auditors as below:

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
As Auditors	915,500	898,880
As Advisor or in any other capacity		
- Taxation Matters *	-	280,900
- Certification	17,100	16,854
- Out of Pocket Expenses	5,559	4,690
	938,159	1,201,324

Above amounts include service tax

*Includes payments made to affiliate firm in view of the networking arrangement which is registered with The Institute of Chartered Accountants of India

d) Operating leases:

The Company has taken office premises on cancellable operating lease basis. The agreement is executed for period of 36 months with renewal clause. Operating lease rental debited to the Statement of Profit and Loss for the year is ₹ 8,280,707/- (previous year ₹ 8,136,540/-)



(21) **Earnings Per Equity Share (EPS) :**

In accordance with the Accounting Standard on 'Earnings Per Share' (AS-20), the Basic Earnings Per Share and Diluted Earnings Per Share have been computed by dividing the Profit for the year by the weighted average number of equity shares for the respective period as under:

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Profit for the year attributable to Class A Equity Shareholders (₹)	20,338,725	22,817,682
Weighted Average Number of Class A Equity Shares for calculating Basic EPS	224,762	224,762
Weighted Average Number of Class A Equity Shares for calculating Diluted EPS	224,762	224,762
Nominal Value per share (₹)	100	100
Basic and Diluted Earnings per share	90.49	101.52

Note : Class B Equity shares of ₹ 100 each fully paid up do not have voting rights and are not entitled to distributable profits of the Company and hence are not considered in computation of Earnings per share

(22) **Contingent Liabilities**

Particulars	For the year ended March 31, 2016 (₹)	For the year ended March 31, 2015 (₹)
Income tax demand contested by the Company *	70,486,769	53,580,381

* Amounts are disputed with Income Tax Authority for A.Y 2008-09, A.Y. 2010-11 and A.Y. 2011-12 towards adjustments made for Transfer Pricing. The Company does not expect any outflow of economic resources in respect of above and therefore no provision is made in respect thereof.

(23) **Foreign currency exposures:**

- (i) Balances in foreign currencies as at the balance sheet date not hedged by derivative instruments are as under :

Particulars	As at March 31, 2016		As at March 31, 2015	
	Foreign Currency Amount	Equivalent (₹)	Foreign Currency Amount	Equivalent (₹)
Trade Receivables	USD 307,681	20,409,348	USD 344,173	21,542,083
Operating Expenses Reimbursement Receivables	USD 359	23,783	-	-

- (ii) There are no derivative contracts entered up to by the Company and outstanding as on March 31, 2016

(24) Disclosures as required by the AS-18 on "Related Party Disclosures" are made below :

- (a) Names of the related parties with whom transactions have been entered into during the year and description of relationship :

1	Infrastructure Leasing & Financial Services Limited (ILFS)	Ultimate Holding Company (Control exists)
2	IL&FS Investment Managers Limited (IIML)	Holding Company (Control exists)
3	IL&FS Investment Advisors LLC (IIAL)	Fellow Subsidiary
4	IL&FS Technologies Limited (ITL)	Fellow Subsidiary
5	Livia India Limited (LIVIA)	Fellow Subsidiary
6	IL&FS Securities Services Limited (ISSL)	Fellow Subsidiary
7	ISSL CPG BPO Private Limited (ISSLCPG)	Fellow Subsidiary
8	IL&FS Academy Applied Development (IAAD)	Fellow Subsidiary
9	Sunita Manwani	Key Managerial Personnel (up to 29 October 2015)

- (b) The nature and volume of transactions during the year ended March 31, 2016 with the above related parties are as follows:

Nature of Transaction	Ultimate Holding Company	Holding Company	Amount in (₹)	
			Fellow Subsidiaries	KMP
Balances as at March 31, 2016 :				
Trade Payable	143,303	13,545	-	-
Trade Receivables (IIAL)	-	-	20,409,348	-
Operating Expenses Reimbursement Receivable (IIAL)	-	-	23,783	-
Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	KMP
Transaction for the year ended March 31, 2016				
Expense				
Operating lease rentals	8,280,707	-	-	-
Brand subscription fees	579,303	-	-	-
Professional Fees (ITL)	-	-	428,640	-
Repairs & Maintenance (Livia)	-	-	522,132	-
Training Expenses (IAAD)	-	-	3,420	-

Professional Fees (ISSLCPG)	-	-	17,775	-
Operating Expenses Reimbursement	75,817	15,345	-	-
Remuneration (up to 29 October 2015)	-	-	-	4,859,604
Income				
Fees from Advisory Services (IIAL)	-	-	88,134,240	-
Operating Expenses Reimbursement	-	-	176,742	-
Others				
Dividend Paid	-	44,952,400	-	-

(c) The nature and volume of transactions during the year ended March 31, 2015 and the Balances as at March 31, 2015 with the above related parties are as follows:

Nature of Transaction	Ultimate Holding Company	Holding Company	Amount in (₹)	
			Fellow Subsidiaries	KMP
Balances as at March 31, 2015 :				
Current Liabilities				
Trade Payable	30,656	-	-	890
Trade Payable (Livia)	-	-	330,251	-
Trade Receivables (IIAL)	-	-	21,542,083	-
Transaction for the year ended March 31, 2015				
Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	KMP
Expense				
Operating lease rentals	8,136,540	-	-	-
Brand subscription fees	655,424	-	-	-
Professional Charges (ISSL)	-	-	18,090	-
Operating Expenses Reimbursement	169,356	1,092,950	-	-
Operating Expenses Reimbursement (ISSL)	-	-	600	-
Professional Charges (ITL)	-	-	109,296	-
Professional Charges (LIVIA)	-	-	366,946	-
Remuneration	-	-	-	10,466,845
Income				
Interest on Inter Corporate Deposit	2,591,565	-	-	-
Fees from Advisory Services (IIAL)	-	-	87,022,243	-

Others				
Dividend Paid	-	44,952,400	-	-
Reimbursement	-	858,938	-	-
Inter Company Deposit Received	50,000,000	-	-	-

(25) Segment Reporting :

The Company is in the business of providing Investment Advisory and other related services in India. Accordingly, there is no separate reportable business or geographical segments as per Accounting Standard 17 on "Segment Reporting". It is considered appropriate by Management to have a single segment i.e. "Investment Advisory and other related services"

(26) Figures for the previous year have been regrouped, wherever necessary, to correspond with the figures of the current year

The accompanying Notes are an integral part of the Financial Statements

For and on behalf of the Board



Manoj Borkar
Director
DIN - 00060698



Krishnakumar G
Director
DIN - 00090715

Place: Mumbai

Date : April 27, 2016

