

Deloitte Haskins & Sells LLP

Chartered Accountants
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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 31st March, 2015, the Statement of Profit and Loss, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

We conducted our audit 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.

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,



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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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 31st March, 2015, 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 the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 – Refer Note 22 to the financial statements



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- ii. The Company does not have any long-term contract including derivative contract for which provision would be required for material foreseeable losses.
- iii. There are no amounts as at 31st March, 2015 which need to be transferred to the Investor Education and Protection Fund by the Company.

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



Abhijit A. Damle
Partner
(Membership No.102912)

MUMBAI dated, April 22, 2015

Annexure to the Auditors' Report

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

- (i) Having regard to the nature of the Company's business/activities/results during the year clauses (ii), (iii), (v), (vi), (viii), (ix), (x) and (xi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified 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.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. The Company, being a service company, does not purchase inventory or sell goods. During the course of our audit, we have not observed any major weakness in the internal control system.
- (iv) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (b) There are cases of non-deposit with appropriate authorities of disputed dues of Income Tax of Rs. 1,051,814/- for Assessment year 2008-09 pending before High Court of Bombay and Rs. 7,641,704/- for Assessment Year 2010-11 pending before Commissioner of Income Tax, Appeals. Except for this, there are no cases of non-deposits of disputed dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Cess.
 - (c) There are no amount which required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.



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

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



Abhijit A. Damle
Partner
(Membership No.102912)

MUMBAI dated, April 22, 2015

IIML ASSET ADVISORS LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Notes	Amount (₹)			
		As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	44,071,000		44,071,000	
Reserves and Surplus	3	72,470,318	116,541,318	103,756,287	147,827,287
Non-Current Liabilities					
Long Term Provisions	4		2,898,900		2,217,924
Current Liabilities					
Trade Payables	6	7,461,159		11,341,136	
Other Current Liabilities	7	1,595,161		535,773	
Short Term Provisions	5	59,506,438	68,562,758	56,960,870	68,837,779
TOTAL			188,002,976		218,882,990
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	8	420,073		74,698	
Deferred Tax Assets	9	2,255,000		1,779,000	
Long Term Loans and Advances	10	12,277,128	14,952,201	4,117,810	5,971,508
Current Assets					
Current Investments	12	144,084,202		106,251,047	
Trade Receivables	13	21,542,083		49,476,826	
Cash and Cash Equivalents	14	6,860,396		4,833,153	
Short Term Loans and Advances	11	564,094		50,561,866	
Other Current Assets	15	-	173,050,775	1,788,590	212,911,482
TOTAL			188,002,976		218,882,990
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



Abhijit A. Damle
Partner

For and on behalf of the Board



Manoj Borkar
Director



Sunita Manwani
Executive Director

Place : Mumbai
Date : 22/04/2015

Place : Mumbai
Date : 22/04/2015

IIML ASSET ADVISORS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
MARCH 31, 2015

Particulars	Notes	Amount (₹)	
		For the year ended March 31, 2015	For the year ended March 31, 2014
Income :			
Revenue from Operations	16	87,022,243	98,548,710
Other Operating Income	17	6,478,459	8,081,495
Other Income	18	7,893,167	10,034,329
Total Income		101,393,869	116,664,534
Expenses :			
Employee Benefits Expense	19	54,673,007	61,342,366
Operating and Administrative Expenses	20	15,354,105	16,056,320
Depreciation	8	257,075	425,680
Total Expenses		70,284,187	77,824,366
Profit before Tax		31,109,682	38,840,168
Tax expense :			
- Current tax		7,758,000	10,980,000
- Deferred tax	9	(476,000)	146,000
- Short Provision for tax in respect of earlier year		1,010,000	-
		8,292,000	11,126,000
Profit for the year		22,817,682	27,714,168
Earnings per equity share: (Face Value ₹100 per share) (Basic and Diluted)	21	101.52	123.30
Notes to Financial Statements	1-26		

The accompanying Notes are integral part of the Financial Statements

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



Abhijit A. Damle
Partner

For and on behalf of the Board



Manoj Borkar
Director

Sunita Manwani
Executive Director

Place : Mumbai
Date : 22/04/2015

Place : Mumbai
Date : 22/04/2015

IIML ASSET ADVISORS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Amount in (₹)

	Particulars		March 31, 2015	March 31, 2014
(A)	CASH FLOW FROM OPERATING ACTIVITIES			
	PROFIT BEFORE TAX		31,109,682	38,840,168
	Adjustments for:			
	Depreciation		257,075	425,680
	(Profit) / Loss on sale of Fixed Assets		(64,000)	9,889
	Provision for Employee Benefits (Net)		1,746,793	1,829,682
	Interest Income on Inter Corporate Deposit		(2,591,565)	-
	Unrealised Foreign Exchange Loss		13,247	387,047
	Net Profit on Sale of Current Investments		(13,202)	(44,956)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		30,458,030	41,447,510
	Adjustments for changes in:			
	Decrease in Trade Receivables		27,934,743	22,807,642
	Decrease / (Increase) in Short Term Loans and Advances, Other Current Assets		1,773,115	(986,954)
	(Decrease) in Trade Payables and Other Current Liabilities		(2,820,589)	(240,180)
	(Increase) / Decrease in Current Investments (Net)		(37,819,953)	4,760,722
			19,525,346	67,788,740
	Income Tax Paid (Net)		(16,959,158)	(14,498,293)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	A	2,566,188	53,290,447
(B)	CASH FLOW FROM INVESTING ACTIVITIES			
	Inter Corporate Deposits Given		-	(50,000,000)
	Inter Corporate Deposits Received		50,000,000	-
	Interest on Inter Corporate Deposit		2,591,565	-
	Purchase of Fixed Assets		(602,450)	(132,500)
	Proceeds from Sale of Fixed Assets		64,000	7,700
	NET CASH GENERATED FROM / (USED) IN INVESTING ACTIVITIES	B	52,053,115	(50,124,800)
(C)	CASH FROM FINANCING ACTIVITIES			
	Dividend on Equity Shares (including dividend tax)		(52,592,060)	-
	NET CASH (USED IN) FINANCING ACTIVITIES	C	(52,592,060)	-
(D)	NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C)	2,027,243	3,165,647
	Cash and Cash Equivalents at the beginning of the year		4,833,153	1,667,506
	Cash and Cash Equivalents at the end of the year		6,860,396	4,833,153
	(Refer Note 14)			

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



Abhijit A Damle
Partner

Place : Mumbai
Date : 22/04/2015

For and on behalf of the Board



Manoj Borkar
Director

Place : Mumbai
Date : 22/04/2015



Sunita Manwani
Executive Director

Notes to Financial Statements

(1) Significant Accounting Policies

a) Basis for preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India including Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable. All income and expenditure having material bearing on the Financial Statements are recognised on an accrual basis

The preparation of Financial Statements 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 those estimates. Any changes in such estimates are recognised prospectively

b) Fixed Assets, Depreciation and Impairment

Tangible Assets are stated at cost of acquisition and other incidental expenses.

Depreciation on tangible assets 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 lives of the assets, which are as follows:

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

There are certain categories of assets where Company has been providing accelerated depreciation. Pursuant to the Companies Act, 2013, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets

- (i) Mobile Phones and iPad / Tablets 100% during the year of purchase due to extensive usage and technological obsolescence
- (ii) Depreciate individual assets costing Rs. 5,000 or less in the year of purchase under all the categories of assets

Impairment loss is provided to the extent the carrying amounts of assets exceed their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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c) **Investments**

- i) Investments are capitalised at actual cost including costs incidental to acquisition.
- ii) Investments are classified as Long Term or Current at the time of acquisition of such investments.
- iii) Long Term investments are individually valued at cost less provision for diminution, other than temporary.
- iv) Current investments are valued at lower of cost and fair value.

d) **Revenue Recognition**

- i) Advisory Fee Income is recognised as per contractual arrangements.
- ii) Dividend Income is recognised once the unconditional right to receive dividend is established.
- iii) Interest Income on fixed deposits is accrued proportionately based on period for which the same is placed.

e) **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

f) **Taxation**

Tax expense comprises of Current Tax and net changes in Deferred Tax Assets or Liabilities during the year. Current Tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income Tax Act, 1961

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences arising from differences in accounting policies as per the accounts drawn up under the Companies Act and the Income Tax Act. Deferred Tax Assets in the event of non-existence of carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Assets are recognised when it is virtually certain that there will be future taxable profit, in the event of existence of carry forward losses and unabsorbed depreciation. Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rate is recognised in the Statement of Profit and Loss in the period of substantive enactment of the change

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g) **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 are not discounted to their present value and are determined based on the best estimates at the balance sheet date required to settle the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. 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

h) **Cash Flow Statement**

- (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 and Cash Equivalents comprises of Cash and Balance in Bank Current Accounts

i) **Earnings per Share**

In determining earnings per share, the Company considers the net profit for the year. The number of shares used in computing basic earnings per share is the weighted average number of equity 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

j) **Foreign Currency Transactions**

- (i) Foreign currency transactions are recorded at the rates prevailing on the dates of transactions. Foreign currency monetary items outstanding as at the Balance Sheet date are restated at the closing rate.
- (ii) 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.

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(2) **Share Capital**

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

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Authorised Share Capital :		
Class A 225,000 Equity shares of ₹ 100/- each	22,500,000	22,500,000
Class B 220,000 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 of ₹ 100/- each	22,476,200	22,476,200
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, 2015		As at March 31, 2014	
	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, 2015		As at March 31, 2014	
	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 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
- d) The Company has 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/-

The Company had proposed and paid dividend for the year ended March 31, 2014, on Class A Shares @ ₹ 200/- per share aggregating ₹ 52,592,060/- inclusive of dividend distribution tax of ₹ 7,639,660/-



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(3) **Reserves and Surplus :**

The movement in Reserves and Surplus is as under:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Capital Redemption Reserve :		
Balance at the end of the year	20,000,000	20,000,000
General Reserve :		
Balance at beginning of the year	2,772,000	-
Add: Appropriation from Statement of Profit and Loss	-	2,772,000
	2,772,000	2,772,000
Surplus in the Statement of Profit and Loss :		
Balance at beginning of the year	80,984,287	108,634,179
Add: Profit for the year	22,817,682	27,714,168
Less : Proposed Dividend (including Dividend tax) (Refer note 2(d))	(54,103,651)	(52,592,060)
Less: Transfer to General Reserve	-	(2,772,000)
Balance at the end of the year	49,698,318	80,984,287
	72,470,318	103,756,287

(4) **Long Term Provisions :**

Long Term provision consists of:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Provision for Employee benefits (Gratuity)	2,898,900	2,217,924
	2,898,900	2,217,924

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

i) **Defined-Contribution Plans :**

The Company has recognized ₹ 2,626,607/- (Previous year – ₹ 2,795,292/-) 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.

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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, 2015	As at March 31, 2014
Discount Rate	7.99%	9.32%
Salary Escalation	6.50%	6.50%
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, 2015 (₹)	As at March 31, 2014 (₹)
	Liability at the beginning of the year	2,268,722	1,896,365
	Current Service Cost	609,475	625,363
	Interest Cost	181,271	156,450
	Benefits Paid	(541,154)	(216,346)
	Actuarial loss/(gain) on obligations	431,724	(193,110)
	Liability at the end of the year	2,950,038	2,268,722
II.	Expenses Recognised in the Statement of Profit and Loss:	For year ended March 31, 2015 (₹)	For year ended March 31, 2014 (₹)
	Current Service Cost	609,475	625,363
	Interest Cost	181,271	156,450
	Net Actuarial loss/(gain)	431,724	(193,110)
	Expense Recognised in Statement of Profit and Loss	1,222,470	588,703
III.	Balance Sheet Reconciliation:	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
	Opening Net Liability	2,268,722	1,896,365
	Expense	1,222,470	588,703
	Benefits Paid	(541,154)	(216,346)
	Amount Recognised in Balance Sheet	2,950,038	2,268,722
IV.	Experience Adjustments	For year ended March 31, 2015 (₹)	For year ended March 31, 2014 (₹)
	Experience Adjustment on Liability loss	24,439	116,492

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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(5) **Short Term Provisions:**

Short Term provisions consist of:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Provision for employee benefits		
- Gratuity	51,138	50,798
- Compensated Absences	3,270,593	2,205,116
Provision for Dividend	44,952,400	44,952,400
Provision for Dividend Tax	9,151,251	7,639,660
Provision for taxation (net)	2,081,056	2,112,896
	59,506,438	56,960,870

(6) **Trade Payables:**

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Trade Payables	7,461,159	11,341,136
	7,461,159	11,341,136

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 period end together with the interest paid / payable as required under the said Act have not been given.

(7) **Other Current Liabilities:**

Other Current Liabilities consists of :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Statutory dues	1,595,161	535,773
	1,595,161	535,773

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(8) Fixed Assets :

Current 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 :										
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	

Previous Year :

Description of Assets	GROSS BLOCK				DEPRECIATION				Amount in (₹)	
	As on 01.04.2013	Additions	Deductions	As on 31.03.2014	Up to 31.03.2013	For the year	Deductions	Up to 31.03.2014	As At 31.03.2014	NET BLOCK
Tangible Assets :										
Office Equipments	664,321	132,500	187,690	609,131	539,239	188,982	170,101	558,120	51,011	
Data Processing Equipments	906,990	-	62,000	844,990	646,605	236,698	62,000	821,303	23,687	
Total	1,571,311	132,500	249,690	1,454,121	1,185,844	425,680	232,101	1,379,423	74,698	

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(9) **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 ₹ 2,255,000/- with a write back of ₹ 476,000/- to the Statement of Profit and Loss.
- b) The deferred tax asset recognized in the accounts as of March 31, 2015 are as follows :

Nature of Timing Differences	March 31, 2014 Asset (₹)	Adjusted/ Added during the half year (₹)	March 31, 2015 Asset (₹)
Net Depreciation	328,000	(91,000)	237,000
Employee Benefits	1,451,000	567,000	2,018,000
	1,779,000	476,000	2,255,000
Previous Year	1,925,000	(146,000)	1,779,000

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

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

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Advance tax (net)	12,277,128	4,117,810
	12,277,128	4,117,810

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

Short Term Loans and advances consist of :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Unsecured, considered good :		
Inter Corporate Deposit given to Related Party	-	50,000,000
Prepaid Expenses	165,407	192,833
Sundry Deposits	92,113	80,032
Other Advances	306,574	289,001
	564,094	50,561,866

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

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(12) **Current Investments:**

The details of current investments are provided below:

Particulars	As at March 31, 2015			As at March 31, 2014		
	Units	Face Value (₹)	Amount (₹)	Units	Face Value (₹)	Amount (₹)
Non Trade – Investment in units of Mutual Funds - Unquoted						
Tata Treasury Manager Fund-Plan A Daily Dividend	10,160	1,000	10,246,284	-	-	-
Baroda Pioneer Treasury Advantage Fund Plan A- Daily Dividend Re - investment	-	-	-	14,835	1,000	15,208,584
Reliance Liquid Fund – Treasury Plan – Daily Dividend Option – Dividend Reinvestment	7,745	1,000	11,840,659	18,615	1,000	28,457,176
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	201,770	100	20,236,907
Birla Sun Life Cash Plus – Daily Dividend – Regular Plan - Reinvestment	498,417	100	49,938,910	328,577	100	32,921,736
Baroda Pioneer Liquid Fund Plan A – Daily Dividend Reinvestment	-	-	-	4,904	1,000	4,909,701
Kotak Liquid Scheme Plan A – Daily Dividend	-	-	-	3,694	1,000	4,516,943
			144,084,202			106,251,047

13) **Trade Receivables:**

The details of Trade Receivables are as under:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Unsecured, considered good :		
Trade Receivable (outstanding for less than 6 months from the date they are due for payment)	21,542,083	49,476,826
	21,542,083	49,476,826

MZ



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

Cash and Cash equivalents consist of:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Cash on hand	15,130	10,884
Balance with Banks		
- in Current Account	6,845,266	4,822,269
	6,860,396	4,833,153

(15) **Other Current Assets :**

Other Current Assets consist of:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Unamortised Forward Cover Premium	-	13,247
Interest accrued on Inter Corporate Deposits	-	1,775,343
	-	1,788,590

(16) **Revenue from Operations :**

Revenue from Operations comprises of:

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Fees from Fund Management and Advisory Services	87,022,243	98,548,710
	87,022,243	98,548,710

Income in Foreign Currency (on accrual basis) on:

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Fees from Fund Management and Advisory Services	87,022,243	98,548,710
	87,022,243	98,548,710

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(17) **Other Operating Income :**

Other Operating Income comprises of:

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Dividend Income from current, non-trade Investments	6,465,257	8,036,539
Profit on sale of current, non-trade Investments	13,202	44,956
	6,478,459	8,081,495

(18) **Other Income :**

Other Income comprises of:

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Foreign exchange gain (net)	1,866,115	6,037,860
Profit on sale of fixed asset	64,000	-
Interest on Inter Corporate Deposit	2,591,565	1,972,603
Interest on Employee Loan	2,692	-
Excess Provision for Performance Related Pay in respect of earlier year written back	3,344,000	2,017,666
Other Income	24,795	6,200
	7,893,167	10,034,329

(19) **Employee Benefits Expense :**

Employee Benefits expense consist of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Salaries and Allowances	50,504,730	57,630,460
Contribution to Provident Fund	2,626,607	2,795,292
Gratuity Expense	1,222,470	588,703
Staff Training and Welfare Expenses	319,200	327,911
	54,673,007	61,342,366

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

a) Operating and Administrative Expenses consist of:

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Operating lease rentals	8,136,540	9,138,716
Communication expenses	446,994	480,500
Professional fees	2,553,028	2,189,609
Travelling and conveyance	3,181,889	3,060,799
Brand subscription fees	655,424	625,724
Loss on sale of Fixed Assets (Net)	-	9,889
Miscellaneous expenses	380,230	551,083
	15,354,105	16,056,320

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, 2015 (₹)	For the year ended March 31, 2014 (₹)
As Auditors	898,880	898,880
As Advisor or in any other capacity		
- Taxation Matters *	280,900	-
- Certification	16,854	-
Out of Pocket Expenses	4,690	4,452
	1,201,324	903,332

Above amounts include service tax

* Payments made to an 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 ₹ 8,136,540/- (previous year ₹ 9,138,716/-)

(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 year as under:



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Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Profit for the year attributable to Class A Equity Shareholders (₹)	22,817,682	27,714,168
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 (₹)	100.00	100.00
Basic and Diluted Earnings per share (₹)	101.52	123.30

(22) **Contingent Liabilities**

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Income tax demand contested by the Company *	53,580,381	18,710,274

* 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. Company is contesting the same and hopeful of a favorable outcome

(23) **Foreign currency exposures:**

Derivative Instruments:

- (i) Nominal value of derivative contracts (forward contracts) entered into by the Company and outstanding as at March 31, 2015:

Currency	As at March 31, 2015		As at March 31, 2014	
	Amount in Foreign Currency	Equivalent (₹)	Amount in Foreign Currency	Equivalent (₹)
US Dollar (Sell)	-	-	\$ 400,000	24,455,000

- (ii) All derivative instruments are for hedging purpose only
- (iii) Balances in foreign currencies as at the balance sheet date not hedged by derivative instruments are as under :

Particulars	As at March 31, 2015		As at March 31, 2014	
	Foreign Currency Amount	Equivalent (₹)	Foreign Currency Amount	Equivalent (₹)
Trade Receivables	\$344,173	21,542,083	\$ 423,244	25,021,826



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(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	Sunita Manwani	Key Managerial Personnel

- (b) 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	Amount in (₹)			
	Ultimate Holding Company	Holding Company	Fellow Subsidiary	KMP
Balances as at March 31, 2015 :				
Trade Payable	30,656	-	-	890
Trade Payable (LIVIA)	-	-	330,251	-
Trade Receivables (IIAL)	-	-	21,542,083	-
Transaction for the year ended March 31, 2015				
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

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Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary	KMP
Income				
Interest on Inter Corporate Deposit	2,591,565	-	-	-
Fees from Fund Management and Advisory Services (IIAL)	-	-	87,022,243	-
Others				
Dividend Paid	-	44,952,400	-	-
Reimbursement	-	858,938		
Inter Company Deposit received	50,000,000	-	-	-

- b) The nature and volume of transactions during the year ended March 31, 2014 and the Balances as at March 31, 2014 with the above related parties are as follows:

Nature of Transaction	Ultimate Holding Company	Holding Company	Amount in (₹)	
			Fellow Subsidiary	KMP
Balances as at March 31, 2014 :				
Current Liabilities				
Short Term Loans and Advances - Inter Corporate Deposit Given	50,000,000	-	-	-
Other Current Assets – Interest accrued	1,775,343	-	-	-
Trade Payable	3,325	8,665	-	41,176
Trade Receivables	-	-	49,476,826	-
Expense				
Operating lease rentals	9,138,716	-	-	-
Brand subscription fees	625,724	-	-	-
Operating Expenses Reimbursement	121,696	945,742	-	-
Professional Charges (ISSL)	-	-	28,590	-
Remuneration	-	-	-	10,866,306
Income				
Fees from Fund Management and Advisory Services (IIAL)	-	-	98,548,710	-
Interest on Inter Company Deposit	1,972,603	-	-	-
Others				
Inter Corporate Deposit Place	50,000,000	-	-	-

There are no provisions for doubtful debts or amounts written off /written back in respect of amounts due from / to related parties



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(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 has been regrouped, wherever necessary, to correspond with the figures of the current year

For and on behalf of the Board



Manoj Borkar
Director

Place: Mumbai

Date : 22/04/2015



Sunita Manwani
Executive Director

