

**INDEPENDENT AUDITOR'S REPORT**

To the Members of IIML Asset Advisors Limited

**Report on the Audit of Ind AS Financial Statements**

**Qualified Opinion**

1. We have audited the accompanying Ind AS Financial Statements of IIML Asset Advisors Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

2. Attention is invited to Note 27 of the Ind AS Financial Statements which describes the situation faced by the Company in view of the ongoing investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Company). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years referred in the note. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company) by the SFIO and re-opening of books of accounts of the Ultimate Holding Company and two of its subsidiaries by the NCLT, we are unable to comment on the consequential impact(s) upon conclusion of the said investigation and re-opening of the books of account on these Ind AS Financial Statements.
3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material Uncertainty relating to Going Concern**

4. Attention is invited to Note 28 in the financial statements regarding management's expectations of the company's ability to, at least, meet its obligations over the next 12 months out of its earnings and liquid assets. As stated therein, the company's plan for new business have been kept on hold pending



completion of stake sale by the Ultimate Holding Company in IL&FS Investment Managers Limited (the Holding company) and while there is material uncertainty with regard to the stake sale, the management believes that use of the going concern assumption for preparation of the financial statements is appropriate, considering its solvency over next one year. Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

5. Attention is invited to Note 29 to the Ind AS Financial Statements which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Company, assessment thereof made by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties of future periods. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the year under audit. We have determined that there is no key audit matter to be communicated in our report.

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

7. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the Ind AS Financial Statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'.

#### **Responsibility of Management for Ind AS Financial Statements**

8. The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

#### **Other Matters**

10. The entire audit finalization process was carried from remote locations i.e. other than the office of the Company where books of account and other records are kept, based on data/details or financial information provided to us through digital medium, owing to lockdown imposed by the Government to restrict the spread of COVID-19. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain appropriate audit evidence for the significant matters in course of our audit. Our opinion is not modified in respect of this matter.
11. The comparative financial information of the Company for the year ended March 31, 2019 included in these Ind AS financial statements, are based on the previously issued statutory financial statements audited by BSR & Associates LLP ('the Erstwhile Auditors') for the year ended March 31, 2019, whose report dated May 23, 2019 expressed a qualified opinion on those Ind AS financial statements. The subject matters of qualification in the audit report of the Erstwhile Auditors have been considered and dealt with in this report. Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143(3) of the Act, we report that:
- 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.
  - Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.





- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. According to the information & explanations given to us by the management, in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounting Standards) Rules, 2015.
- e. The matter relating to going concern described under para 4 above and matters relating to investigation by SFIO against IL&FS and its subsidiaries (including the Company) and NCLT order of re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years described under Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.
- h. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, no remuneration is paid by the Company to its Directors during the year under report.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:
  - (i) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note 21 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W / W-100621



**Hasmukh B. Dedhia**

Partner

Membership No: 033494



ICAI UDIN: 20033494AAAAGB7492

Place: Mumbai

Date: July 9, 2020

**Annexure 1 to the Independent Auditors' Report to the members of IIML Asset Advisors Limited**  
[referred to in para 9 titled 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements']

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Annexure 2 to the Independent Auditors' Report to the members of IIML Asset Advisors Limited**  
[referred to in para 12 under 'Report on Other Legal and Regulatory Requirements']

- i. (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As informed to us, the company has a regular programme of verifying the fixed assets annually. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its business; According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property held by the Company during the year.
- ii. The business operations of the Company comprising of rendering fund management services, do not require holding of any inventories. Thus paragraph 3 (ii) of the Order is not applicable to it.
- iii. The Company has not granted during the year under report any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the company. As regards the loan in form of inter-corporate deposit of Rs. 5,00,00,000/- given by the Company in the financial year 2018-19 to the ultimate holding company i.e. Infrastructure Leasing & Financial Services Limited ('IL&FS'), though none of the Directors of the Company are interested personally in IL&FS, we state as under:
  - (a) The principal sum along with interest thereon of Rs 22,93,767/- are overdue as at the Balance sheet date and have been written off during the year.
  - (b) The recovery of the said loan is proposed to be through the resolution process as stated in Note no 9 to the Ind AS Financial Statements
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or securities covered under Section 185 and 186 of the Act and in respect of Investments made by company, provisions of Section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under paragraph 3 (vi) of the Order is not applicable.
- vii. In respect of Statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to





us, the Company did not have any dues on account of sales tax, employees' state insurance, wealth tax, duty of customs, duty of excise and value added tax.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are dues of Income Tax, and Service tax which have not been deposited as on March 31, 2020 on account of disputes. They are as follows:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which amount relates	Unpaid Amount (Rs)
Income Tax Act, 1961	Income Tax	Bombay High Court	FY 2007-08	5,53,224
Income Tax Act, 1961	Income Tax	Bombay High Court	FY 2009-10	74,61,704
Income Tax Act, 1961	Income Tax	ITAT	FY 2010-11	5,06,32,995
Finance Act, 1994	Service Tax	CESTAT*	FY 2011-12 to 2014-15	9,18,59,594
Finance Act, 1994	Service Tax	CESTAT*	FY 2015-16 to 2017-18	2,66,62,283

\* the company is under the process of filing of appeal

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from financial institution, banks, Government and debenture holders. The Company has not taken loans or borrowings from government and financial institutions. Thus, paragraph 3 (viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us, Company did not raise any money by way of initial public offer (including debt instruments) and loans. Hence, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management of the Company.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year under report. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.



# Khimji Kunverji & Co LLP

Chartered Accountants

- xiii. According to the information and explanations given to us by management and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable, and details of such transactions have been disclosed in the Ind AS Financial Statements as required under applicable Indian Accounting Standards. The Company doesn't have Audit Committee and accordingly section 177 is not applicable.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W / W-100621

**Hasmukh B. Dedhia**

Partner

Membership No: 033494



ICAI UDIN : 20033494AAAAGB7492

Place : Mumbai

Date : July 9, 2020



**Annexure 3 to the Independent Auditors' Report to the members of IIML Asset Advisors Limited**  
[referred to in paragraph 13(g) under 'Report on Other Legal and Regulatory Requirements']

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Act**

**Opinion**

We have audited the internal financial controls with reference to financial statements of **IIML Asset Advisors Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has an internal financial controls system over financial reporting, design whereof needs to be enhanced to make it comprehensive. Based on verification of process controls matrices and other relevant documents, made available to us for the financial year under report and thereafter, in our opinion and considering the internal control with reference to financial statements 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 (the "Guidance Note"), the operating effectiveness of such process controls and appropriate documentation thereof needs to be strengthened to make the same commensurate with the size of the Company and nature of its business.

**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 with reference to financial statements 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, & testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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
- (c) 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 Ind AS Financial Statements.

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

For Khimji Kunverji & Co LLP

Chartered Accountants

Firm's Registration No.: 105146W / W-100621



Hasmukh B. Dedhia

Partner

Membership No: 033494



ICAI UDIN : 20033494AAAAGB7492

Place: Mumbai

Date: July 9, 2020

**IIML ASSET ADVISORS LIMITED**  
CIN : U74140MH2005PLC158416  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Note Ref.	Amount (₹)	
		As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	9	10
(b) Deferred Tax Assets (Net)	4	126,000	-
(c) Income Tax Asset (net)	5	12,820,615	12,817,515
<b>Total non-current assets</b>		<b>12,946,624</b>	<b>12,817,525</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Investments	6	-	93,602,930
(ii) Trade Receivables	7	-	3,010,510
(iii) Cash and Cash Equivalents	8	100,278,833	399,410
(iv) Other financial assets	9	235,463	71,701
(b) Other Current Assets	10	1,538,500	1,548,398
<b>Total current assets (net)</b>		<b>102,052,796</b>	<b>98,632,949</b>
<b>TOTAL ASSETS</b>		<b>114,999,420</b>	<b>111,450,474</b>
<b>EQUITY AND LIABILITIES</b>			
(a) Equity Share Capital	11	64,071,000	64,071,000
(b) Other Equity	11	50,133,972	42,994,289
Equity attributable to owners of the Company		<b>114,204,972</b>	<b>107,065,289</b>
<b>Total Equity</b>		<b>114,204,972</b>	<b>107,065,289</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	-	1,180,000
<b>Total non-current liabilities</b>		<b>-</b>	<b>1,180,000</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	12	172,764	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	12	594,136	1,210,834
(b) Other Current Liabilities	13	27,548	326,860
(c) Employee benefit obligations	14	-	1,667,491
<b>Total current liabilities</b>		<b>794,448</b>	<b>3,205,185</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>114,999,420</b>	<b>111,450,474</b>

The accompanying notes 1 to 30 form an integral part of these Financial Statements

In terms of our report attached  
For Khimji Kunverji & Co LLP  
Chartered Accountants  
Firm Registration Number : 105146W/W-100621

For and on behalf of the Board



**Hasmukh Dedhia**  
Partner  
Membership No.: 033494

Place : Mumbai  
Date : July 9, 2020





**Manoj Borkar**  
DIN: 00030836

Place : Mumbai  
Date : July 9, 2020



**Sanjay Mitra**  
DIN: 00060698



**IML ASSET ADVISORS LIMITED**  
**CIN : U74140MH2005PLC158416**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

		Amount (₹)		
	Particulars	Note Ref.	For the year ended March 31, 2020	For the year ended March 31, 2019
1	<b>INCOME</b>			
	Revenue from operations	15	-	15,414,383
	Other Income	16	6,711,764	13,044,930
	<b>Total Income</b>		<b>6,711,764</b>	<b>28,459,313</b>
2	<b>EXPENSES</b>			
	Employee benefit expense	17	-	6,758,685
	Other expenses	18	878,081	8,401,231
	<b>Total Expenses</b>		<b>878,081</b>	<b>15,159,916</b>
3	<b>Profit before exceptional and extraordinary items and tax (1-2)</b>		<b>5,833,683</b>	<b>13,299,397</b>
4	<b>Exceptional Item - provision for ICD (Refer Note 9)</b>		-	52,293,767
5	<b>Profit/(loss) before tax (3-4)</b>		<b>5,833,683</b>	<b>(38,994,370)</b>
6	<b>Tax Expense</b>			
	Current Tax		-	160,000
	Deferred Tax	3	(1,306,000)	2,661,799
			<b>(1,306,000)</b>	<b>2,821,799</b>
7	<b>Net Profit/(loss) after Tax (5-6)</b>		<b>7,139,683</b>	<b>(41,816,169)</b>
8	<b>Other Comprehensive Income</b>			
	Actuarial Gain/(Loss) of the defined benefit plans		-	(247,301)
	Deferred tax asset/(Liability) on actuarial gain defined benefit plans	3	-	68,799
9	<b>Total Comprehensive income/(loss) for the period (7+8)</b>		<b>7,139,683</b>	<b>(41,994,671)</b>
	<b>Earnings per equity share</b>			
	Equity shares of par value ₹ 100/- each			
	<b>Basic and Diluted</b>	20	<b>16.81</b>	<b>(98.45)</b>

The accompanying notes 1 to 30 form an integral part of these Financial Statements

In terms of our report attached

**For Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number : 105146W/W-100621

*Hasmukh Dedhia*

**Hasmukh Dedhia**

Partner

Membership No.: 033494



Place : Mumbai  
Date : July 9, 2020

**For and on behalf of the Board**

**Manoj Borkar**  
DIN: 00060698

*Manoj Borkar*

**Sanjay Mitra**  
DIN: 00030836

*Sanjay Mitra*

Place : Mumbai  
Date : July 9, 2020

**IML ASSET ADVISORS LIMITED**  
**CIN : U74140MH2005PLC158416**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

**Statement of Changes in Equity**

**(a) Equity Share Capital**

	Note	Amount in ₹
Balance as at March 31, 2018	10	64,071,000
Changes in equity share capital		-
Balance as at March 31, 2019	10	64,071,000
Changes in equity share capital		-
Balance as at March 31, 2020	10	64,071,000

**(b) Other Equity**

	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 1, 2018	18,000,000	2,772,000	20,000,000	44,216,960	84,988,960
Profit/(loss) for the year ended March 31, 2019	-	-	-	(41,816,169)	(41,816,169)
Other Comprehensive Income					
Re-measurement of defined benefit liability (net of taxes)	-	-	-	(178,502)	(178,502)
Balance as at March 31, 2019	18,000,000	2,772,000	20,000,000	2,222,289	42,994,289
Profit/(loss) for the year ended March 31, 2020	-	-	-	7,139,683	7,139,683
Other Comprehensive Income				-	-
Balance as at March 31, 2020	18,000,000	2,772,000	20,000,000	9,361,972	50,133,972

The accompanying notes 1 to 30 form an integral part of these Financial Statements

In terms of our report attached  
**For Khimji Kunverji & Co LLP**  
Chartered Accountants  
Firm Registration Number : 105146W/W-100621



**Hasmukh Dedhia**  
Partner  
Membership No.: 033494



**For and on behalf of the Board**

**Manoj Borkar**  
DIN: 00060698



**Sanjay Mitra**  
DIN: 00030836



Place : Mumbai  
Date : July 9, 2020

Place : Mumbai  
Date : July 9, 2020

**IIML ASSET ADVISORS LIMITED**  
**CIN: U74140MH2005PLC158416**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

		Amount (₹)
	Year ended March 31, 2020	Year ended March 31, 2019
<b>I</b>	<b>Cash Flow from Operating Activities</b>	
	<b>Profit/(loss) Before Tax</b>	5,833,683
	Adjustments For :	(38,994,370)
	Items classified as Other Comprehensive income	-
	Provision/(Reversal) for Employee Benefits (Net)	(247,301)
	Net (Profit)/loss on sale of investment	(7,041,303)
	Net (Profit)/Loss on sale of Property Plant and Equipment	(1,255,247)
	Expected Credit Losses on financial assets	1
	(Gain) /Loss arising on financial assets designated as at FVTPL	(1,608)
	Interest income from financial assets at amortised cost	52,293,767
	<b>Operating Loss Before Working Capital Changes</b>	5,505,304
	<b>Changes in working capital:</b>	(73,603)
	<b>Adjustments for (increase) / decrease in operating assets :</b>	(2,858,835)
	Trade Receivables	(1,539,411)
	Other Financial Assets	3,010,510
	Other Current Assets	8,864,497
	<b>Adjustments for increase / (decrease) in operating liabilities :</b>	(3,574)
	Trade Payables	9,900
	Other Current Liabilities	16,557
		640,253
	Less: Taxes paid	5,158,234
	<b>Net Cash generated from / (used in) Operating Activities</b>	(3,100)
		(1,913,787)
		637,153
		3,244,447
<b>II</b>	<b>Cash Flow from Investing Activities</b>	
	Interest Received	7,340
	Proceeds from Sale of Current Investments	646,438
	Proceeds from Sale of Property Plant and Equipment	99,234,930
	Loans given	-
	Loan refunded	-
	<b>Net Cash generated from / (used in) Investing Activities</b>	1,608
		75,000,000
		(50,000,000)
		99,242,270
		(3,415,897)
<b>III</b>	<b>Net Increase / (Decrease) in Cash and Cash Equivalent (I+II)</b>	99,879,423
	Add: Cash and Cash Equivalent at the beginning of the year (Refer Note 8)	(171,450)
	Cash and Cash Equivalent at the end of the year (Refer Note 8)	399,410
		570,860
		100,278,833
		399,410

The accompanying notes 1 to 30 form an integral part of these Financial Statements

In terms of our report attached  
**For Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number : 105146W/W100621

*Hasmukh Dedhia*

**Hasmukh Dedhia**

Partner

Membership No.: 033494



**For and on behalf of the Board**

**Manoj Borkar**  
DIN: 00060698

*Manoj Borkar*

**Sanjay Mitra**  
DIN: 00030836

*Sanjay Mitra*

Place : Mumbai  
Date : July 9, 2020

Place : Mumbai  
Date : July 9, 2020



## IIML ASSET ADVISORS LIMITED

### Note 1 : Notes forming part of the financial statements for the year ended March 31, 2020

#### (1) Corporate Information

IIML Asset Advisors Limited ("Company") is a Public Limited Company domiciled in India and its Registered Office is situated at The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051. The Company has been incorporated under the Companies Act, 1956 on December 28, 2005 and is a domestic private equity fund management company which advises funds on behalf of leading Indian and International Institutions

As at March 31, 2020, IL&FS Investment Managers Limited, the holding company owned the Company's entire equity share capital

#### (2) Significant accounting policies

##### (a) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act, 2013 (CA 2013) and other relevant provisions of the CA 2013 as amended from time to time. These financial statements were approved by the Board of Directors and authorised for issue on July 9, 2020

##### (b) Basis of preparation and presentation

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

##### (c) Fair Value Measurement

###### Measurement of fair values

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

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

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

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

Further information about the assumptions made in measuring fair values is included in note 25(b) financial instruments;



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**(d) Financial instruments**

**(i) Recognition and initial measurement**

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

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

**(ii) Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified and measured at

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

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

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

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

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

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

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

Subsequent measurement and gains and losses are recognised as :

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



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### **Financial liabilities : Classification, subsequent measurement and gains and losses**

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

#### **(iii) De-recognition**

##### **Financial Asset**

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

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

##### **Financial Liabilities**

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

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

#### **(iv) Offsetting**

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

#### **(v) Cash and cash equivalents**

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

#### **(e) Property, plant and equipment**

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

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

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



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

Category of Asset	Estimated Useful Life (in years)
Office Equipment	4
Data Processing Equipment (Servers & Networking)	3

As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, the past history of replacement, anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets :

- (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) Data Processing Equipment - Servers & Networking as per current policy of 4 years as against the useful life of 6 years provided in the CA 2013
- (iv) Individual assets costing ₹ 5,000 or less in the year of capitalisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ₹ 1 till they are disposed/written off

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss

**(f) Revenue recognition**

**Recognition of dividend income, interest income from financial instruments**

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive dividend is established

Interest income or expense is recognised using the effective interest rate method

**(g) Leases**

Effective April 1, 2019, the Company has adopted Ind AS 116 - Leases. At the inception of a contract, assessment is being done by Company whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed

At the commencement date, a lessee shall recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses would be depreciation charge for ROU assets and interest expense on lease liabilities. A lessor shall classify each of its leases as either an operating lease or a finance lease



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As a Lessee:

The Company in the capacity of lessee has classified each of its leases as short term leases and has recognised the lease payments as an expense on either a straight-line basis over the lease term or another systematic basis. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

**(h) Income Tax**

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

**(i) Current tax**

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

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

**(ii) Deferred tax**

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised

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

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

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

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

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



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

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

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

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

**(j) Impairment of financial assets :**

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

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

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

**(k) Earnings Per Share**

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

**(l) Cash flow Statements**

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 and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(m) Goods and Services Tax**

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

**(n) Segment reporting**

An operating segment is a component of a Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relates to transactions with any of the Company's other components, for which discrete financial information is available, and such information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make key decision on operations of the segments and assess its performance. The Company operates in one reportable business segment i.e. "Asset Management and other related service"



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(o) **Operating Cycle**

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

(p) **Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes :

- (a) Note 26 Impairment of financial assets (including trade receivable)
- (b) Note 28 Estimation for preparation of financials under going concern assumption

(3) **Property Plant and Equipment**

				Amount in ₹
Sr. No.	Description of Assets	Office Equipment	Data Processing Equipment	Total
<b>I</b>	<b>Deemed Cost</b>			
	<b>Balance as at April 1, 2018</b>	5	41,432	41,437
	Additions	-	-	-
	Disposals	-	-	-
	<b>Balance as at March 31, 2019</b>	5	41,432	41,437
	Additions	-	-	-
	Disposals	-	-6,798	-6,798
	<b>Balance as at March 31, 2020</b>	5	34,634	34,639
<b>II</b>	<b>Accumulated Depreciation and impairment</b>			
	<b>Balance as at April 1, 2018</b>	3	41,424	41,427
	Deletion on disposal of sale	-	-	-
	Depreciation expense for the period	-	-	-
	<b>Balance as at March 31, 2019</b>	3	41,424	41,427
	Deletion on disposal of sale	-	-6,797	-6,797
	Depreciation expense for the period	-	-	-
	<b>Balance as at March 31, 2020</b>	3	34,627	34,630
<b>III</b>	<b>Net Carrying Amount</b>			
	<b>Balance as at April 1, 2018</b>	2	8	10
	Additions	-	-	-
	Disposals	-	-	-
	Depreciation Expense for the period	-	-	-
	<b>Balance as at March 31, 2019</b>	2	8	10
	Additions	-	-	-
	Disposals	-	-1	-1
	Depreciation Expense for the period	-	-	-
	<b>Balance as at March 31, 2020</b>	2	7	9



## (4) Non-Current Assets

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Deferred Tax Assets (Net)	126,000	-
<b>Total</b>	<b>126,000</b>	<b>-</b>

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Deferred Tax Liabilities (Net)	-	1,180,000
<b>Total</b>	<b>-</b>	<b>1,180,000</b>

## Movement in Deferred Tax Balance

Particulars	Closing Balance March 31, 2020	Recognised in OCI	Recognised in Profit and Loss	Amount in ₹ Closing Balance March 31, 2019
Property, Plant and Equipment	126,000	-	(39,000)	165,000
Defined benefit obligation	-	-	(187,000)	187,000
<b>Total</b>	<b>126,000</b>	<b>-</b>	<b>(226,000)</b>	<b>352,000</b>
FVTPL financial asset	-	-	1,532,000	(1,532,000)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,532,000</b>	<b>(1,532,000)</b>
<b>Net Tax Asset /(Liability)</b>	<b>126,000</b>	<b>-</b>	<b>1,306,000</b>	<b>(1,180,000)</b>

## (5) Income Tax Asset (net)

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>Non-Current</b>		
Advance payment of taxes	14,999,104	14,996,004
<b>Total (A)</b>	<b>14,999,104</b>	<b>14,996,004</b>
<b>Income tax payable (B)</b>	<b>2,178,489</b>	<b>2,178,489</b>
<b>Net Income Tax Assets (A - B)</b>	<b>12,820,615</b>	<b>12,817,515</b>

## (6) Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	QTY	Amounts (₹)	QTY	Amounts (₹)
<b>Current investments</b>				
<b>Investment in mutual funds at FVPL</b>				
<b>Unquoted</b>				
ABSL Liquid Fund-Growth	-	-	93,997	28,105,561
Reliance Liquid TP Regular – Growth	-	-	7,034	32,090,019
Kotak Liquid Fund Direct Plan Growth	-	-	1,002	3,793,668
Kotak Money Market Scheme - Direct Plan – Growth	-	-	1,242	3,834,868
Aditya Birla Sunlife Money Manager Fund – Growth	-	-	59,180	14,811,446
Reliance Floating Rate Fund	-	-	2416	10,967,368
<b>Total investment in mutual funds</b>		-		<b>93,602,930</b>
<b>Aggregate amount of Unquoted Investments</b>		-		<b>93,602,930</b>



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(7) Trade Receivable

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>Trade receivables</b>		
Unsecured, considered good	-	3,010,510
Less: Impairment loss allowance	-	-
<b>Total Trade Receivable</b>	-	<b>3,010,510</b>

(8) Cash and Cash Equivalents

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Cash in hand	77	77
<b>Balance with banks</b>		
In current accounts	778,756	399,333
<b>Other bank balances</b>		
In fixed deposits account	99,500,000	-
<b>Total Cash and Cash Equivalents</b>	<b>100,278,833</b>	<b>399,410</b>

(9) Other Financial Assets

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Loans Receivables	-	50,000,000
Security Deposits	57,000	12,000
Interest accrued on Loans receivables	-	2,293,767
Interest accrued on Fixed Deposits	66,263	-
Advances other than capital advances	112,200	59,701
Less: Impairment loss allowance	-	(52,293,767)
<b>Total Other Financial Assets</b>	<b>235,463</b>	<b>71,701</b>

In respect of Inter Corporate Deposit ("ICD") given to Infrastructure Leasing & Financial Services Limited ("IL&FS") the total outstanding due as on March 31, 2020 including interest till date of maturity is Rs 52,293,767. During the year 2018-19, IL&FS defaulted on their debt obligations and their credit rating was downgraded to Default ("D") status

The ICDs placed by the Company with IL&FS are unsecured. Considering the uncertainty around timing and the amount to be realised through the resolution process to be approved by the National Company Law Tribunal, the management had provided for the entire amount due towards ICD including the accrued interest in FY 2018-19. During the year 2019-20, the said provision of Rs. 52,293,767 has been entirely written off.

(10) Other Current Assets

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Prepaid expenses	-	9,900
Indirect Tax Recoverable	1,538,500	1,538,498
<b>Total Other Current Assets</b>	<b>1,538,500</b>	<b>1,548,398</b>



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## (11) (A) Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	(₹)	Number of shares	(₹)
<b>AUTHORISED</b>				
Class A 500,000 Equity Shares of ₹ 100/- each	500,000	50,000,000	500,000	50,000,000
Class B 220,000 Equity Shares of ₹ 100/- each with no voting rights	220,000	22,000,000	220,000	22,000,000
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
Class A 424,762 Equity Shares of ₹ 100/- each fully paid-up	424,762	42,476,200	424,762	42,476,200
Class B 215,948 Equity shares of ₹ 100/- each fully paid-up	215,948	21,594,800	215,948	21,594,800
Equity Shares of ₹ 100/- each	<b>640,710</b>	<b>64,071,000</b>	<b>640,710</b>	<b>64,071,000</b>

(refer foot note no. (i), (ii), (iii) and (iv))

**Foot Note :****(i) Terms / Rights attached to the Equity Shares :**

The Company has two class of equity shares having a par value of ₹ 100/- each

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. Accordingly, they are not considered in computation of Earnings per share

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company as per rights as mentioned above, in proportion to the number of equity shares held after distribution of all preferential amounts. However, no such preferential amounts exist currently

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

Equity shares of ₹ 100/- each Fully Paid	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
IL&FS Investment Managers Limited (Holding Company) – Class A	424,762	100.00%	424,762	100.00%
IL&FS Investment Managers Limited (Holding Company) – Class B	215,948	100.00%	215,948	100.00%

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

Particulars	Opening balance	Issued during the year	Closing balance
<b>As at March 31, 2020</b>			
Number of shares	640,710	-	640,710
Amount (₹)	64,071,000	-	64,071,000
<b>As at March 31, 2019</b>			
Number of shares	640,710	-	640,710
Amount (₹)	64,071,000	-	64,071,000



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(iv) **Details of shares held by the holding company, subsidiary of holding company :**

Particulars	As at March 31, 2020	As at March 31, 2019
Fully paid up Class A equity shares with voting rights		
a. Holding Company - IL&FS Investment Managers Limited	424,762	424,762
Fully paid up Class B equity shares no voting rights		
a. Holding Company - IL&FS Investment Managers Limited	215,948	215,948

- (i) No shares were allotted by the Company as fully paid-up pursuant to any contract without payment being received in cash in last five years
- (ii) No shares were bought back by the Company during the last five years

**(B) Other Equity**

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>Securities Premium Reserve</b>		
Opening Balance	18,000,000	18,000,000
<b>Closing Balance</b>	<b>18,000,000</b>	<b>18,000,000</b>
<b>General Reserve</b>		
Opening Balance	2,772,000	2,772,000
<b>Closing Balance</b>	<b>2,772,000</b>	<b>2,772,000</b>
<b>Capital Redemption Reserve</b>		
Opening Balance	20,000,000	20,000,000
<b>Closing Balance</b>	<b>20,000,000</b>	<b>20,000,000</b>
<b>Retained Earnings</b>		
Opening Balance	2,222,289	44,216,960
Add : Net Profit For the Year	7,139,683	(41,816,169)
Add : <u>Other Comprehensive income</u>		
Re-measurement of defined benefit liability (net of taxes)	-	(178,502)
<b>Closing Balance</b>	<b>9,361,972</b>	<b>2,222,289</b>
<b>Total Other Equity</b>	<b>50,133,972</b>	<b>42,994,289</b>

(12) **Trade Payables**

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>Trade Payables (Refer Note)</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises	172,764	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	594,136	1,210,834
<b>Total Trade Payables</b>	<b>766,900</b>	<b>1,210,834</b>

**Note :**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :



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Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	81,000	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,764	-
The amount of interest paid by buyer in terms of section 16 of the Act	-	-
The amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amounts of interest accrued and remaining unpaid at the end of financial year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act.	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note - Total amount outstanding dues to MSME is ₹ 172,764/, out of the same ₹ 90,000/- is a provision made as on March 31, 2020 and for which invoice is not yet received

The Company exposure to liquidity risk relating to trade payables is disclosed in Note 26

(13) **Other Current Liabilities**

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>Other payables</b>		
Statutory Dues payable	27,548	156,449
Other Payables	-	170,411
<b>Total Other Current Liabilities</b>	<b>27,548</b>	<b>326,860</b>



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(14) Employee benefit obligations

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>Provisions</b>		
Provision for employee benefits - Gratuity	-	532,356
Provision for employee benefits – Leave	-	135,135
Provision for Performance Related Pay	-	1,000,000
	-	<b>1,667,491</b>

Particulars relating to IND AS 19 “Employee Benefits” (Revised) is provided below :

(i) Defined-Contribution Plans :

The Company has recognised ₹ NIL /- (Previous year – ₹ 251,198 /-) as expense in the Statement of Profit and Loss under Company’s Contribution to Provident Fund, which is maintained with the office of Regional Provident Fund Commissioner

(ii) Defined-Benefit Plans :

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

**Assets and Liability (Balance Sheet Position)**

Assets and Liability (Balance Sheet Position) Particulars	As on	
	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Present Value of Obligation	-	532,356
Fair Value of Plan Assets	-	-
Surplus / (Deficit)	-	(532,356)
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	-	<b>(532,356)</b>

Expenses Recognised during the year Particulars	For the period ending	
	March 31, 2020 (₹)	March 31, 2019 (₹)
In Income Statement	-	231,401
In Other Comprehensive Income	-	247,301
<b>Total Expenses Recognised during the period</b>	-	<b>478,702</b>

Changes in the Present Value of Obligation Particulars	For the period ending	
	March 31, 2020 (₹)	March 31, 2019 (₹)
Present Value of Obligation as at the beginning	532,356	3,359,000
Current Service Cost	-	-
Interest Expense or Cost	-	231,401
Benefits Paid directly by the employer	-	-
Re-measurement (or Actuarial) (gain) / loss arising from :	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	-	(23,232)
- experience variance (i.e. Actual experience vs assumptions)	-	270,533
- others	-	-
Past Service Cost	-	-
Benefits Paid	-	(3,305,346)
Acquisition Adjustment	(532,356)	-
<b>Present Value of Obligation as at the end</b>	-	<b>532,356</b>



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Bifurcation of Net Liability	As at	
	March 31, 2020 (₹)	March 31, 2019 (₹)
Current Liability (Short term)	-	532,356
Non-Current Liability (Long term)	-	-
<b>Net Liability</b>	-	<b>532,356</b>

  

Expenses Recognised in the Income Statement Particulars	For the period ending	
	March 31, 2020 (₹)	March 31, 2019 (₹)
Current Service Cost	-	-
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	-	231,401
<b>Expenses Recognised in the Income Statement</b>	-	<b>231,401</b>

  

Other Comprehensive Income Particulars	For the period ending	
	March 31, 2020 (₹)	March 31, 2019 (₹)
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	-	(23,232)
- experience variance (i.e. Actual experience vs assumptions)	-	270,533
- Others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Other Comprehensive Income</b>	-	<b>247,301</b>

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

(15) **Revenue from Operations**

Particulars	For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
Fees from Advisory Services	-	15,414,383
<b>Total Revenue from Operations</b>	-	<b>15,414,383</b>

  

Income in Foreign Currency (on accrual basis) on :

Particulars	For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
Fees from Advisory Services	-	15,414,383
	-	<b>15,414,383</b>



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(16) **Other Income**

Particulars		For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
(a)	Interest Income		
	On Financial Assets recognized at amortised cost :		
	Interest on Fixed Deposits	73,603	2,293,767
	Interest on loans receivables	-	565,068
(b)	Net Gain / (Loss) on sale of investments		
	On sale of other current investments	11,137,305	1,255,247
(c)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	(1)	1,608
(d)	Forex gain / loss	6,161	323,936
(f)	Reversal of Excess PRP Provision	1,000,000	3,100,000
(g)	Net gain/(loss) arising on financial assets designated as at FVTPL – Investments	(5,505,304)	5,505,304
<b>Total Other Income</b>		<b>6,711,764</b>	<b>13,044,930</b>

(17) **Employee Benefit Expense**

Particulars		For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
	Salaries and wages, including bonus	-	6,232,799
	Contribution to provident and other funds	-	266,085
	Gratuity	-	231,401
	Staff welfare expenses	-	28,400
<b>Total Employee Benefit Expense</b>		<b>-</b>	<b>6,758,685</b>

(18) **Other Expenses**

Particulars		For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
	Rent including lease rentals	-	4,734,000
	Rates and Taxes	260,560	92,183
	Postage and Telecommunication	23,289	69,603
	Printing and Stationery	-	3,050
	Travelling and Conveyance Expenses	2,345	360,400
	Insurance	9,898	99,776
	Repairs and maintenance – Others	-	1,010,860
	Brand Subscription Fees	-	250,000
	Directors Sitting Fees	-	450,000
	Auditors remuneration and out-of-pocket expenses (Refer Note below)	342,500	673,926
	Miscellaneous Expenses	39,489	11,533
	Legal and Professional Expenses	200,000	645,900
<b>Total Other Expenses</b>		<b>878,081</b>	<b>8,401,231</b>



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Amounts paid/payable to Auditors as below :

Particulars	For the year ended March 31, 2020 (₹)	For the year ended March 31, 2019 (₹)
Statutory Audit	100,000	350,000
Limited review of quarterly results	225,000	306,751
Out of Pocket Expenses	17,500	17,175
	<b>342,500</b>	<b>673,926</b>

Above amounts exclude GST

#### (19) Leases

There is no impact on lease payments due to adoption of Ind AS 116 by the Company for the year ended March 31, 2020 as the Company has no lease arrangement during the year.

Future minimum rentals payable under non-cancellable operating lease (Ind AS 17) :

Future Lease rentals	March 31, 2020 (₹)	March 31, 2019 (₹)
Not later than one year	-	-
Later than one year but not later than 5 years	-	-
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	-	4,680,000

#### (20) Earnings Per Equity Share (EPS)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year attributable to Class A Equity Shareholders (₹)	7,139,683	(41,816,169)
Weighted Average Number of Class A Equity Shares for calculating Basic and Diluted EPS	424,762	424,762
Nominal Value per share (₹)	100	100
Basic and Diluted Earnings per share	16.81	(98.45)

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

#### (21) Contingent Liabilities (to the extent not provided for)

Particulars	Year ended March 31, 2020 (₹)	Year ended March 31, 2019 (₹)
Income tax demand contested by the Company *	51,301,866	51,301,866
Service tax demand contested by the Company **	118,521,877	70,168,236

\* 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

\*\* Amounts are disputed with the Service Tax Authority for the period from April 1, 2011 to June 30, 2017 towards classification of services rendered by the Company and disallowing Export of Service claim. The company has filed an appeal against the order post reporting date.



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(22) Disclosure as required by the IND AS 24 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 :

Sr. No.	Name of the Party	Relationship
1	Infrastructure Leasing & Financial Services Limited (ILFS)	Ultimate Holding Company
2	IL&FS Investment Managers Limited (IIML)	Holding Company
3	IL&FS Investment Advisors LLC (IAL)	Fellow Subsidiary
4	Livia India Limited (LIVIA)	
5	IL&FS Transportation Networks Ltd (ITNL)	
6	ISSL CPG BPO Private Limited (ISSL CPG)	
7	Sunita Manwani (Chief Financial Officer) Resigned w.e.f. May 31, 2018	Key Managerial Person (KMP)
8	Mona Abhani (Whole Time Company Secretary)	Key Managerial Person (KMP)
9	Sunil Mehta (Resigned w.e.f. June 4, 2018)	Non-Executive Independent Director
10	Harish Engineer (Resigned w.e.f. June 4, 2018)	Non-Executive Independent Director
11	Leslie Whiteford (Resigned w.e.f. June 4, 2018)	Non-Executive Independent Director
12	Ravi Parthasarathy (Resigned w.e.f. April 27, 2018)	Non-Executive Director

- (b) The nature and volume of transactions during the year ended March 31, 2020 with the above related parties are as follows :

Nature of Transaction	Amount in ₹		
	Ultimate Holding Company	Holding Company	Fellow Subsidiary
<b>Transaction for the year ended March 31, 2020</b>			
Due to transfer of employee	-	901,492	-
Other reimbursement	-	69,295	-
<b>Balances as at March 31, 2020</b>			
Payable	(126,801)	(59,300)	-

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

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary	KMP
<b>Transaction for the year ended March 31, 2019</b>				
Operating Lease Rentals	4,734,000	-	-	-
Brand Subscription Fees	250,000	-	-	-
Insurance	(10,579)	-	-	-
Operating Expenses Reimbursement	262,602	-	-	-
IT Support Services (Livia)	-	-	767,500	-
Interest Income	2,293,767	-	-	-
Loans Given	50,000,000	-	-	-
Interest Income (ITNL)	-	-	565,068	-
Loans Refund (ITNL)	-	-	75,000,000	-
Remuneration	-	-	-	4,494,004
Sitting Fees to Directors	-	-	-	450,000
<b>Income</b>				
Fees from Advisory Services (IAAL)	-	-	15,414,383	-



<b>Others</b>				
Operating Expenses Reimbursement	-	530,631	-	-
Operating Expenses Reimbursement (IIAL)	-	-	60,000	-
<b>Balances as at March 31, 2019</b>				
Trade Payable	(126,801)	(300)	-	-
Other Financial Assets (IIAL)	-	-	60,000	-
Loans Receivable*	50,000,000	-	-	-
Interest Accrued *	2,293,767	-	-	-
Trade Receivable (IIAL)	-	-	3,010,510	-

\* Out of the above outstanding balance as on March 31, 2019, provision has been created of ₹ 52,293,767

Above mentioned related parties are identified by Management and the same has been relied upon by Auditors

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

The Company is dependent on information from Ultimate Holding Company for its Related Parties as defined under Ind AS 24 and under the Companies Act, 2013. The Ultimate Holding Company was not able to provide the said information to the Company for the FY 2018-19. In the absence of the above information, the Company had identified its related party's relationship on the basis of information made available by the Ultimate Holding Company in the past. Accordingly, the related parties for FY 2018-19 may not be complete and accurate. However, the Company believes that unavailability of the required information may not have a material impact on the financial statements.

## (23) Segment Information

### (a) Description of segments and principal activities :

The Company is a domestic private equity fund management company which advises funds on behalf of leading Indian and International Institutions. The operations of the Company are limited to one segment viz. Asset Management and other related service. As such, there are no separate reportable business or geographical segments as per as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment

### (b) Segment Revenue :

The amount of revenue from external customers broken down by location of the customers is shown in the table below :

<b>Revenue</b>	<b>For the year ended March 31, 2020 (₹)</b>	<b>For the year ended March 31, 2019 (₹)</b>
Within India	-	-
Outside India	-	15,414,383

### (c) All assets of the Company are domiciled in India

### (d) Information about revenue from major customers :

The Company has no revenue from operation during the year. Till March 31, 2019, the Company had only one customer contributing in excess of 10% of the total revenue of the Company. The amounts for the same are as follows :

<b>Particulars</b>	<b>For the year ended March 31, 2020 (₹)</b>	<b>For the year ended March 31, 2019 (₹)</b>
Revenue	-	15,414,383



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## (24) Income Tax Expense

Particulars	Mar-20 (₹)	Mar-19 (₹)
<b>(a) Income Tax expense</b>		
<b>Current Tax</b>		
Current tax on Profit for the year	-	160,000
<b>Deferred Tax</b>	(1,306,000)	2,661,799
Total Income tax expense	(1,306,000)	2,821,799
<b>(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate</b>		
Profit from operations before income tax expense	5,833,683	(38,994,370)
India tax rate	26.00%	27.82%
	1,516,758	-
<b>Tax effect of amounts which are not deductible (allowable) in calculating taxable income :</b>		
Deduction under various sections of Income Tax Act, 1961	(1,516,758)	(2,015,573)
Disallowance under various sections of Income Tax Act, 1961	-	3,699,892
Income chargeable to tax on realised basis as per Income Tax Act, 1961	-	(1,531,576)
Deferred tax	(1,306,000)	2,661,799
Others	-	7,256
<b>Total Income tax expense</b>	<b>(1,306,000)</b>	<b>2,821,799</b>

## (25) Fair Value Measurements

## (a) Financial Instruments by category

As at March 31, 2020	Carrying amount (₹)			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial assets</b>				
Cash and Cash Equivalents	-	-	100,278,833	100,278,833
Interest accrued	-	-	66,263	66,263
Security Deposits	-	-	57,000	57,000
Other Receivables	-	-	112,200	112,200
<b>Total Financial Asset</b>	-	-	<b>100,514,296</b>	<b>100,514,296</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	766,900	766,900
<b>Total Financial Liabilities</b>	-	-	<b>766,900</b>	<b>766,900</b>

  

As at March 31, 2019	Carrying amount (₹)			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
<b>Financial assets</b>				
Investment in Mutual Funds	93,602,930	-	-	93,602,930
Trade Receivables	-	-	3,010,510	3,010,510
Cash and Cash Equivalents	-	-	399,410	399,410
Security Deposits	-	-	12,000	12,000
Other Receivables	-	-	59,701	59,701
<b>Total Financial Asset</b>	<b>93,602,930</b>	-	<b>3,481,621</b>	<b>97,084,551</b>
<b>Financial Liabilities</b>				
Trade Payables	-	-	1,210,834	1,210,834
<b>Total Financial Liabilities</b>	-	-	<b>1,210,834</b>	<b>1,210,834</b>



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(b) Fair value hierarchy

As at March 31, 2020

Particulars	Carrying Amount	Amount in (₹)		
		Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
At FVTPL				
Mutual Funds	-	-	-	-

As at March 31, 2019

Particulars	Carrying Amount	Amount in (₹)		
		Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Mutual Funds	93,602,930	93,602,930	-	-

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

(26) Financial Risk Management

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

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

**Risk Management Framework**

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

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

**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. At the end of the period, the details of the trade receivables were as follows :

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Total Trade Receivable	-	3,010,510

The receivables consist of amounts owed to the one the fellow subsidiary and are bound to be recovered since the Company has sub advisory agreements with them



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

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Loans Receivables	-	50,000,000
Security Deposits	57,000	12,000
Interest accrued on loans receivables	-	2,293,767
Int on Fixed Deposits	66,263	-
Advances other than capital advances	112,200	59,701
Less: Impairment loss allowance	-	(52,293,767)
<b>Total Other Financial Assets</b>	<b>235,463</b>	<b>71,701</b>

#### Reconciliation of expected credit loss on other financial asset

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Expected credit loss at the beginning of the year	52,293,767	-
Add/(less): changes in allowance	(52,293,767)*	52,293,767
Expected credit loss at the end of the year	-	52,293,767

\* Written off during the year (Refer Note 9)

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

#### Liquidity risk

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

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

#### Maturity profile of financial liabilities

Particulars	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
Less than 1 year	-	-
Non- interest bearing instrument	-	-
Trade payable	766,900	1,210,834

#### Market risk

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

Particulars	Financial Asset As at March 31, 2020	Financial Asset As at March 31, 2019
USD Dollars	-	44,390
<b>Total</b>	<b>-</b>	<b>44,390</b>



*MB*

Particulars	5% increase/(decrease) USD Impact As at March 31, 2020	5% increase/(decrease) USD Impact As at March 31, 2019
Impact on profit and loss account	-	153,526 / (153,526)

#### Interest rate risk

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

#### Price risk

The Company is not exposed to price risk as the Company has no investments as at March 31, 2020

#### Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. The Net financial debt position of the Company as on March 31, 2020 and March 31, 2019 is negative which signifies the Company has more than sufficient cash to pay off its liabilities

- (27) The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against Infrastructure Leasing & Financial Services Limited (IL&FS), the Ultimate Holding Company and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigation agencies. On December 3, 2018, MCA on the directions of the National Company Law Tribunal, Mumbai (NCLT) has impleaded various Company Companies of IL&FS (which includes the Company) as Respondents to the Petition filed by them on October 1, 2018. Further based on another petition of the MCA under section 130 (1) of the Companies Act, 2013, the NCLT has, on January 1, 2019, ordered re-opening of books of accounts for the past financial year 2012-13 to financial year 2017-18 of IL&FS, IFIN and IL&FS Transportation Networks Limited ('ITNL' a fellow subsidiary). While the Company, based on its current understanding, believes that the above would not have a material impact on the financial results, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage
- (28) The Company has no revenue from operations during the year. Management expects that its future income from liquid assets held by the Company as at March 31, 2020 will be sufficient to meet the Company's existing and future obligations over the next 12 months. Management believes that, subject to receipt of necessary Board approvals, the Company has adequate funds to commit seed capital for new fund raise as part of its efforts to increase revenues. Further, NCLAT vide its order dated February 11, 2019 has also classified the Company under the "Green Category" based on a 12 month cash flow solvency test, which enables the Company to continue to meet all its payment obligation (both financial and operational) as and when they become due

Meanwhile, the IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Company. The resolution plan, inter alia, involves sale of assets/businesses/companies owned by IL&FS. And in this regard, the IL&FS Board has on December 21, 2018 and September 27, 2019 invited a public Expression of Interest (EoI) for sale of its entire stake in the IL&FS Investment Managers Limited (IIML), the holding Company. Accordingly, the Company's plans for new fund raise have been kept on hold pending completion of the stake sale. Further, with the outbreak of the pandemic the timelines for the sale process have got delayed and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of these financial results is appropriate



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- (29) The Company has considered the possible effects that may arise as a result of the COVID-19 pandemic on its financial statements and business as a whole. The Company has evaluated the impact of the COVID-19 pandemic on its business operations and financial position based on current indicators of future economic conditions and forecasts. The extent to which the COVID-19 pandemic will impact the Company's future results will depend on any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact which is highly uncertain. The Company is a zero debt Company and also has sufficient cash reserves to tide over this global crisis. There is no impact of COVID-19 on the financial results for the year ended March 31, 2020
- (30) Figures for the previous year have been regrouped / reclassified wherever considered necessary to confirm to the current year classification / disclosure

In terms of our report attached

**For Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number : 105146W/W-100621



**Hasmukh Dedhia**

Partner

Membership No. 033494



Place : Mumbai  
Date : July 9, 2020

**For and on behalf of the Board**

**Manoj Borkar**  
DIN: 00060698



**Sanjay Mitra**  
DIN: 00030836



Place : Mumbai  
Date : July 9, 2020