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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IL&FS INFRA ASSET MANAGEMENT LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **IL&FS INFRA ASSET MANAGEMENT LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act"), with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

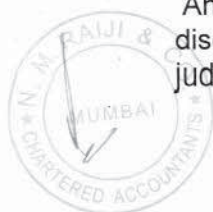
Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, dealt with by this Report, are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements, as regards its holding and dealings in Specified Bank Notes, as defined in the Notification S.O. 3407(E) dated the 8th November, 2016, of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government, in terms of Section 143(11) of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



(Vinay D. Balse)
Partner
Membership No. 39434



Place: Mumbai

Date: April 24, 2017

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

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

We have audited the internal financial controls over financial reporting of **IL&FS INFRA ASSET MANAGEMENT LIMITED** (the "Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. A company's internal financial control over financial



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


Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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


(Vinay D. Balse)
Partner
Membership No. 39434



Place: Mumbai

Date: April 24, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT


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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, according to accounting practice of the Company, fixed assets are physically verified by the Management at reasonable intervals which, in our opinion, is reasonable, considering the size and nature of business. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of Paragraph 3 the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Accordingly, sub-clauses (a), (b) & (c) of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees. Hence clause (iv) of Paragraph 3 the Order is not applicable to the Company.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, clause (v) of Paragraph 3 the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of Paragraph 3 the Order is not applicable to the Company.
- (vii) Based on our examination of books of accounts and according to the information and explanations given to us:
 - (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues, applicable to it, to the appropriate authorities. There were no undisputed amounts payable in respect of the above statutory dues in arrears as at March 31, 2017, for a period of more than six months from the date they became payable.
 - (b) There are no dues of Income-tax and Service Tax, and Cess which have not been deposited with appropriate authorities on account of disputes.
- (viii) The Company has not raised any monies from Financial Institutions, Banks and Government and does not have any outstanding debentures. Hence, clause (viii) of Paragraph 3 the Order is not applicable to the Company.



- (ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans. Hence, clause (ix) of Paragraph 3 the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company does not have any Managing Director and hence reporting under clause (xi) of Paragraph 3 the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Hence, clause (xii) of Paragraph 3 the Order is not applicable to the Company.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, clause (xiv) of Paragraph 3 the Order is not applicable to the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) To the best of our knowledge and belief, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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


Vinay D. Balse
Partner
Membership No. 39434



Place: Mumbai

Date: April 24, 2017

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN U65191MH2013PLC239438
BALANCE SHEET

| Particulars | Notes | Amount ₹ | | | |
|--------------------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2016 |
| EQUITY AND LIABILITIES | | | | | |
| SHAREHOLDERS' FUNDS | | | | | |
| Share Capital | 3 | 193,980,000 | | 193,980,000 | |
| Reserves and Surplus | 4 | 96,262,667 | 290,242,667 | 30,032,117 | 224,012,117 |
| NON CURRENT LIABILITIES | | | | | |
| Long-term Provisions | 5 | 2,344,227 | 2,344,227 | 1,929,250 | 1,929,250 |
| CURRENT LIABILITIES | | | | | |
| Trade Payables | 6 | 5,415,699 | | 2,486,322 | |
| Other Current Liabilities | 7 | 1,600,524 | | 1,493,455 | |
| Short-term Provisions | 8 | 2,186,772 | 9,202,995 | 1,706,961 | 5,686,738 |
| TOTAL | | | 301,789,889 | | 231,628,105 |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Fixed Assets | 9 | | | | |
| Tangible Assets | | 2,143,610 | | 2,764,552 | |
| Intangible Assets | | 56,398 | | 172,991 | |
| Deferred Tax Assets | 10 | 1,110,889 | | 1,334,400 | |
| Long-Term Loans and Advances | 11 | 31,915,107 | 35,226,004 | 43,307,820 | 47,579,763 |
| CURRENT ASSETS | | | | | |
| Trade Receivables | 12 | 16,018,932 | | 14,600,022 | |
| Cash and Cash Equivalents | 13 | 238,940,073 | | 155,329,823 | |
| Short-Term Loans and Advances | 14 | 5,701,598 | | 10,902,002 | |
| Other Current Assets | 15 | 5,903,282 | 266,563,885 | 3,216,495 | 184,048,342 |
| TOTAL | | | 301,789,889 | | 231,628,105 |

Notes 1 to 26 annexed hereto forms integrated part of Financial Statements

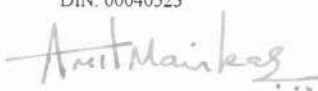
As per our report of even date attached
For N M RAJI & Co.
Chartered Accountants
Firm Registration No. 108296W


Vinay D Balse
Partner
Membership No 39434
Mumbai, April 24, 2017








For and on Behalf of the Board


Ramesh C Bawa
Chairman & Director
DIN: 00040523


Milind Patel
Director
DIN: 00058358


Amit Mainkar
Chief Financial Officer


Dinesh Ladwa
Company Secretary

| IL&FS INFRA ASSET MANAGEMENT LIMITED CIN U65191MH2013PLC239438 STATEMENT OF PROFIT AND LOSS | | | |
|---|---|--|---|
| Particulars | Notes | Amount ₹ | |
| | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| REVENUE | | | |
| Revenue from Operations | 16 | 171,796,223 | 136,126,618 |
| Other Income | 17 | 15,690,630 | 11,009,615 |
| TOTAL | | 187,486,853 | 147,136,233 |
| EXPENSES | | | |
| Employees Benefit Expenses | 18 | 47,302,120 | 40,040,194 |
| Operating Expenses | 19 | 37,496,867 | 38,579,334 |
| Depreciation and Amortization | 9 | 893,615 | 1,008,513 |
| TOTAL | | 85,692,602 | 79,628,041 |
| PROFIT BEFORE TAX | | 101,794,251 | 67,508,192 |
| TAX EXPENSES | | | |
| Current Tax | | 31,910,553 | 13,764,144 |
| Mat Credit | | 3,429,637 | (1,208,079) |
| Deferred Tax | | 223,511 | 9,794,766 |
| | | 35,563,701 | 22,350,831 |
| PROFIT FOR THE YEAR | | 66,230,550 | 45,157,361 |
| EARNINGS PER SHARE (Face Value ₹ 10 per share) | | | |
| Basic and Diluted | 20 | 3.41 | 2.33 |
| Notes 1 to 26 annexed hereto forms integrated part of Financial Statements | | | |
| As per our report of even date attached For N M RAIJI & Co. Chartered Accountants Firm Registration No. 108296W | | For and on Behalf of the Board | |
|  Vinay D Balse Partner Membership No 39434 Mumbai, April 24, 2017 |  |  Ramesh C Bawa Chairman & Director DIN: 00040523 |  Milind Patel Director DIN: 00058358 |
| | |  Amit Mainkar Chief Financial Officer |  Dinesh Ladwa Company Secretary |

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

| | | Amount ₹ | |
|--|--------------|--------------------------------------|--------------------------------------|
| Particulars | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit for the period | | 101,794,251 | 67,508,192 |
| <u>Adjustments for:</u> | | | |
| Depreciation | | 893,615 | 1,008,513 |
| Interest Income | | (14,772,891) | (10,844,482) |
| Profit from Sale of Fixed Assets | | (27,218) | (12,329) |
| Operating Profit before Working Capital Changes | | 87,887,757 | 57,659,894 |
| <u>Adjustments for changes in:</u> | | | |
| (Increase) / Decrease in Trade Receivables | | (1,418,910) | 2,402,254 |
| Increase / (Decrease) in Trade Payables | | 2,929,377 | (41,822,550) |
| Decrease / (Increase) in Other Current and Non-Current Assets | | 9,174,181 | (1,221,137) |
| Increase / (Decrease) in Long Term and Other Current Liabilities | | 107,069 | (58,475) |
| Increase / (Decrease) in Long Term and Short Term Provisions | | 894,788 | (431,722) |
| | | 99,574,262 | 16,528,264 |
| Advance payment of Tax (net of refund) | | (27,921,254) | (12,353,667) |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | A | 71,653,008 | 4,174,597 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | | (156,080) | (3,129,695) |
| Proceeds from Sale of Fixed Assets | | 27,218 | 12,329 |
| Interest Income received | | 12,086,104 | 11,667,823 |
| Fixed Deposits placed during the year | | (235,053,845) | (150,000,000) |
| Fixed Deposits matured during the year | | 150,000,000 | 95,000,000 |
| NET CASH USED IN INVESTING ACTIVITIES | B | (73,096,603) | (46,449,543) |
| (C) NET DECREASE IN CASH AND CASH EQUIVALENT | (A+B) | (1,443,595) | (42,274,946) |
| Cash and Cash Equivalent at the beginning of the year | | 5,329,823 | 47,604,769 |
| Cash and Cash Equivalent at the end of the year | | 3,886,228 | 5,329,823 |
| (Refer Note 13) | | | |

Notes 1 to 26 annexed hereto forms integrated part of Financial Statements

As per our report of even date attached

For N M RAIJI & Co.

Chartered Accountants

Firm Registration No. 108296W


Vinay D Balse

Partner

Membership No 39434

Mumbai, April 24, 2017



For and on Behalf of the Board


Ramesh C Bawa
Chairman & Director
DIN: 00040523


Milind Patel
Director
DIN: 00058358


Amit Mainkar
Chief Financial Officer


Dinesh Ladwa
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(1) BACKGROUND

IL&FS Infra Asset Management Limited (the "Company") was incorporated on January 8, 2013, as a direct subsidiary of IL&FS Financial Services Limited (IFIN), which held 86.60% of the paid-up capital of the Company. With effect from January 1, 2017, the Company has become subsidiary of IL&FS Investment Managers Limited (IIML), pursuant to the transfer of IFIN's shareholding in the Company to IIML. The Company is registered as an investment manager with the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. The principal business of the Company is to provide management advisory and administrative services to IL&FS Mutual Fund (IDF) (the "Fund") in accordance with the Investment Management Agreement between IL&FS AMC Trustee Limited and the Company, dated January 21, 2013 and amended on September 5, 2013 and amended on January 16, 2017.

(2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation of Financial Statements

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

(b) Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP, requires the Management to make certain estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities), as on the date of the Financial Statements and the reported Income and Expenses during the reporting period. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any changes in such estimates are recognized prospectively.

(c) Property, Plant and Equipment, Intangible Assets and Depreciation/Amortisation

- (i) Fixed Assets, including intangible assets, have been capitalised at the cost of acquisition and other incidental expenses
- (ii) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any




- (iii) Fixed Assets are depreciated on the Straight Line Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013, except in the case of the following assets, which are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013, based on the Management's estimate of useful life based on their usage:

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

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

(d) **Impairment of Assets**

The carrying values of assets of the cash-generating unit, at each balance sheet date, are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized if the carrying value of those assets is higher than the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to its present value by using a discount factor

(e) **Foreign Currency Transactions**

(i) **Initial Recognition**

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

(ii) **Measurement as at the balance sheet date**

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

(iii) **Treatment of exchange differences**

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




(f) **Revenue Recognition**

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

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

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

(g) **Employee benefits**

- (i) The Provident Fund and National Pension Schemes are considered as defined contribution plans and the Company's contribution to these schemes are charged as an expense in the Statement of Profit and Loss
- (ii) The Company has taken a Group Gratuity cum Life Assurance Scheme with HDFC Standard Life Insurance Company Limited for gratuity payable to the employees. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged as an expense in the Statement of Profit and Loss
- (iii) The leave balance is classified as short term and long term based on the leave policy. The compensated absence liability for the expected leave to be encashed has been measured on actual components eligible for leave encashment and expected leave to be availed is valued based on the total cost to the Company. The short term and long term leave have been valued on actuarial basis as per the projected unit credit method as at the reporting date

(h) **Taxation**

Tax expense comprises of current tax and net changes in deferred tax asset or liability during the year. Current tax is the amount of tax payable on taxable income for the year, as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961, and other applicable tax laws

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses, only to the extent that reasonable certainty exists that sufficient future taxable income will be available




against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability

(i) **Provisions, Contingent Liabilities and Contingent Assets**

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

(j) **Cash Flow Statement**

- (i) Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

(k) **Earnings Per Share**

In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date



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(l) **Preliminary expenses**

Preliminary expenses are written off in the year in which they are incurred.

(m) **Fund Expenses**

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

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

(n) **Distribution Commission**

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

(o) **Service Tax Input Credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing the credits

(3) SHARE CAPITAL

- (a) The details of the Authorised, Issued, Subscribed and Paid up Share Capital are as below:

| Particulars | (Amount ₹) | |
|---|----------------------|----------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Authorised | | |
| 25,000,000 equity shares of ₹ 10 per share | 250,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up | | |
| 19,398,000 (Previous Year-19,398,000) equity shares of ₹ 10 per share fully paid-up | 193,980,000 | 193,980,000 |

- (b) The Company has one class of equity shares, having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The shareholders are entitled to dividend declared on a proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding




(c) Details of equity shares held by each shareholder holding more than 5% shares:

| Name of the Shareholder | As at March 31, 2017 | | As at March 31, 2016 | |
|-------------------------------------|-----------------------|---------------|-----------------------|---------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| IL&FS Investment Managers Limited | 16,800,000 | 86.61% | - | - |
| IL&FS Financial Services Limited | - | - | 16,800,000 | 86.61% |
| Life Insurance Corporation of India | 1,500,000 | 7.72% | 1,500,000 | 7.72% |
| Total | 18,300,000 | 94.33% | 18,300,000 | 94.33% |

(4) RESERVES AND SURPLUS

The movement in Statement of Profit and Loss is as follows:

(Amount ₹)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------------------|----------------------|----------------------|
| Balance at the beginning of the year | 30,032,117 | (15,125,244) |
| Profit for the year | 66,230,550 | 45,157,361 |
| Total | 96,262,667 | 30,032,117 |

(5) LONG TERM PROVISIONS

(Amount ₹)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-----------------------|----------------------|----------------------|
| For Employee Benefits | 2,344,227 | 1,929,250 |
| Total | 2,344,227 | 1,929,250 |

(6) TRADE PAYABLES

(Amount ₹)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|----------------|----------------------|----------------------|
| Trade Payables | 5,415,699 | 2,486,322 |
| Total | 5,415,699 | 2,486,322 |

According to the records available with the Company, there were no dues to Micro Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end, together with the interest paid / payable as required under the said Act have not been given.



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(7) OTHER CURRENT LIABILITIES

(Amount ₹)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|----------------|----------------------------|----------------------------|
| Statutory Dues | 1,053,524 | 926,529 |
| Other payables | 547,000 | 566,926 |
| Total | 1,600,524 | 1,493,455 |

(8) SHORT TERM PROVISIONS

(Amount ₹)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|-----------------------|----------------------------|----------------------------|
| For Employee Benefits | 2,186,772 | 1,706,961 |
| Total | 2,186,772 | 1,706,961 |

(a) Disclosure as required under AS- 15 – “Employee Benefits”:

- (i) The Company has recognized ₹ 1,534,151/- (previous year -₹1,329,375/-) in the Statement of Profit and Loss, towards defined contribution plans in respect of the Company’s contribution to provident fund
- (ii) The actuarial valuation of the present value of defined benefit obligations was carried out at March 31, 2017. The present value of defined benefit obligations and related service cost were measured using the projected unit credit method

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

| I. Assumption | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|-------------------|---|---|
| Discount Rate | 7.29% | 8.04% |
| Salary Escalation | 8.50% | 8.50% |

(Amount ₹)

| Reconciliation of Defined Benefit obligation | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|---|---|
| Opening Defined Benefit obligation | 2,820,902 | 2,533,550 |
| Interest Cost | 226,801 | 202,684 |
| Current Service Cost | 479,992 | 560,382 |
| Benefits paid | - | (440,271) |
| Actuarial (gain) / loss on obligations | 649,773 | (35,443) |
| Liability transferred in / out | 425,168 | - |
| Closing Defined Benefit obligation | 4,602,636 | 2,820,902 |




| (Amount ₹) | | |
|---|-----------------------------------|-----------------------------------|
| Recognition of Actuarial Gains/Losses | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Actuarial gain/(loss) on obligation for the year | (649,773) | 35,443 |
| Actuarial gain/(loss) on Plan asset for the year | 61,401 | 62,147 |
| Actuarial gain/(loss) recognized in Statement of Profit and Loss | 588,372 | 97,590 |

| (Amount ₹) | | |
|---|-----------------------------------|-----------------------------------|
| Table of Fair Value of Plan Assets | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Fair value of plan assets at the start of the year | 2,273,159 | 1,376,929 |
| Expected return on plan assets | | |
| Contributions | 182,762 | 110,154 |
| Benefit paid | 1,090,595 | 1,156,621 |
| Actuarial gains on plan assets | - | (432,692) |
| | 61,401 | 62,147 |
| Fair value of plan assets at the end of the year | 3,607,917 | 2,273,159 |

| (Amount ₹) | | |
|--|----------------------|----------------------|
| Amount Recognized in the Balance Sheet | As at March 31, 2017 | As at March 31, 2016 |
| Present value of benefit/obligations as at the end of the year | 4,602,636 | 2,820,902 |
| Fair value of plan assets at the end of the year | 3,607,917 | 2,273,159 |
| Shortfall | 994,719 | 544,743 |
| Amount Recognized in Balance Sheet* | 944,719 | 544,743 |

| (Amount ₹) | | |
|---|-----------------------------------|-----------------------------------|
| Expenses Recognized in the Statement of Profit and Loss | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Current Service Cost | 479,992 | 560,382 |
| Net Interest Cost | 44,039 | 92,530 |
| Actuarial (gain) / loss | 588,372 | (97,590) |
| Expense Recognized in the Statement of Profit and Loss | 1,112,403 | 555,322 |




(9) FIXED ASSETS

Current Year:

| Particulars | Gross Block(at Cost) | | | | Accumulated Depreciation | | | | (Amount ₹) | |
|----------------------------|----------------------|------------------|---------------|---------------------|--------------------------|------------------|---------------|---------------------|---------------------|---------------------|
| | As at April, 2016 | Additions | Deletions | As at March31, 2017 | As at March31, 2016 | For the year | Deletions | As at March31, 2017 | As at March31, 2017 | As at March31, 2016 |
| TANGIBLEASSETS | | | | | | | | | | |
| Data Processing Equipments | 2,084,875 | 59,080 | 48,000 | 2,095,955 | 1,496,683 | 257,605 | 48,000 | 1,706,288 | 398,667 | 588,192 |
| Office Equipments | 364,407 | 97,000 | 34,749 | 426,658 | 289,372 | 118,899 | 34,749 | 373,522 | 53,136 | 75,035 |
| Furniture and Fixtures | 1,289,608 | - | - | 1,289,608 | 156,277 | 120,621 | - | 276,898 | 1,012,710 | 1,133,331 |
| Electronic Installations | 406,439 | - | - | 406,439 | 24,234 | 40,566 | - | 64,800 | 341,639 | 382,205 |
| Lease Improvement | 718,650 | - | - | 718,650 | 132,861 | 239,331 | - | 372,192 | 346,458 | 585,789 |
| Total (A) | 4,863,979 | 156,080 | 82,749 | 4,937,310 | 2,099,427 | 777,022 | 82,749 | 2,793,700 | 2,143,610 | 2,764,552 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Licenced Software | 451,460 | - | - | 451,460 | 278,469 | 116,593 | - | 395,062 | 56,398 | 172,991 |
| Total (B) | 451,460 | - | - | 451,460 | 278,469 | 116,593 | - | 395,062 | 56,398 | 172,991 |
| Total (A+B) | 5,315,439 | 156,080 | 82,749 | 5,388,770 | 2,377,896 | 893,615 | 82,749 | 3,188,762 | 2,200,008 | 2,937,543 |
| As at March31, 2015 | 2,200,744 | 3,129,695 | 15,000 | 5,315,439 | 1,384,383 | 1,008,513 | 15,000 | 2,377,896 | 2,937,543 | |

A₁₄

Previous Year:

(Amount ₹)

| Particulars | Gross Block(at Cost) | | | Accumulated Depreciation | | | | Net Block | |
|----------------------------|----------------------|-----------|-----------|--------------------------|---------------------|--------------|-----------|---------------------|---------------------|
| | As at April1, 2015 | Additions | Deletions | As at March31, 2016 | As at March31, 2015 | For the year | Deletions | As at March31, 2016 | As at March31, 2015 |
| TANGIBLEASSETS | | | | | | | | | |
| Data Processing Equipments | 1,487,529 | 597,346 | - | 2,084,875 | 1,010,670 | 486,013 | - | 1,496,683 | 476,859 |
| Office Equipments | 242,624 | 136,783 | 15,000 | 364,407 | 206,049 | 98,323 | 15,000 | 289,372 | 36,575 |
| Furniture and Fixtures | 19,131 | 1,270,477 | - | 1,289,608 | 8,152 | 148,125 | - | 156,277 | 10,979 |
| Electronic Installations | - | 406,439 | - | 406,439 | - | 24,234 | - | 24,234 | - |
| Lease Improvement | - | 718,650 | - | 718,650 | - | 132,861 | - | 132,861 | - |
| Total (A) | 1,749,284 | 3,129,695 | 15,000 | 4,863,979 | 1,224,871 | 889,556 | 15,000 | 2,099,427 | 524,413 |
| INTANGIBLE ASSETS | | | | | | | | | |
| Licenced Software | 451,460 | - | - | 451,460 | 159,512 | 118,957 | - | 278,469 | 291,948 |
| Total (B) | 451,460 | - | - | 451,460 | 159,512 | 118,957 | - | 278,469 | 291,948 |
| Total (A+B) | 2,200,744 | 3,129,695 | 15,000 | 5,315,439 | 1,384,383 | 1,008,513 | 15,000 | 2,377,896 | 816,361 |
| As at March31, 2015 | 1,519,097 | 682,630 | 983 | 2,200,744 | 692,906 | 692,460 | 983 | 1,384,383 | 816,361 |



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(10) CURRENT AND DEFERRED TAX

Details of major components of deferred tax assets arising on account of timing differences as on March 31, 2017 are as below:-

(Amount ₹)

| Particulars | As at March 31, 2016 | Adjusted during the year | As at March 31, 2017 |
|--|----------------------------|--------------------------------|----------------------------|
| Deferred Tax Assets | | | |
| Difference between book and tax depreciation | 4,915 | 80,634 | 85,549 |
| Others (43B payments and preliminary expenses) | 1,329,485 | (304,145) | 1,025,340 |
| Total | 1,334,400 | (223,511) | 1,110,889 |

Details of major components of deferred tax assets arising on account of timing differences as on March 31, 2016 are as below:-

(Amount ₹)

| Particulars | As at March 31, 2015 | Adjusted during the year | As at March 31, 2016 |
|--|----------------------------|--------------------------------|----------------------------|
| Deferred Tax Assets | | | |
| Difference between book and tax depreciation | 15,251 | (10,336) | 4,915 |
| Carry forward losses | 9,543,842 | (9,543,842) | - |
| Others (43B payments and preliminary expenses) | 1,570,073 | (240,588) | 1,329,485 |
| Total | 11,129,166 | (9,794,766) | 1,334,400 |

(11) LONG-TERM LOANS AND ADVANCES

(Amount ₹)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------------|----------------------------|
| Unsecured, considered good | | |
| Advance Payment of Tax (net of provision) | 2,416,467 | 6,405,766 |
| MAT Credit Entitlement | - | 3,429,637 |
| Security Deposit | 4,330 | 5,500 |
| Prepaid Expense | 8,416 | 10,916 |
| Amortizable Assets (refer note below) | 29,485,894 | 33,456,001 |
| Total | 31,915,107 | 43,307,820 |

Other Assets includes distribution commission payable on closed ended schemes which are expensed out over the tenure of the schemes from the month in which units are allotted. The unamortized portion to be expensed out in the next year has been disclosed under short-term loans and advances



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(12) TRADE RECEIVABLE

| Particulars | (Amount ₹) | |
|---|----------------------------|----------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Unsecured, Considered good Outstanding for less than 6 months | 16,018,932 | 14,600,022 |
| Total | 16,018,932 | 14,600,022 |

(13) CASH AND CASH EQUIVALENTS

| Particulars | (Amount ₹) | |
|--|----------------------------|----------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| <u>Balance with Banks</u> Balance with Banks in Current Accounts | 3,886,228 | 5,329,823 |
| <u>Other Bank Balance</u> Term Deposits -with original maturity more than 3 months | 235,053,845 | 150,000,000 |
| Total | 238,940,073 | 155,329,823 |

(14) SHORT-TERM LOANS AND ADVANCES

| Particulars | (Amount ₹) | |
|---|-----------------------------------|-------------------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| <u>Unsecured Advances, considered good</u> -CENVAT Input Credits -Prepaid Expenses -Amortizable Assets (Refer Note 11) | 194,820 1,536,171 3,970,107 | 4,513,404 2,401,077 3,970,107 |
| <u>Other Advances</u> -With Related Party -With Others | - 500 | 7,205 10,209 |
| Total | 5,701,598 | 10,902,002 |

(15) OTHER CURRENT ASSETS

| Particulars | (Amount ₹) | |
|---|----------------------------|----------------------------|
| | As at March 31, 2017 | As at March 31, 2016 |
| Income Accrued but not due on Fixed Deposit | 5,903,282 | 3,216,495 |
| Total | 5,903,282 | 3,216,495 |




(16) REVENUE FROM OPERATIONS

| Particulars | (Amount ₹) | |
|------------------------------------|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Investment Management Fees – Gross | 197,427,087 | 155,120,502 |
| Less: Service Tax | 25,630,864 | 18,993,884 |
| Total | 171,796,223 | 136,126,618 |

(17) OTHER INCOME

| Particulars | (Amount ₹) | |
|-----------------------------------|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Interest Income on Fixed Deposits | 14,772,891 | 10,844,482 |
| Interest on Income Tax Refund | 345,185 | 152,804 |
| Profit on sale of Fixed Assets | 27,218 | 12,329 |
| Miscellaneous Income | 545,336 | - |
| Total | 15,690,630 | 11,009,615 |

(18) EMPLOYEES BENEFIT EXPENSE

| Particulars | (Amount ₹) | |
|---|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Salaries and Allowances | 43,657,008 | 37,185,508 |
| Contribution to Provident and Other Funds | 2,717,437 | 2,005,146 |
| Staff Training and Welfare Expenses | 927,675 | 849,540 |
| Total | 47,302,120 | 40,040,194 |



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(19) OPERATING AND ADMINISTRATIVE EXPENSES

| Particulars | (Amount ₹) | |
|--------------------------------|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
| Rent | 4,862,944 | 5,080,971 |
| Electricity Charges | 103,999 | 210,952 |
| Rates & Taxes | 385,938 | 1,411,487 |
| Travelling & Conveyance | 3,215,331 | 2,853,385 |
| Legal & Professional Charges | 13,353,975 | 14,122,902 |
| Scheme Administration Expenses | 297,914 | 1,811,238 |
| Repairs & Maintenance | 2,592,083 | 2,594,485 |
| Insurance Expenses | 1,072,466 | 906,452 |
| Software Support Charges | 1,599,817 | 1,398,950 |
| Brand Subscription Charges | 1,471,364 | 1,072,965 |
| Service Charges | 753,052 | 727,149 |
| Directors Sitting Fees | 1,445,000 | 1,250,000 |
| Communication Expenses | 445,572 | 413,302 |
| Printing and Stationery | 181,355 | 370,752 |
| Auditors' Remuneration | 380,378 | 331,678 |
| Distribution Commission | 3,970,105 | 2,573,892 |
| Business Promotion | 797,534 | 1,225,789 |
| Miscellaneous Expenses | 268,040 | 222,985 |
| CSR Contribution | 300,000 | - |
| Total | 37,496,867 | 38,579,334 |

(20) EARNINGS PER SHARE (EPS)

In accordance with the Accounting Standard 20 on 'Earning per Share', the Basic Earnings per Share and Diluted Earnings per Share have been computed by dividing the profit for the year by the weighted average number of equity shares as under:

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|-----------------------------------|-----------------------------------|
| Profit attributable for Equity Shareholders (₹) | 66,230,550 | 45,157,361 |
| Weighted Average Number of Equity Shares in calculating Basic EPS | 193,980,000 | 193,980,000 |
| Weighted Average Number of Equity Shares in calculating Diluted EPS | 193,980,000 | 193,980,000 |
| Nominal Value per share (₹) | 10 | 10 |
| Basic and Diluted Earnings per share (₹) | 3.41 | 2.33 |




(21) Disclosure as required by the AS 18 on “Related Party Disclosures” are made below:

- a) Name of the Related Parties (with whom transactions entered into during the year) and Description of Relationship:

| Sr No | Ultimate Holding Company |
|-------|--|
| 1 | Infrastructure Leasing and Financial Services Limited (IL&FS) |
| Sr No | Holding Company |
| 1 | IL&FS Financial Services Limited (till December 31, 2016) (IFIN) |
| 2 | IL&FS Investment Managers Limited (From January 1, 2017) |
| Sr No | Fellow Subsidiaries |
| 1 | IL&FS Financial Services Limited (from January 1, 2017) (IFIN) |
| 2 | IL&FS Securities Services Limited (ISSL) |
| 3 | Livia India Limited (LIVIA) |
| 4 | ISSL CPG BPO Private Limited (ISSL SPG) |
| 5 | IL&FS Academy of Applied Development (IAAD) |
| 6 | IL&FS Urban Infrastructure Manager Limited (IUIML) |
| 7 | IL&FS Transportation Networks Limited (ITNL) |
| Sr No | Mutual Fund managed by the Company |
| 1 | IL&FS Mutual Fund (IDF) |
| Sr No | Key Managerial Person |
| 1 | Mr Jignesh Shah (CEO) |
| 2 | Mr Manish Chourasia (CEO till July 7, 2015) |
| 3 | Mr Amit Mainkar (Chief Financial Officer) |
| 4 | Mr Dinesh Ladwa (Company Secretary) |
| 5 | Ms Hemanti Wadhwa (Company Secretary) till January 8, 2016 |

- b) The nature and volume of transactions during the year ended March 31, 2017, with the above related parties were as follows:

| (Amount ₹) | | | | | | |
|--|--------------------------|-----------------|---------------------|------------------------------------|-----------------------|---|
| Nature of Transactions | Ultimate Holding Company | Holding Company | Fellow Subsidiaries | Mutual Fund managed by the Company | Key Managerial Person | |
| Investment Management Fees Income | | | | | | |
| IDF | - | - | - | 171,796,223 | - | - |
| Rent Expenses | | | | | | |
| IL&FS | 4,695,967 | - | - | - | - | - |
| IFIN | - | 129,620 | 37,357 | - | - | - |
| Service Charges Expenses | | | | | | |
| IL&FS | 13,000 | - | - | - | - | - |
| IFIN | - | 555,039 | 185,013 | - | - | - |
| Repairs & Maintenance Expenses | | | | | | |
| LIVIA | - | - | 2,420,000 | - | - | - |
| IL&FS | 104,480 | - | - | - | - | - |
| Electricity Charges | | | | | | |
| IL&FS | 4,798 | - | - | - | - | - |
| Brand Subscription Charges Expenses | | | | | | |
| IL&FS | 1,471,364 | - | - | - | - | - |
| Legal & Professional charges Expenses | | | | | | |
| ISSL | - | - | 1,872,000 | - | - | - |
| ISSL CPG | - | - | 11,600 | - | - | - |
| Scheme Administration Expenses | | | | | | |
| IDF | - | - | - | 297,914 | - | - |
| Managerial Remuneration Expenses | | | | | | |
| Mr Jignesh Shah | - | - | - | - | 12,623,094 | |
| Mr Amit Mainkar | - | - | - | - | 5,904,152 | |
| Mr Dinesh Ladwa | - | - | - | - | 1,479,504 | |



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

| (Amount ₹) | | | | | |
|--|--------------------------|-----------------|---------------------|------------------------------------|-----------------------|
| Nature of Transactions | Ultimate Holding Company | Holding Company | Fellow Subsidiaries | Mutual Fund managed by the Company | Key Managerial Person |
| Investment Management Fees Income | | | | | |
| IDF | - | - | - | 136,126,618 | - |
| Rent Expenses | | | | | |
| IL&FS | 3,372,961 | - | - | - | - |
| IFIN | - | 1,708,010 | - | - | - |
| Service Charges Expenses | | | | | |
| IL&FS | 28,500 | - | - | - | - |
| IFIN | - | 691,256 | - | - | - |
| Repairs & Maintenance Expenses | | | | | |
| LIVIA | - | - | 2,200,000 | - | - |
| Brand Subscription Charges Expenses | | | | | |
| IL&FS | 1,072,965 | - | - | - | - |
| Legal & Professional charges Expenses | | | | | |
| ISSL | - | - | 3,718,911 | - | - |
| ITCL | - | - | 110,000 | - | - |
| ISSL CPG | - | - | 11,600 | - | - |
| Staff Training and Welfare Expenses | | | | | |
| IAAD | - | - | 20,000 | - | - |
| Scheme Administration Expenses | | | | | |
| IDF | - | - | - | 1,811,238 | - |
| Managerial Remuneration Expenses | | | | | |
| Mr Manish Chourasia | - | - | - | - | 2,448,082 |
| Mr Jignesh Shah | - | - | - | - | 8,768,687 |
| Mr Amit Mainkar | - | - | - | - | 5,593,767 |
| Mr Dinesh Ladwa | - | - | - | - | 176,496 |
| Ms. Hemanti Wadhwa | - | - | - | - | 3,781,338 |

- d) Statement of significant balances as at March 31, 2017 are as follows:

| (Amount ₹) | | | | |
|--------------------------------------|--------------------------|-----------------|---------------------|------------------------------------|
| Nature of Transactions | Ultimate Holding Company | Holding Company | Fellow Subsidiaries | Mutual Fund managed by the Company |
| Trade Receivables | | | | |
| IDF | - | - | - | 16,005,166 |
| IAAD | - | - | 956 | - |
| IUIML | - | - | 8,047 | - |
| ITNL | - | - | 4,763 | - |
| Short Term Loans and Advances | | | | |
| IL&FS | - | - | - | - |
| Trade Payables | | | | |
| IL&FS | 7,254 | - | - | - |
| IFIN | - | - | 136,276 | - |
| IDF | - | - | - | 297,914 |




e) Statement of significant balances as at March 31, 2016 are as follows:

(Amount ₹)

| Nature of Transactions | Ultimate Holding Company | Holding Company | Fellow Subsidiaries | Mutual Fund managed by the Company |
|--------------------------------------|--------------------------|-----------------|---------------------|------------------------------------|
| Trade Receivables | | | | |
| IDF | - | - | - | 13,667,284 |
| IAAD | - | - | 622 | - |
| IUIML | - | - | 16,061 | - |
| IL&FS | 22,752 | - | - | - |
| Short Term Loans and Advances | | | | |
| IL&FS | 7,205 | - | - | - |
| Trade Payables | | | | |
| IL&FS | 12,384 | - | - | - |
| IFIN | - | 85,149 | - | - |
| ISSL | - | - | 333,891 | - |
| IDF | - | - | - | 1,347,142 |

(22) FOREIGN CURRENCY EXPENDITURE

(Amount ₹)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|------------------------------|-----------------------------------|-----------------------------------|
| Travelling Expenses | 1,469,487 | 348,281 |
| Legal & Professional Charges | 4,023,532 | 3,636,187 |
| Business Promotion | - | 110,768 |
| Total | 5,493,019 | 4,095,236 |

(23) SEGMENT REPORTING

The Company acts as the Asset Manager for the schemes of IL&FS Mutual Fund (IDF). As the Company is engaged in only one business segment and has no geographical segments, the Balance Sheet at March 31, 2017, and the Statement of Profit and Loss for the year ended March 31, 2017 pertain to one business segment

(24) CSR EXPENDITURE:

- Gross amount required to be spent by the Company during the year – ₹ 298,442
- Amount spent during the year on :

| | In cash | Yet to be paid in cash | Total |
|---|---------|------------------------|---------|
| (i) Construction/acquisition of any asset | 300,000 | - | 300,000 |
| (ii) On purposes other than (i) above | - | - | - |

The Company has donated ₹ 300,000 to a NGO, Able Disable All People Together (ADAPT) for a specific project (acquiring a Bus)



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- (25) Pursuant to the notification issued by the Ministry of Corporate Affairs dated March 30, 2017, the disclosure of transaction in Specified Bank notes (SBN) during the period November 8, 2016 to December 30, 2016 are as follows:-

| | SBNs | Other denomination notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hands as on 08.11.2016 | Nil | Nil | Nil |
| (+) Permitted receipts | Nil | Nil | Nil |
| (-) Permitted payments | Nil | Nil | Nil |
| (-) Amount deposited in Banks | Nil | Nil | Nil |
| Closing cash in hands as on 30.12.2016 | Nil | Nil | Nil |

- (26) Previous year figures have been regrouped and / or rearranged wherever necessary, in order to make them comparable with the figures of the current year


As per our report of even date attached

For N M RAIJI & Co.


Chartered Accountants

Firm Registration No. 108296W

For and on behalf of the Board



Vinay D Balse
Partner
Membership No. 39434





Ramesh C Bawa
Chairman & Director
DIN: 00040523


Milind Patel
Director
DIN: 00058358

Mumbai, April 24, 2017


Amit Mainkar
Chief Financial Officer


Dinesh Ladwa
Company Secretary