

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IL&FS BROKING SERVICES PRIVATE LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **IL&FS BROKING SERVICES PRIVATE LIMITED** (formerly known as Avendus Securities Private Limited) ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (h) 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.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Kalpesh J. Mehta**  
Partner

(Membership No: 048791)

MUMBAI, 5<sup>th</sup> May, 2015

**ANNEXURE TO THE AUDITORS' REPORT**

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

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (ii), (vi), (ix) and (xi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies covered in the register maintained under section 189 of the Companies Act. In respect of such loans:
  - (a) The receipts of principal amounts and interest have been as per stipulations.
  - (b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year, within the purview of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015, for a period of more than six months from the date they became payable.

**Deloitte  
Haskins & Sells LLP**

- (c) There are no dues of Income-tax, Service tax, Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of any dispute.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund by the Company with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (ix) 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 has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)




**Kalpesh J. Mehta**  
Partner  
(Membership No: 048791)

MUMBAI, 5<sup>th</sup> May, 2015

**IL&FS BROKING SERVICES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)**  
**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars		Note No.	As at March 31, 2015	As at March 31, 2014
			₹	₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' funds</b>			
	(a) Share capital	2	3021,60,000	3021,60,000
	(b) Reserves and Surplus	3	(908,41,415)	(383,27,198)
			2113,18,585	2638,32,802
(2)	<b>Non-current liabilities</b>			
	(a) Long-term provisions	4	62,85,965	54,46,993
			62,85,965	54,46,993
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	-	568,73,493
	(b) Trade payables	6	72,27,397	571,15,935
	(c) Other current liabilities	7	90,18,418	160,00,153
	(d) Short-term provisions	8	17,38,488	23,74,018
			179,84,303	1323,63,599
	<b>TOTAL</b>		<b>2355,88,853</b>	<b>4016,43,394</b>
<b>B</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Fixed assets	9		
	(i) Tangible assets		9,70,144	21,06,762
	(ii) Intangible assets		2,54,420	4,02,502
			12,24,564	25,09,264
	(b) Deferred tax assets	10	21,35,649	-
	(c) Long-term loans and advances	11	467,28,778	515,65,949
			500,88,991	540,75,213
(2)	<b>Current assets</b>			
	(a) Trade receivables	12	53,83,962	486,96,988
	(b) Cash and cash equivalents	13	1759,86,995	1874,16,756
	(c) Short-term loans and advances	14	15,96,880	1063,26,503
	(d) Other current assets	15	25,32,025	51,27,934
			1854,99,862	3475,68,181
	<b>TOTAL</b>		<b>2355,88,853</b>	<b>4016,43,394</b>
	See accompanying notes to the Financial Statements			

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

  
Kalpesh J. Mehta  
Partner


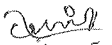
Place : Mumbai  
Date : May 5, 2015



For and on behalf of the Board of Directors

  
Milind Patel  
Chairperson & Director  
DIN: 00058358  
  
Ravi Sherkriya  
Chief Financial Officer

Place : Mumbai  
Date : May 5, 2015


  
Avdhoot Deshpande  
Director  
DIN: 06877216  
  
Amit Bhat  
Company Secretary



**IL&FS BROKING SERVICES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	For the year ended March 31, 2015		For the year ended March 31, 2014	
		₹	₹	₹	₹
I. Revenue from Operations	16		230,52,241		321,59,891
II. Other income	17		186,04,208		282,28,060
III. Total Revenue (I + II)			416,56,449		603,87,951
IV. Expenses:					
(a) Employee benefits expense	18	537,86,929		608,61,609	
(b) Finance costs	19	22,49,213		148,17,810	
(c) Depreciation and amortisation expense	9	13,45,931		11,16,879	
(d) Other expenses	20	384,61,918		485,41,610	
Total expenses			958,43,991		1253,37,908
V. Loss before exceptional item and tax (III- IV)			(541,87,542)		(649,49,957)
VI. Exceptional item	9		(12,64,261)		-
VII. Loss before tax (V-VI)			(529,23,281)		(649,49,957)
VIII Tax expense:					
Deferred tax expense	10		(21,35,649)		21,83,148
IX Loss for the year (VII- VIII)			(507,87,632)		(671,33,105)
X Earnings per Equity Share :-					
Face Value of ₹ 10/- each					
Basic and Diluted	25		(10.16)		(13.43)
See accompanying notes to the Financial Statements					

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

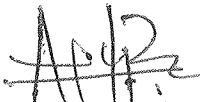

  
Kalpesh J. Mehta  
Partner

Place : Mumbai  
Date : May 5, 2015



For and on behalf of the Board of Directors

  
Milind Patel  
Chairperson & Director  
DIN: 00058358  
  
Ravi Sikariya  
Chief Financial Officer

  
Avdhoot Deshpande  
Director  
DIN: 06877216  
  
Amit Bhat  
Company Secretary

Place : Mumbai  
Date : May 5, 2015



**IL&FS BROKING SERVICES PRIVATE LIMITED**  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Loss before exceptional item and tax		(541,87,542)		(649,49,957)
<b>Add / (Less) : Adjustments for</b>				
Depreciation and amortisation expense	13,45,931		11,16,879	
Finance Cost	22,49,213		148,17,810	
(Profit)/Loss on sale of Fixed Assets	(2,457)		2,74,012	
Fixed Assets written off	-		82,147	
Provision for Employee Benefits (net)	2,03,442		3,29,946	
Interest income on Fixed Deposits	(155,45,167)		(215,90,349)	
Excess Provision for earlier year Written Back	(62,740)		(3,49,283)	
Interest income on Inter Corporate Deposits	(24,21,033)	(142,32,811)	(51,83,356)	(105,02,194)
<b>Operating Loss before Working Capital Changes</b>		(684,20,353)		(754,52,151)
<b>Changes in Working Capital:</b>				
<b>Adjustment for increase/(decrease) in operating assets:</b>				
Trade Receivables	433,13,026		26,45,565	
Short-term Loans and Advances	147,29,623		(1380,53,012)	
Long-term Loans and Advances	67,00,512		(161,35,751)	
	647,43,161		(1515,43,198)	
<b>Adjustment for (increase)/decrease in operating Liabilities:</b>				
Trade Payables	(498,25,798)		(21,366)	
Other Current Liabilities	(69,81,735)		378,55,469	
	(568,07,533)		378,34,103	
Net Changes in Working Capital		79,35,628		(1137,09,095)
		(604,84,725)		(1891,61,246)
Net Income Tax Refund/ (Paid)		(18,63,341)		1,66,956
<b>Net Cash flow used in Operating Activities (A)</b>		(623,48,066)		(1889,94,290)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets including Capital Advances		(5,30,780)		(9,18,778)
Proceeds from Sale of Fixed Assets		9,682		1,92,003
Interest received on Inter Corporate Deposits		61,10,418		14,93,971
Interest received from Fixed Deposits		144,51,691		221,35,025
Proceeds from fixed Deposits		125,00,000		1400,00,000
Inter corporate deposits placed		(500,00,000)		-
Proceeds from Inter corporate deposits		1400,00,000		-
Movement in earmarked balance		(34,12,762)		(61,17,736)
<b>Net Cash flow generated from Investing Activities (B)</b>		1191,28,249		1567,84,485
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Finance Cost		(22,49,213)		(155,02,571)
Issue of Preference Share		-		2521,60,000
Redemption of preference share		-		(521,60,000)
Repayment of Borrowing		-		(750,00,000)
Changes in Bank overdraft		(568,73,493)		(835,38,607)
<b>Net Cash flow from Financing Activities (C)</b>		(591,22,706)		259,58,822
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>		(23,42,523)		(62,50,983)
<b>Cash and cash equivalents at the beginning of the year</b>		37,99,020		100,50,003
<b>Cash and cash equivalents at the end of the year</b>		14,56,497		37,99,020
(Refer Note No. 13)				

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

*Kalpesh J. Mehta*  
Kalpesh J. Mehta  
Partner

Place : Mumbai  
Date : May 5, 2015

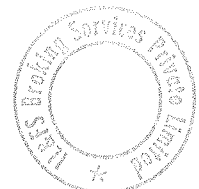


For and on behalf of the Board of Directors

*Milind Patel*  
Milind Patel  
Chairperson & Director  
DIN: 00058358  
*Kavi Sikeriya*  
Kavi Sikeriya  
Chief Financial Officer

*Avdhoot Deshpande*  
Avdhoot Deshpande  
Director  
DIN: 06877216  
*Amit Bhat*  
Amit Bhat  
Company Secretary

Place : Mumbai  
Date : May 5, 2015





IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENT

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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), 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 except for change in the accounting policy for depreciation as more fully described in Note 1.04.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non-current classification of assets and liabilities.

1.02 USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The management believes that the estimates used in preparation of the financial statement are prudent and reasonable. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialize.

1.03 FIXED ASSETS

All Fixed Assets, whether tangible or intangible, are recorded at cost including taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

1.04 DEPRECIATION / AMORTISATION

**Tangible Assets:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Mobile Phones, Tablets and Soft Furnishing-In the year of Capitalisation

Assets costing ₹ 5,000 or less, are fully depreciated in the year of purchase

**Intangible Assets:**

Computer software is amortized over estimated useful life i.e. a period of four years on Straight Line Method.

1.05 IMPAIRMENT OF ASSETS

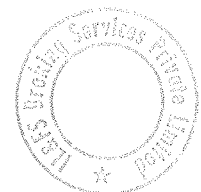
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impaired loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

1.06 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.07 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.08 REVENUE RECOGNITION

Brokerage, net of applicable tax and cess, is recognised as income on the trade date of the transaction.

Revenue comprises of fees received in respect of Consultancy/ management services rendered. Brokerage and Commission fees are recognized as per the terms of arrangements entered into with individual parties.

Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

1.09 OTHER INCOME

Interest income is accounted on accrual basis.

1.10 EMPLOYEE BENEFITS

**Defined contribution plans**

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Defined benefit plans**

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**Compensated Absences**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

1.11 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of the transactions. Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the year-end rates. Any gains or losses on account of exchange difference either on settlement or translation are recognized in Statement of Profit and Loss.

1.12 OPERATING LEASES

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are effectively retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease period.

1.13 Guarantee commission paid for availing bank guarantees is expensed over the period of the guarantee.

1.14 TAXES ON INCOME

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for taxes on income", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

1.15 Cash Flow Statement

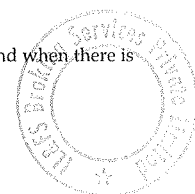
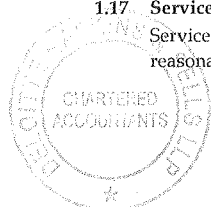
Cash flows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing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

1.16 EPS:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any)

1.17 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 / utilising the credits.



2 SHARE CAPITAL

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
<b>Authorised:</b>				
Equity Shares of ₹ 10/- each	50,00,000	500,00,000	50,00,000	500,00,000
Preference shares of ₹ 100/- each	25,25,000	2525,00,000	25,25,000	2525,00,000
		<b>3025,00,000</b>		<b>3025,00,000</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of ₹ 10/- each fully paid-up	50,00,000	500,00,000	50,00,000	500,00,000
Redeemable Cumulative Preference Shares of ₹ 100/- each fully paid-up Series B	22,52,000	2252,00,000	22,52,000	2252,00,000
Redeemable Cumulative Preference Shares of ₹ 100/- each fully paid-up Series C	2,69,600	269,60,000	2,69,600	269,60,000
<b>Total</b>		<b>3021,60,000</b>		<b>3021,60,000</b>

Notes:

(a) (i) Rights, Preferences and Restrictions attached to equity shares :

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

In terms of the Subscription & Share Purchase Agreement dated June 27, 2013 entered in to between the Company, IL&FS Financial Services Ltd. (IFIN) and Avendus Capital Pvt. Ltd. (Avendus), Avendus has transferred its 76% shareholding to IFIN on September 30, 2013 (closing date). Pursuant to which the Articles of Association of the Company has got amended. As per the amended Articles of Association of the Company, the rights attached to such shares, inter alia, include the following:

A) Avendus Shares

- i) Right to appoint a Director on the Board of Directors on a non-executive basis.
- ii) Right to contribute to the Additional Capital Raised in proportion to the Pre-Capitalisation Economic Interest.
- iii) Restriction on transfer and / or encumber any shares held by Avendus for a period of 3 years from the Closing date.
- iv) In case of sale of shares by IL&FS viz. Parent / Ultimate Parent companies to any outside party, Avendus has Drag Along / Tag Along rights to dispose off its shares.

B) IFIN Shares

- i) Right to appoint three Directors on the Board of Directors.
- ii) During the period commencing on the third anniversary of the closing date and expiring on the fifth anniversary of the closing date, IFIN has a right to call upon Avendus to purchase it's shares at a specific predetermined price.

(ii) Rights, Preferences and Restrictions attached to Preference Shares :

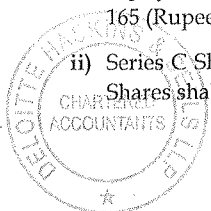
A) Series 'B' Preference Shares

- i) Subject to the provisions of the Companies Act, Series B Shares will be redeemable on and from the date of expiry of 5 (five) years from the Closing Date. The Company shall redeem Series B Shares at par value.
- ii) Series B Shares shall have preference over the Equity Shares in all respects including dividends. The Series B Shares shall be entitled to a cumulative dividend of 0.01% per annum.
- iii) Neither IFIN nor the Company, till expiry of five years from the Closing Date, decrease the tenor of the Series B Shares, increase the redemption premium/ dividend rights of the Series B Shares or convert the Series B shares.

**TERMS OF SERIES 'C' SHARES**

B) Series 'C' Preference Shares

- i) Subject to the provisions of the Companies Act, Series C Shares will be redeemable on and from the date of expiry of 5 (five) years from the Closing Date. The Company shall redeem Series C Shares at a premium of Rs. 165 (Rupees one hundred and sixty five only) per Series C Share.
- ii) Series C Shares shall have preference over the Equity Shares in all respects including dividends. The Series C Shares shall be entitled to a cumulative dividend of 0.01% per annum.



IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) (i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
Shares outstanding at the beginning and end of the year	50,00,000	500,00,000	50,00,000	500,00,000

(ii) Reconciliation of the number of Redeemable Cumulative Preference Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2015			
	Series B		Series C	
	Number	₹	Number	₹
Shares outstanding at the beginning and	22,52,000	2252,00,000	2,69,600	269,60,000
Add:- Issued during the year	-	-	-	-
Outstanding at the end of year	22,52,000	2252,00,000	2,69,600	269,60,000

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

Class of Shares/ Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity Shares:</b>				
IL&FS Financial Services Limited	38,00,000	76%	38,00,000	76%
Avendus Capital Private Limited	12,00,000	24%	12,00,000	24%
<b>Redeemable Cumulative Preference Shares Series B:</b>				
IL&FS Financial Services Limited	22,52,000	100%	22,52,000	100%
<b>Redeemable Cumulative Preference Shares Series C:</b>				
Avendus Capital Private Limited	2,69,600	100%	2,69,600	100%



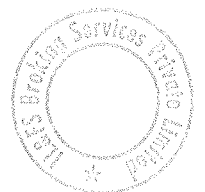
IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
(a) Capital Reserve (Refer Note No 28)		
As per last balance sheet	332,43,931	332,43,931
Less: Transferred to the Statement of Profit and Loss	(332,43,931)	-
Closing Balance	-	332,43,931
(b) Securities Premium Account (Refer Note No 28)		
As per last balance sheet	3010,81,500	3402,01,500
Less: Applied during the year on redemption of Preference Shares	-	(391,20,000)
Less: Transferred to the Statement of Profit and Loss	(3010,81,500)	-
Closing Balance	-	3010,81,500
(c) Deficit in Statement of Profit and Loss (Refer Note No 28)		
Opening Balance	(3726,52,629)	(3055,19,524)
Add:- Transferred from Capital Reserve	332,43,931	-
Add:- Transferred from Securities Premium Account	3010,81,500	-
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 9)	(17,26,585)	-
Add: Loss for the year	(507,87,632)	(671,33,105)
Closing Balance	(908,41,415)	(3726,52,629)
<b>Total</b>	<b>(908,41,415)</b>	<b>(383,27,198)</b>

4 LONG-TERM PROVISIONS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Provision for employee benefits (Refer Note No 26)	62,85,965	54,46,993
<b>Total</b>	<b>62,85,965</b>	<b>54,46,993</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
<b>Secured</b>		
Loans repayable on demand		
Bank Overdraft	-	568,73,493
(Secured against Fixed Deposits placed with the Bank)		
<b>Total</b>	-	568,73,493

6 TRADE PAYABLES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Payables other than to Micro , Small and Medium Enterprises	72,27,397	571,15,935
<b>Total</b>	72,27,397	571,15,935

Based on the information available with the Company, there are no dues to Small and Micro enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

7 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Statutory Liabilities	3,21,078	20,55,153
Security Deposits	86,97,340	139,45,000
<b>Total</b>	90,18,418	160,00,153

8 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Provision for employee benefits (Refer Note No 26)	17,38,488	23,74,018
<b>Total</b>	17,38,488	23,74,018





IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
9 FIXED ASSETS

Particulars	Gross Block (At Cost)			Accumulated Depreciation / Amortisation					Net Block	
	As at April 1, 2014	Additions during the year	Disposal during the year	As at March 31, 2015	Upto March 31, 2014	For the year	Adjustments/transfers in adjustments recorded against surplus balance in statement of profit/loss	Disposal during the year	As at March 31, 2015	As at March 31, 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Tangible Assets										
(i) Office equipment	16,35,000 (21,08,126)	1,78,090 (7,05,178)	10,000 (11,78,304)	18,03,090 (16,35,000)	4,84,099 (10,04,457)	4,37,531 (1,37,566)	2,68,121 -	2,775 (6,57,924)	11,86,976 (4,84,099)	6,16,114 (11,50,901)
(ii) Computers	83,92,801 (88,75,960)	2,95,190 (64,990)	- (5,48,149)	86,87,991 (83,92,801)	74,36,940 (73,52,194)	7,02,818 (6,05,113)	1,94,203 -	- (5,20,367)	83,33,961 (74,36,940)	3,54,030 (9,55,861)
<b>Total</b>	<b>100,27,801</b> <b>(109,84,086)</b>	<b>4,73,280</b> <b>(7,70,168)</b>	<b>10,000</b> <b>(17,26,453)</b>	<b>104,91,081</b> <b>(100,27,801)</b>	<b>79,21,059</b> <b>(83,56,651)</b>	<b>11,40,349</b> <b>(7,42,679)</b>	<b>4,62,324</b> -	<b>2,775</b> <b>(11,78,291)</b>	<b>95,20,957</b> <b>(79,21,039)</b>	<b>9,70,144</b> <b>(21,06,762)</b>
Previous Year										
(b) Intangible Assets										
Software (Acquired)	32,24,691 (30,76,081)	57,500 (1,48,610)	- -	32,82,191 (32,24,691)	28,22,189 (24,47,989)	2,05,582 (3,74,200)	- -	- -	30,27,771 (28,22,189)	2,54,420 (4,02,502)
<b>Total</b>	<b>32,24,691</b> <b>(30,76,081)</b>	<b>57,500</b> <b>(1,48,610)</b>	<b>-</b> <b>-</b>	<b>32,82,191</b> <b>(32,24,691)</b>	<b>28,22,189</b> <b>(24,47,989)</b>	<b>2,05,582</b> <b>(3,74,200)</b>	<b>-</b> -	<b>-</b> <b>-</b>	<b>30,27,771</b> <b>(28,22,189)</b>	<b>2,54,420</b> <b>(4,02,502)</b>
Previous Year										
<b>Total - (a) + (b)</b>	<b>132,52,492</b> <b>(140,60,167)</b>	<b>5,30,780</b> <b>(9,18,778)</b>	<b>10,000</b> <b>(17,26,453)</b>	<b>137,73,272</b> <b>(132,52,492)</b>	<b>107,43,228</b> <b>(108,04,640)</b>	<b>13,45,931</b> <b>(11,16,879)</b>	<b>4,62,324</b> -	<b>2,775</b> <b>(11,78,291)</b>	<b>125,48,708</b> <b>(107,43,228)</b>	<b>12,24,564</b> <b>(25,09,264)</b>
Previous Year Total										

1) Previous year figures are given in brackets.

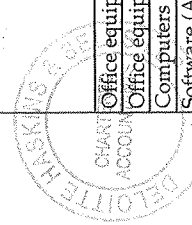
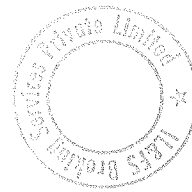
2) During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company changed its method of depreciation for the tangible assets from written down value (WDV) method to straight line method (SLM). Consequently to this change, all assets are now being depreciated under SLM. The Company also revised the estimated useful life of its intangible assets. The details of previously applied depreciation method, rates / useful life are as follows:

Assets	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Office equipment-Mobile Phones	WDV	13.91%	100%
Office equipment-Others	WDV	13.91%	3 years SLM
Computers	WDV	40.00%	3 years SLM
Software (Acquired)	SLM	3 years	4 years SLM

3) Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 1,726,585/- (net of deferred tax of Rs. Nil/-) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

4) The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 1,264,261/- consequent to the above change in the method of depreciation.

5) The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 398,535/- consequent to the change in the useful life of the assets.



IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10 DEFERRED TAX

Components of net deferred tax asset are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
<b>Deferred Tax Liability on account of:</b>		
Difference between book balance and tax balance of fixed assets	(3,43,907)	(16,851)
<b>Deferred Tax Liabilities</b>	<b>(3,43,907)</b>	<b>(16,851)</b>
<b>Deferred Tax Assets on account of:</b>		
Provision for Gratuity	16,56,954	18,27,282
Provision for Compensated Absences	8,22,602	4,17,353
35DD (Demerger Expenses)	-	77,661
<b>Deferred Tax Assets</b>	<b>24,79,556</b>	<b>23,22,296</b>
<b>Net Deferred Tax Assets</b>	<b>21,35,649</b>	<b>-</b>

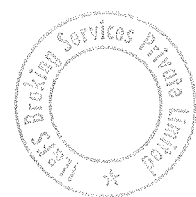
In the previous year, the Company on the basis of prudence has considered deferred tax assets to the extent that there are compensating timing differences, reversal of which will result in sufficient income against which the asset can be utilised

11 LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
<b>Unsecured, Considered good</b>		
(a) Deposits		
- With Stock Exchanges, Clearing house	211,25,000	301,25,000
- Others	14,90,000	14,85,000
(b) Other loans and advances		
- Advance Income Tax	114,87,578	96,24,237
- Service Tax Input Credit	125,34,893	103,31,712
- Prepayments	91,307	-
<b>Total</b>	<b>467,28,778</b>	<b>515,65,949</b>

12 TRADE RECEIVABLES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
<b>Unsecured, Considered Good</b>		
Outstanding for a period not exceeding six months from the date they are due for payment	53,83,962	486,96,988
<b>Total</b>	<b>53,83,962</b>	<b>486,96,988</b>





IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
13 CASH AND CASH EQUIVALENTS

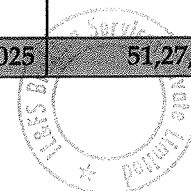
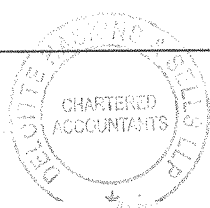
Cash and cash equivalents	As at March 31, 2015	As at March 31, 2014
	₹	₹
Balances with banks		
- In Current accounts	14,56,497	37,99,020
- In earmarked accounts	1745,30,498	1836,17,736
(Balances held as margin money or security against borrowings, guarantees and other commitments with original maturity more than 12 months) (Residual maturity less than 12 months)		
Notes:		
(i) Balances with the bank include deposits amounting to ₹ 75,000,000/- as at March 31, 2015 (Previous Year ₹ 75,000,000/-) placed in favour of NSCCCL A/c IL & FS Securities Services Limited guaranteeing due performance of obligations under Future and Options segment.		
(ii) Balances with the bank include deposits amounting to ₹ 44,500,000/- as at March 31, 2015 (Previous Year ₹ 30,000,000/-) under lien against Bank Guarantee.		
(iii) Balances with the bank include deposits amounting to ₹ 45,500,000/- as at March 31, 2015 (Previous Year ₹ 72,500,000/- ) under lien against Bank Overdraft.		
(iv) Balances with banks - Other earmarked accounts include ₹ 9,530,498/- as at March 31, 2015 (Previous Year ₹ 6,117,736/-) which have restriction on repatriation.		
<b>Total</b>	<b>1759,86,995</b>	<b>1874,16,756</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	14,56,497	37,99,020

14 SHORT-TERM LOAN AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
<b>Others (Unsecured, considered good)</b>		
Inter Corporate Deposit with Related Party (Refer Note No. 23)	-	900,00,000
Other Advances	2,06,229	2,76,332
Prepaid Expenses	13,90,651	21,05,471
Margin Money deposits placed with the exchanges	-	139,44,700
<b>Total</b>	<b>15,96,880</b>	<b>1063,26,503</b>

15 OTHER CURRENT ASSETS

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Interest accrued on deposits with Banks	25,32,025	14,38,549
Interest accrued on Inter Corporate Deposit	-	36,89,385
<b>Total</b>	<b>25,32,025</b>	<b>51,27,934</b>



IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
<b>Sale of Services - Brokerage Income</b>		
(a) Cash Segment	197,47,676	193,49,938
(b) Futures & Options Segment	10,72,844	25,93,868
<b>Other Operating Revenue</b>		
(a) Fees from Advisory Services	22,31,721	101,80,911
(b) Commission & Brokerage	-	35,174
<b>Total</b>	<b>230,52,241</b>	<b>321,59,891</b>

17 OTHER INCOME

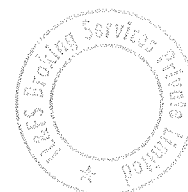
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(a) Interest from		
-Banks on Fixed Deposits	155,45,167	215,90,349
-Inter Corporate Deposit	24,21,033	51,83,356
-Income tax refund	-	3,06,668
(b) Other Non-Operating Income:		
- Excess Provision Written Back	62,740	3,49,283
- Insurance Claim received	-	7,98,404
- Miscellaneous Income	5,75,268	-
<b>Total</b>	<b>186,04,208</b>	<b>282,28,060</b>

18 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(a) Salaries, Allowances and incentives	500,06,400	567,20,340
(b) Contribution to Provident Fund	25,08,974	31,94,196
(c) Staff welfare Expenses	12,71,555	9,47,073
<b>Total</b>	<b>537,86,929</b>	<b>608,61,609</b>

19 FINANCE COST

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
(a) Interest Expense	13,74,343	139,68,733
(b) Other Borrowing Costs - Bank guarantee charges	8,74,870	8,49,077
<b>Total</b>	<b>22,49,213</b>	<b>148,17,810</b>



**H.&FS BROKING SERVICES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**20 OTHER EXPENSES**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Rent	71,37,126	178,25,088
Rates and Taxes	1,36,146	26,64,049
Insurance	6,14,791	6,82,344
Legal and Professional Charges	15,63,251	32,97,626
Payments to Auditors	6,57,342	6,93,392
Electricity Charges	2,37,497	6,25,348
Printing and Stationery	3,86,873	4,14,891
Membership fees and Subscription	84,94,411	81,99,555
Travelling and Conveyance	12,23,015	2,96,404
Telephone, Fax and Postage	11,04,844	14,79,431
Repairs and Maintenance - others	7,46,599	15,08,011
Business Development	96,768	1,27,471
Software Expenses	45,52,313	46,29,804
Service Charges	47,55,098	18,37,333
Loss on sale of Fixed Assets	-	2,74,012
Fixed Assets written off	-	82,147
Miscellaneous expenses	18,02,909	12,50,265
Dealing error / Trading error	32,559	46,698
Referral Fees	49,11,724	25,92,366
Net Loss on foreign currency transaction and translation	8,652	15,375
<b>Total</b>	<b>384,61,918</b>	<b>485,41,610</b>
<b>Note:</b>		
<b>Payments to Auditors (inclusive of service tax):</b>		
As Auditors - Statutory Audit	5,00,000	5,00,000
For tax audit	-	1,00,000
For other services	1,57,342	93,392
<b>Total</b>	<b>6,57,342</b>	<b>6,93,392</b>

**21 COMMITMENTS**

Particulars	As at March 31, 2015	As at March 31, 2014
	₹	₹
Arrears of dividend on Redeemable Cumulative Preference Shares.	37,859	12,643
Premium payable on redemption of Series C Preference shares at any time after the expiry of five years from September 30, 2013	444,84,000	444,84,000

**22 Additional information to the Financial Statements**

**A. Earnings in Foreign Currency (on accrual basis)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Fee for Research Report	-	1,80,911

**B. Expenditure in Foreign Currency (on accrual basis)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Software Maintenance Expenses	16,90,808	13,64,183

IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
23 RELATED PARTY TRANSACTIONS

(a) Names of related parties where there were transactions during the year :

Sr. No.	Name of the related party	Nature of Relationship
1	IL&FS Financial Services Limited	Holding Company (w.e.f. September 30, 2013)
2	Infrastructure Leasing and Financial Services Limited	Ultimate Holding Company (w.e.f. September 30, 2013)
3	IL&FS Trust Company Limited	Fellow Subsidiary (w.e.f. September 30, 2013)
4	IL&FS Capital Advisors Limited	Fellow Subsidiary (w.e.f. September 30, 2013)
5	Avendus Capital Private Limited	Holding Company (till September 29, 2013) and Associate Company (w.e.f. September 30, 2013)
6	Avendus PE Investment Advisors Private Limited	Fellow Subsidiary (till September 29, 2013)
7	Avendus Wealth Management Private Limited	Fellow Subsidiary (till September 29, 2013)
8	Mr. Kaushal Aggarwal	Director - Key Management Personnel (till September 29, 2013)
9	Mr. Girish Nadkarni	Director - Key Management Personnel (till September 29, 2013)
10	Livia India Limited	Fellow Subsidiary (w.e.f. January 30, 2015)

(b) Details of transactions with related party during the year:

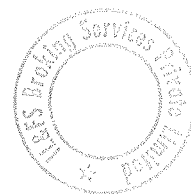
Name of the Party	Nature of Transaction	For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
IL&FS Financial Services Limited	Brokerage Income	25,22,939	18,38,693
	Inter Corporate Deposit (ICD) placed and matured during the year	751,00,972	
	Interest Income on ICD	13,98,155	-
	Rent Expenses	71,37,126	24,21,128
	Service Charges	15,31,136	2,45,217
	Purchase of Fixed Assets	-	6,36,978
Infrastructure Leasing and Financial Services Limited	Issue of Preference shares	-	2252,00,000
	Inter Corporate Deposit matured during the year	900,00,000	125,00,000
	Interest Income on ICD	10,22,877	51,83,356
	Service Charge	3,60,000	90,000
IL&FS Capital Advisors Limited	Advisory Fee	21,60,000	-
IL&FS Trust Company Limited	Service Charge	3,261	1,045
Avendus Capital Private Limited	Advisory Income	-	90,00,000
	Redemption of Preference shares (including	-	521,60,000
	Issue of Preference shares	-	269,60,000
Avendus PE Investment Advisors Private Limited	Brokerage Income	-	1,09,995
Avendus Wealth Management Private Limited	Referral Fees	-	12,54,436
Girish Nadkarni	Brokerage Income	-	4,266
Livia India Limited	Service Charge	21,88,448	-

(c) Details of balance as at March 31, 2015:

Name of the Party	Nature of Transaction	As at March 31, 2015	As at March 31, 2014
		₹	₹
IL&FS Financial Services Limited	Trade payable	901	665,32,026
Infrastructure Leasing and Financial Services Limited	Inter Corporate Deposit	-	900,00,000
	Other Advances	7,211	-
	Interest Accrued on ICD	-	36,89,383
IL&FS Trust Company Limited	Trade payable	-	101
Avendus Capital Private Limited	Trade payable	-	2,10,194

Note:

1. There are no amounts written off or written back during the year for debts due from or to related parties
2. Above items do not include reimbursement of expenses



**IL&FS BROKING SERVICES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

24 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as given below :

Amount payable in foreign currency on account of the following:

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	₹	Foreign currency	₹	Foreign currency
Creditors for Software related expenses	-	-	2,26,327	SGD 4,639

**25 EARNINGS PER SHARE**

Basic and diluted earnings per share is calculated by dividing the net loss for the year attributable to equity shareholders (net loss for the year less dividends on preference shares and dividend tax thereon) by the weighted average number of equity shares outstanding during the year.

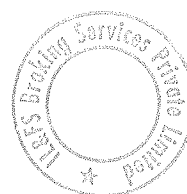
The calculation of basic and diluted earnings per share is based on the earnings and numbers of shares as computed below:

(i) Reconciliation of earnings

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Loss for the year	(507,87,632)	(671,33,105)
Less: Dividend including Dividend Distribution Tax on Redeemable Cumulative Preference Shares	25,216	12,643
<b>Net Loss attributable to equity shareholders</b>	<b>(508,12,848)</b>	<b>(671,45,748)</b>

(ii) Basic & Diluted earnings per share

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Loss for the year attributable to equity shareholders (₹)	(508,12,848)	(671,45,748)
(b) Weighted Average number of shares outstanding during the year	50,00,000	50,00,000
(c) Nominal Value of each share (₹)	10	10
(d) Basic/ Diluted Earnings Per Share (₹) (a/b)	(10.16)	(13.43)



IL&FS BROKING SERVICES PRIVATE LIMITED  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26 (i) DISCLOSURE IN RESPECT OF GRATUITY LIABILITY

In accordance with the Payment of Gratuity Act, the Company provides for Gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to all employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to a maximum of ₹ 10,00,000/-

I. ASSUMPTIONS:	2014-15	2013-14
Discount Rate	7.92%	8.75%
Salary Escalation	6.50%	6.50%
Attrition rate	8.00%	23.00%

II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	2014-15	2013-14
	₹	₹
Present Value of Benefit Obligation as at the beginning of the year	53,75,940	63,52,577
Interest Cost	4,70,395	4,92,325
Current Service Cost	7,26,910	11,41,713
Benefits Paid	(3,48,557)	(17,66,828)
Actuarial gains on obligations	(8,62,378)	(8,43,847)
Present value of benefit obligation as at the end of the year	53,62,310	53,75,940

III. ACTUARIAL GAINS/LOSSES:	2014-15	2013-14
	₹	₹
Actuarial gains on obligation for the year	(8,62,378)	(8,43,847)
Actuarial gains on asset for the year	-	-
Actuarial gains recognized in income & expenses statement	(8,62,378)	(8,43,847)

IV. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	2014-15	2013-14
	₹	₹
Fair value of plan assets at the end of the year	-	-
Present value of benefit obligation as at the end of the year	(53,62,310)	(53,75,940)
Net liability recognized in the balance sheet	(53,62,310)	(53,75,940)

V. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	2014-15	2013-14
	₹	₹
Current Service Cost	7,26,910	11,41,713
Interest Cost	4,70,395	4,92,325
Actuarial (Gains)/Losses	(8,62,378)	(8,43,847)
Expense recognised in the statement of profit and loss	3,34,927	7,90,191

VI. BALANCE SHEET RECONCILIATION:	2014-15	2013-14
	₹	₹
Opening Net Liability	53,75,940	63,52,577
Expenses as above	3,34,927	7,90,191
Benefit paid directly by the Employer	(3,48,557)	(17,66,828)
Net Liability recognised in the balance sheet	53,62,310	53,75,940

VII. EXPERIENCE ADJUSTMENT:	2014-15	2013-14	2012-13	2011-12
	₹	₹	₹	₹
On Plan Liability (Gains)/Losses	(7,25,972)	(16,482)	(16,482)	13,87,588
On Plan Assets (Gains)/Losses	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company has adopted the revised Accounting Standard - 15 from the financial year ended March 31, 2012. Comparatives have been provided since then.

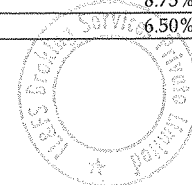
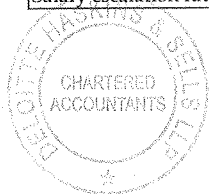
(ii) DEFINED CONTRIBUTION PLAN

EMPLOYEES BENEFITS EXPENSES INCLUDES:	2014-15	2013-14
	₹	₹
Employer Contribution to Provident Fund	25,08,974	31,94,196

(iii) The Company has accrued the liability for compensated absences based on actuarial valuation as at balance sheet date conducted by an independent actuary and provided for actuarial liability of ₹ 2,662,143/- (Previous Year ₹ 2,445,071/-)

Actuarial assumptions used

Particulars	2014-15	2013-14
Discount rate	7.92%	8.75%
Salary escalation rate	6.50%	6.50%



**IL&FS BROKING SERVICES PRIVATE LIMITED**  
(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MACRH 31, 2015**  
**27 SEGMENT REPORTING**

The Company is principally engaged in the business of Broking in securities. For the purpose of reporting under Accounting Standard (AS 17) "Segment Reporting", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014

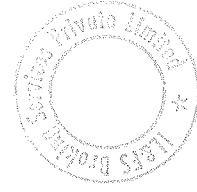
a) Information on Primary Business Segment is as follows:-

Reportable Segments *	Broking in Securities		Advisory Services		Others		Total	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Revenue</b>								
(a) External Revenue	208,20,520	219,43,806	22,31,721	101,80,911	-	35,174	230,52,241	321,59,891
(b) Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>(c) Total Revenue</b>	<b>208,20,520</b>	<b>219,43,806</b>	<b>22,31,721</b>	<b>101,80,911</b>	<b>-</b>	<b>35,174</b>	<b>230,52,241</b>	<b>321,59,891</b>
Segment Results (Loss) (Refer Note 9)	(715,09,997)	(885,76,292)	Refer Note b	Refer Note b	Refer Note b	Refer Note b	(692,78,276)	(783,60,207)
Unallocated corporate expenses	-	-	-	-	-	-	-	-
Operating Loss	(715,09,997)	(885,76,292)	Refer Note b	Refer Note b	Refer Note b	Refer Note b	(692,78,276)	(783,60,207)
Interest Expenses	-	-	-	-	-	-	-	-
Unallocated interest expenses	-	-	-	-	-	-	22,49,213	1,48,17,810
Other Income	186,04,208	282,28,060	-	-	-	-	186,04,208	282,28,060
Loss before tax	(529,05,789)	(603,48,232)	-	-	-	-	(529,23,281)	(649,49,957)
Tax expense	-	-	-	-	-	-	(21,35,649)	21,83,148
Loss after tax	(529,05,789)	(603,48,232)	-	-	-	-	(507,87,632)	(671,33,105)
<b>Other Information</b>								
Segment Assets	2355,88,853	4016,43,394	-	-	-	-	2355,88,853	4016,43,394
Unallocable Corporate Assets	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>2355,88,853</b>	<b>4016,43,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2355,88,853</b>	<b>4016,43,394</b>
Segment Liabilities	242,70,268	809,37,099	-	-	-	-	242,70,268	809,37,099
Unallocable Corporate Liabilities	-	-	-	-	-	-	-	568,73,493
<b>Total Liabilities</b>	<b>242,70,268</b>	<b>809,37,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,70,268</b>	<b>1,37,81,592</b>
Depreciation	13,45,931	11,16,879	-	-	-	-	13,45,931	11,16,879
Exceptional item	(12,64,261)	-	-	-	-	-	(12,64,261)	-

\* Revenue has been identified to a segment on the basis of relationship to operating activities of the segment. Revenue which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".

b) In absence of a reasonable basis for the allocation of expenses between the above mentioned segments the expenses are disclosed as pertaining to the segment viz. broking in securities, this being the principal business activity.

c) The Company does not have a secondary segment. Accordingly, disclosures required under AS 17 are not applicable.





**II.&FS BROKING SERVICES PRIVATE LIMITED**  
**(FORMERLY KNOWN AS AVENDUS SECURITIES PRIVATE LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

28 Pursuant to the approval of the members of the Company accorded by means of a special resolution at the Extra Ordinary General Meeting held on January 22, 2014, for Reduction of Capital, the Company filed a scheme for Reduction of capital under section 78 read with sections 100 to 104 and other applicable provisions of the Companies Act, 1956, with the Hon'ble High Court of Mumbai on February 4, 2014. As per the said scheme, the Company proposed to adjust, inter alia, the balance in the Securities Premium Account of ₹ 301,081,500/- and Capital Reserve of ₹ 33,243,931/- against the debit balance in the Statement of Profit and Loss. The Hon'ble High Court has passed an order on March 28, 2014, received by the company on April 25, 2014, approving the reduction in the Securities premium Account from ₹ 301,081,500/- and Capital Reserve from ₹ 33,243,931/- to Nil by setting off the accumulated losses of the Company. During the year, the copy of the above mentioned High Court order and Form of minutes has been filed with the Registrar of Companies as per provisions of section 103 (2) of the Companies Act, 1956, accordingly the Securities Premium account and Capital Reserve has been adjusted with the debit balance in the Statement of Profit and Loss in the current financial year

29 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



Milind Patel  
Chairperson & Director  
DIN: 00058358



Avdhoot Deshpande  
Director  
DIN: 06877216



Ravi Sikeriya  
Chief Financial Officer



Amit Bhat  
Company Secretary

Place: Mumbai

Date: May 5, 2015

