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 | Capital Advisors

IL&FS Capital Advisors Limited

ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31, 2015



IL&FS Capital Advisors Limited

IL&FS CAPITAL ADVISORS LIMITED

AUDITED FINANCIAL STATEMENTS

For the year ended March 31, 2015

Registered Office

The IL&FS Financial Centre, Plot C 22, G Block
Bandra Kurla Complex, Bandra East, Mumbai 400 051

Tel No 91-22-2659 3560 Fax No 91-22-2659 2966

Website: www.ilfscapital.com

CIN U65191MH2012PLC226314

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ravi Parthasarathy (upto Feb 12, 2015)

Arun K Saha (upto Mar 24, 2015)

Ramesh C Bawa (Chairman)

Hari Das Khunteta (with effect from Mar 31, 2015)

Sharadchandra Abhyankar (with effect from Mar 31, 2015)

Vibhav Kapoor

Milind N Patel

Rajesh Kotian

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

Chartered Accountants

BANKERS

Axis Bank Ltd

REGISTERED OFFICE

The IL&FS Financial Centre, Plot C 22, G Block

Bandra Kurla Road, Bandra East, Mumbai 400 051

Tel No +91-22-2659 3560 Fax No +91-22-2659 2966

Website: www.ilfscapital.com

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DIRECTORS' REPORT

To,

The Members,

IL&FS Capital Advisors Limited

The Directors are pleased to present the Third Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2015

(1) FINANCIAL RESULTS:

The summarized financial results of the Company are as under:

	(₹ in million)	
Particulars	FY 2015	FY 2014
Gross Revenue	18.99	37.60
Gross Profit / (Loss)	(23.98)	2.86
Non Cash Charges	0.62	0.40
Profit / (Loss) Before Tax	(23.35)	2.46
Income Tax	(0.47)	0.80
Profit / (Loss) After Tax	(22.88)	1.66

(2) BUSINESS OPERATIONS:

- (a) The BSE Sensex and the NSE Nifty have both marginally gained at about 3% over the last quarter, however, have gained more than 26% over the financial year on the back of initial euphoria with the formation of a stable government in the Centre followed up with robust foreign flows in anticipation of reform-oriented policies by the government at the Centre
- (b) The surge in secondary markets brought in renewed interest amongst listed corporates to tap capital markets for fund raising through the QIP route. The Equity Capital Markets saw a closure of more than 44 QIPs in the financial year with a gross mobilization of over ₹ 280 bn, of which 13 QIPs were closed in Q4 FY 2015. Some of the QIP issuances for the financial year included Yes Bank, Reliance Communication, IDFC, Dewan Housing, Sadbhav Engineering, GMR Infrastructure, Texmaco Rail & Engineering, Cox & Kings Limited, Ceat Limited and Dynamatic Technologies Limited amongst others

- (c) This surge in QIP markets has also brought in renewed interest amongst unlisted corporates to look at capital markets for IPOs, though not very aggressively. The equity capital markets has seen only a total of 8 IPOs on the main board of the exchanges mobilizing over ₹ 28.2 bn. Some of the large issuances included INOX Wind, Adlabs Imagica, Monte Carlo and Sharda Cropchem. The IPOs garnered mixed subscriptions across various issuances with some of them getting poor subscriptions of just 1x viz Adlabs Imagica and Ortel Communication and others receiving phenomenal subscription of as high as 59x viz Sharda Cropchem and Snowman Logistics
- (d) However, there is a lot of expectation in terms of robust markets in the coming year, leading to many corporates to file offer documents with SEBI for tapping the equity capital markets to raise funds. Companies that have filed offer documents with SEBI include ACB India Limited, Manpasand Beverages Limited, Sadbhav Infrastructure Projects Limited, VRL Logistics Limited, Prabhat Dairy, Dilip Buildcon, Cathloic Syrian Bank, Navkar Corporation and UFO Moviez India Limited amongst others

(3) DIVIDEND :

In the absence of profits for the year under review, the Board of Directors do not recommend any dividend on the equity share capital of the Company

(4) RESERVES :

In the absence of profits for the year under review, the Board does not propose to transfer any amount to reserves

(5) NON ACCEPTANCE OF PUBLIC DEPOSITS :

The Company has not accepted any public deposits during the year under review

(6) DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have any subsidiary/joint venture/associate

(7) COMPLIANCE:

The Company has complied with the applicable provisions of the Companies Act, 2013 ("Act") and the applicable regulations of the Securities and Exchange Board of India (SEBI) from time to time

(8) DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of the knowledge and belief and according to the information and explanations obtained by them, the Directors make the following statements in terms of sections 134(3)(c) and 134(5) of the Companies Act, 2013 —

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

(9) STATUTORY AUDITORS :

At the Annual General Meeting (AGM) held on June 23, 2014, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company for a residuary term of three years out of the first term of five years i.e. to hold office till the conclusion of the fifth AGM of the Company to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the Auditors shall be placed for ratification at every Annual General Meeting

Accordingly the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company, is placed for approval and ratification by the shareholders

The Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013

The Auditors Report to the Shareholders for the year under review doesnot contain any qualification. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3) (f) of the Companies Act, 2013

(10) CORPORATE GOVERNANCE:

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices

A summary of Corporate Governance measures taken by the Company is as follows:

(a) Re-constitution of Board of Directors:**Appointment**

During the year under review, the Board of Directors of the Company have appointed Mr Hari Das Khunteta and Mr Sharad Abhyankar as Independent Directors to hold office for a period of five consecutive years with effect from March 31, 2015, subject to the approval of shareholders of the Company

Resignation

During the year under review, Mr Ravi Parthasarathy and Mr Arun K Saha, Non – Executive Directors of the Company had resigned from the Board with effect from February 12, 2015 and March 24, 2015 respectively. The Board wishes to place on record its appreciation for the valuable guidance provided by Mr Parthasarathy and Mr Saha from time to time

(b) Composition of Board:

The current Composition of Board of Directors is as follows:

Sr No	Name of the Director	Designation
(i)	Mr Ramesh C Bawa	Chairman
(ii)	Mr Vibhav Kapoor	Director
(iii)	Mr Milind Patel	Director
(iv)	Mr Rajesh Kotian	Director
(v)	Mr Hari Das Khunteta	Independent Director
(vi)	Mr Sharadchandra Abhyankar	Independent Director

(c) Re-appointment of Directors :

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr Rajesh Kotian retires by rotation and being eligible; offers himself for re-appointment at the ensuing Annual General Meeting

The Board recommends the resolutions for reappointment of Director as set out in the Notice of the Annual General Meeting for the approval of Members

(d) Declaration by Independent Directors :

The Company has received declarations from the Independent Directors of the Company that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013

(e) Board Meetings:

During the year under review, Four Board Meetings were held on April 29, 2014, July 25, 2014, October 31, 2014 and February 05, 2015

(f) Committees of the Board:

In accordance with the Companies Act, 2013, the following Committees have been constituted/ re-constituted during the year under review:

(i) Audit Committee :

The Company has re-constituted the Audit Committee as under:

Sr No	Name of the Director	Designation
(i)	Mr Hari Das Khunteta	Chairman
(ii)	Mr Sharadchandra Abhyankar	Member
(iii)	Mr Ramesh C Bawa	Member

During the year under review, three Audit Committee Meetings were held on April 29, 2014, October 31, 2014 and February 02, 2015

The gist of terms of reference of the Audit Committee is as under

- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the Auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters
- Investigation into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company

(ii) Nomination and Remuneration Committee:

The Board at its meeting held on May 06, 2015 constituted Nomination and Remuneration Committee is as follows:

Sr No	Name of the Director	Designation
(i)	Mr Sharadchandra Abhyankar	Chairman
(ii)	Mr Ramesh C Bawa	Member
(iii)	Mr Hari Das Khunteta	Member
(iv)	Mr Milind Patel	Member

The gist of terms of reference of the Nomination and Remuneration Committee is as under :

- Review annually the Compensation Structure for CEO, Directors and Senior Management
- Review and Recommend to the Board, Annual Increments, Incentive and Bonus Plans, Promotions for Employees of the Company
- Review and Recommend to the Board any other benefits, compensation or arrangements
- Determines and approves the internal framework of distribution of the Performance Related Pay (PRP) to the Employees of the Company
- Recommend to the Board appointment and removal of Directors and Senior management
- Evaluate performance of the Board of Directors
- Recommend to the Board a policy relating to the remuneration for Directors, Key Managerial Personnel and other Employees

- To ensure that the general character of the management or the proposed management of the Company is not prejudicial to the interest of its present and future depositors, if any, and to ensure “fit and proper” status of the existing and proposed Director(s) of the Company
- Seek advice and assistance from Internal or External Legal Advisors
- Consider any other matter as required by the provisions of the Companies Act, 2013 / SEBI Regulations

(iii) Grievance Redressal Committee:

The Grievance Redressal Committee is constituted in accordance with SEBI (Merchant Bankers) Regulations, 1992 to redress any complaints of the investors in an expedient manner

(g) Key Managerial Personnel :

Mr Avdhoot Deshpande, Chief Executive Officer, Mr Rakesh Gupte, Chief Financial Officer, Ms Bhargavi Jamkhandi, Company Secretary have been appointed as the Key Managerial Personnel as required under the Companies Act, 2013

(h) Internal Governance Policies:

The Company has adopted the following policies:

- (a) Code of Conduct for Merchant Banking Activities
- (b) KYC and AML Policy
- (c) Anti Fraud Policy
- (d) Code of Conduct for prohibition of Insider Trading
- (e) Code of Conduct for Directors and Senior Management
- (f) Policy on Conflict of Interest
- (g) Code of Conduct for Independent Directors

(11) DISCLOSURE OF RELATED PARTY TRANSACTIONS :

All the Related Party Transactions that were entered into during the financial year were on an arm’s length basis and were in the ordinary course of business. During the year, the Company had entered into contract/arrangement/transaction with related parties which are considered to be material related party transaction

The Company considers, the lending, borrowing & investment transactions entered into during the financial year that exceeds ten percent of its asset size and the income /

expense transactions entered into during the financial year that exceeds ten percent of its annual turnover of the company, as “Material Related Party Transaction”. Also the disclosure of transactions with related parties set out in notes to accounts of Financial Statements is forming part of the Annual Report. The details of Related Party Transactions pursuant to section 134 (3) (h) of the Act is annexed in Form AOC – 2 as an Annexure - I

(12) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements, to the extent applicable

(13) EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return as provided under section 92(3) in form MGT-9 is annexed herewith as Annexure – II

(14) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE: NIL

(15) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

To the best of the knowledge and belief and according to the information and explanations obtained, there have been no material changes and commitments if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

(16) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Conservation of energy and technology absorption - Not Applicable
- (b) During the year under review, there was no foreign exchange earnings and outgo

(17) RISK MANAGEMENT AND DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. The Company’s internal control systems are commensurate with the nature of its business. The Company has put in place a sound internal control system which ensures that all transactions are recorded and reported correctly. The Company has an Internal Auditor who conducts the audit of the Company’s operations

(18) PARTICULARS OF EMPLOYEES :

In accordance with the provisions of Section 134 of the Companies Act, 2013 and the applicable rules framed there under, the names and other particulars of employees are enclosed as Annexure – III to the Directors' Report

(19) ACKNOWLEDGEMENTS :

The Directors of the Company would like to express their grateful appreciation for the support and co-operation received from Members, Employees, Central and State Governments, Securities and Exchange Board of India, Banks, Financial Institutions and other governing regulatory authorities

For and on behalf of the Board of Directors

Date : May 06, 2015

Place : Mumbai

Chairman

Annexure I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- (1) Details of contracts or arrangements or transactions not at arm's length basis: NA
- (2) Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval at the meeting of the Board	Amount paid as advances, if any
Name: IL&FS Financial Services Limited (IFIN) Relation: Holding Company	Rent & Other facility Expenses	Perpetual	Salient Terms: Premises and Car Parking Mgmt fees The Company has entered into an MOU for these premises, car parking management fees, electricity and air-conditioner charges. Value: ₹ 4.76 mn	NA	Nil
Name: IL&FS Transportation Networks Limited Relation: Fellow Subsidiary	Consul-tancy Fee Income	As per mandate terms	Salient Terms: Company was appointed as lead manager for the right issue of ITNL. Value: ₹ 2.5 mn	NA	Nil
Name: IL&FS Broking Services Private Limited Relation: Fellow Subsidiary	Consul-tancy Fee Income	As per mandate terms	Salient Terms: To assist in Dynamatics QIP transaction Value: ₹ 2.16 mn	NA	Nil

For and on behalf of the Board of Directors

Date : May 06, 2015

Place : Mumbai

Chairman

Annexure - II

EXTRACT OF ANNUAL RETURN -FORM MGT - 9

As on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

(I) Registration and Other Details:

CIN	U65191MH2012PLC226314
Registration Date	January 20, 2012
Name of the Company	IL&FS Capital Advisors Limited
Category / Sub-Category of the Company	SEBI Registered Category I Merchant Banker
Address of the Registered Office and contact details	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	NIL

(II) Principal Business Activities of the Company:

All the Business Activities contributing 10% or more of the total turnover of the Company is as stated below:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Financial and Related services	9971	60.06%
Other services auxiliary to financial services	9971599	39.94%

(III) Name and Address of the Holding, Subsidiary and Associate Companies:

Sr No	Name of the Company	Address	Relationship
(1)	Infrastructure Leasing & Financial Services Limited	The IL&FS Financial Centre, 10th floor, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Ultimate Holding Company
(2)	IL&FS Financial Services Limited	The IL&FS Financial Centre, 3rd floor, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Holding Company

(IV) SHAREHOLDING PATTERN :

(Equity Share Capital Breakup as % of the total Equity)

(a) Category-wise Shareholding:

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual / HUF	-	60	60	-	60	60	
b) Central Govt.							
c) State Govt.(s)							
d) Bodies Corporate	-	99,99,940	99,99,940	-	99,99,940	99,99,940	NIL
e) Banks / FI							
f) Any Other							
Sub-Total (A)(1):	-	1,00,00,000	1,00,00,000	-	1,00,00,000	1,00,00,000	
(2) Foreign							
			NIL			NIL	
a) NRIs – Individuals							
b) Other –Individuals							
c) Bodies Corporate							
d) Banks / FI							
e) Any Other							
Sub-Total (A)(2):							
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	-	1,00,00,000	1,00,00,000	-	1,00,00,000	1,00,00,000	

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total		% of Total Shares
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI									
b) Banks / FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)(1):									
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian									
ii) Overseas									
b) Individuals									
Individual Share holders holding nominal share capital upto ₹ 1 lakh									
Individual Share holders holding nominal share capital in excess of ₹ 1 lakh									

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify) Shares held by Pakistani citizens vested with the Custodian of Enemy Property									
ii) Other Foreign Nationals									
iii) Foreign Bodies									
iv) NRI / OCBs									
v) Clearing Members / Clearing House									
vi) Trusts									
vii) LLP									
viii) Foreign Portfolio Investor (Corporate)									
ix) Qualified Foreign Investor									
Sub-Total (B)(2):									
Total Public Share holding (B)=(B) (1)+ B)(2)									
Grand Total (A+B)									

(b) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
IL&FS Financial Services Limited (IFIN)	99,99,940	100%	Nil	99,99,940	100%	Nil	Nil
Mr Ramesh C Bawa & IFIN	10	-	Nil	100	-	Nil	Nil
Mr Milind Patel & IFIN	10	-	Nil	100	-	Nil	Nil
Mr Rajesh Kotian & IFIN	10	-	Nil	100	-	Nil	Nil
Mr Aresh Dutta & IFIN	10	-	Nil	100	-	Nil	Nil
Mr Deepak Pareek & IFIN	10	-	Nil	100	-	Nil	Nil
Ms Neelam Desai & IFIN	10	-	Nil	100	-	Nil	Nil
Total	1,00,00,000	-	Nil	1,00,00,000	-	Nil	Nil

(c) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
At the end of the year				

NO CHANGE

(d) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year				Reason	
	No. of Shares of the Company	% of total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. shares before Change	No. shares After Change	Increase		Decrease

(e) Shareholding of Directors and Key Managerial Personnel

	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year				Reason	
	No. of Shares of the Company	% of total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. shares before Change	No. shares After Change	Increase		Decrease
For Each of the Directors and KMP										
Mr Ramesh C Bawa	At the beginning of the year	10	0.00	10	0.00					
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	-	Nil	-					
Mr Milind Patel	At the end of the year	10	0.00	10	0.00					
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	-	Nil	-					
Mr Rajesh Kotian	At the beginning of the year	10	0.00	10	0.00					
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	-	Nil	-					
	At the end of the year	10	0.00	10	0.00					

V INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition			NIL	
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI) REMUNERATION OF DIRECTOR AND KMP:
(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr No	Particulars of Remuneration	Mr Avdhoot Deshpande Manager
1	Gross Salary	
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	96,62,318
	Value of perquisites under Section 17(2) Income Tax Act, 1961	2,02,904
	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	Total	98,65,222
	Ceiling as per the Act	10.00%

(B) Remuneration to other Directors:

(1) Independent Directors:

Sr No	Particular of Remuneration	Total
1	Fee for attending Board/ Committee Meetings	NIL
2	Commission	
3	Others, please specify	
	Total B.1	

(2) Other Non Executive Directors:

Sr No	Particulars of Remuneration	Mr Ravi Parthasarathy	Mr Arun Saha	Mr Vibhav Kapoor	Mr Ramesh C Bawa	Mr Milind Patel	Mr Rajesh Kotian	Total
1	Fee for attending Board/ Committee Meetings	60,000	60,000	75,000	60,000	75,000	75,000	4,05,000
2	Commission	-	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-	-
	Total B.2	60,000	60,000	75,000	60,000	60,000	75,000	4,05,000
	Total (B1+B2)	60,000	60,000	75,000	60,000	60,000	75,000	4,05,000
	Total Managerial Remuneration	60,000	60,000	75,000	60,000	60,000	75,000	4,05,000
	Overall Ceiling as per the Act							11.00%

(C) Remuneration To Key Managerial Personnel Other Than Managing Director/ Manager/ Whole Time Director

Sr No	Particular of Remuneration	Company Secretary	CFO	Total
1	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify – Deputation Cost	1,40,510	8,16,667	9,57,177
	Total C	1,40,510	8,16,667	9,57,177

VII) PENALTY / PUNISHMENT / COMPOUNDING OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTOR					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICER IN DEFAULT					
Penalty					
Punishment					
Compounding					

Date : May 06, 2015

Place : Mumbai

 For and on behalf of the Board of Directors
 Chairman

Annexure 3

Information as per Rule 5 (2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of employee	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Avdhoot Deshpande	Senior Vice President	₹ 98,65,222/-	Permanent Employee	MMS (1991), B.Com (1988) & 23.5 years	01-Mar-2012	47 Yrs	Avendus Capital Pvt. Ltd.	NA	No

Date : May 06, 2015

Place : Mumbai

For and on behalf of the Board of Directors
Chairman

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IL&FS CAPITAL ADVISORS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of IL&FS CAPITAL ADVISORS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 Standalone Financial Statements

The Company's Board of Directors and Management 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 are 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.

Auditors' 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 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 the 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 control 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 and Management, 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 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 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 as at March 31, 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 March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company 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; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta

Partner

(Membership No. 48791)

MUMBAI, May 06, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Re: IL&FS CAPITAL ADVISORS LIMITED)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section above 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), (x) and (xi) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 explanations given to us, no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (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 with regard to 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 as provided under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

- (vi) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues including, Service tax, Provident Fund, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. Statutory dues in respect of Employees' State Insurance, Customs Duty, Excise Duty, Value Added Tax, Sales Tax and Wealth Tax are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of above dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) There were no dues which have not been deposited as on March 31, 2015 on account of disputes.
 - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder by the Company for the year ended March 31, 2015.
- (vii) 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 was 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. 48791)

MUMBAI, May 06, 2015

BALANCE SHEET AS AT MARCH 31, 2015

(Amount ₹)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITIES & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	100,000,000	100,000,000
Reserves and Surplus	4	(19,286,419)	3,592,950
		80,713,581	103,592,950
NON CURRENT LIABILITIES			
Long-Term Provisions	5	2,298,579	1,126,040
		2,298,579	1,126,040
CURRENT LIABILITIES			
Trade Payables	6	1,805,752	1,982,763
Current Liabilities	7	1,081,137	1,063,583
Short-Term Provisions	8	487,665	347,348
		3,374,554	3,393,694
		86,386,714	108,112,684
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS (net)			
Tangible Assets	9	118,836	189,296
Intangible Assets	9	525,106	945,650
Deferred Tax Assets (net)	10	811,000	336,000
Long Term Loans and Advances	11	4,885,975	3,403,615
		6,340,917	4,874,561
CURRENT ASSETS			
Trade Receivables	12	2,809,000	23,707,960
Cash and Cash Equivalents	13	76,012,697	78,791,092
Short-Term Loans and Advances	14	1,207,748	727,051
Other Current Assets	15	16,352	12,020
		80,045,797	103,238,123
TOTAL		86,386,714	108,112,684

Notes 1 to 22 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For Deloitte Haskins & Sells LLP
 Chartered Accountants

Kalpesh J Mehta
 Partner
 Membership No. 48791
 Mumbai May 06, 2015

For and on behalf of the Board

Ramesh C Bawa
 Chairman

Avdhoot Deshpande
 Manager &
 Chief Executive Officer

Bhargavi Jamkhani
 Company Secretary

Milind N Patel
 Director

Rakesh Gupte
 Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2015

			(Amount ₹)
	Note	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
Revenue from Operations	16	11,400,000	31,537,500
Other Income	17	7,588,277	6,059,891
		18,988,277	37,597,391
EXPENSES			
Employee Benefit Expenses	18(a)	27,663,044	24,718,623
Operating Expenses	18(b)	14,055,842	10,023,284
Depreciation / Amortisation	9	623,760	395,091
		42,342,646	35,136,998
(LOSS) / PROFIT BEFORE TAX		(23,354,369)	2,460,393
Current Tax		-	920,000
Deferred Tax	10	(475,000)	(119,000)
(LOSS) / PROFIT FOR THE YEAR		(22,879,369)	1,659,393
EARNING PER SHARE (Face Value of ₹ 10 Per Share)			
Basic and Diluted	19	(2.29)	0.17

Notes 1 to 22 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kalpesh J Mehta
Partner
Membership No. 48791
Mumbai May 06, 2015

For and on behalf of the Board

Ramesh C Bawa
Chairman

Avdhoot Deshpande
Manager &
Chief Executive Officer

Bhargavi Jamkhandi
Company Secretary

Milind N Patel
Director

Rakesh Gupte
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

(Amount ₹)

	Year ended March 31, 2015	Year ended March 31, 2014
(A) CASH FLOW FROM OPERATING ACTIVITIES		
(LOSS)/PROFIT BEFORE TAX	(23,354,369)	2,460,393
Adjustments for:		
Depreciation and Amortisation	623,760	395,091
Provision for Employee Benefits (net)	1,312,856	889,793
(Gain) on Sale of Assets	-	(9,999)
Operating (Loss)/Profit before Working Capital Changes	(21,417,753)	3,735,278
Adjustments for changes in:		
(Increase) in Long term and Short term Advances	(208,457)	(46,697)
Decrease in Trade Receivables	20,898,960	1,011,240
(Decrease)/Increase in Trade Payables	(177,011)	710,404
(Increase) in Other Current Assets	(4,332)	(5,058)
Increase in Other Current & Non Current Liabilities	17,554	624,463
	(891,039)	6,029,630
Payment of Advance Tax	(1,754,600)	(4,765,300)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	A (2,645,639)	1,264,330
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(132,756)	(155,043)
Proceeds from Sale of Fixed Assets	-	10,000
NET CASH (USED) IN INVESTING ACTIVITIES	B (132,756)	(145,043)
(C) CASH FLOW FROM FINANCING ACTIVITIES	C	-
(D) NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,778,395)	1,119,287
Cash and cash equivalents at the beginning of the year	78,791,092	77,671,805
Cash and cash equivalents at the end of the year	76,012,697	78,791,092

Notes 1 to 22 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For Deloitte Haskins & Sells LLP
 Chartered Accountants

Kalpesh J Mehta
 Partner
 Membership No. 48791
 Mumbai May 06, 2015

For and on behalf of the Board

Ramesh C Bawa
 Chairman

Avdhoot Deshpande
 Manager &
 Chief Executive Officer

Bhargavi Jamkhandi
 Company Secretary

Milind N Patel
 Director

Rakesh Gupte
 Chief Financial Officer

NOTES FORMING PART OF THE FINACIAL STATEMENTS

(1) BACKGROUND

IL&FS Capital Advisors Limited was incorporated on January 20, 2012 and is a Subsidiary of IL&FS Financial Services Limited. The Company is registered with Securities and Exchange Board of India (SEBI) for carrying out Merchant Banking activities, as per SEBI (Merchant Bankers) Regulations, 1992

(2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). 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 unless stated otherwise

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the Financial Statements and the reported income and expenses during the reporting year. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any change in the estimates is recognised prospectively in current and future period

(b) Fixed Assets and Depreciation/Amortisation

Fixed Assets are stated at cost less accumulated depreciation. All costs relating to acquisition and installation of fixed assets are capitalised. Borrowing costs attributable to qualifying assets are capitalized till the asset is ready to put to use. Assessment of impairment of an asset is made at the reporting date and impairment loss, if any, is recognised through the Statement of Profit and Loss

The Company has changed its method of depreciation from Straight Line Method (SLM)/ Written Down Value (WDV) to SLM for all fixed assets. The Company has also assessed the useful life of all fixed assets based on internal 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 and accordingly have changed the useful lives. The details of previously applied depreciation method, rates / useful life and current useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Office Premises	SLM	61 years	60 years
Computers and Data Processing Equipment	SLM	4 years	3 years
Office Equipments	WDV	13.91% / 20 years	5 years
Electrical Installations	WDV	13.91% / 20 years	10 years
Furniture and Fixtures	WDV	18.10% / 12 years	10 years
Vehicles	WDV	25.89% / 9 years	8 years

Depreciation charge on account of change in method of depreciation is applied retrospectively and on account of change in useful lives is applied prospectively over the balance useful life. As a result of the change in method of charging depreciation from WDV to SLM for certain assets and change in useful life of certain assets to be in line with Schedule II of Companies Act, 2013, the charge on account of Depreciation for the year ended March 31, 2015, is higher by ₹ 192,649 and profit before tax is lower by ₹ 192,649

(c) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease rental income/ expenses in respect of operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term

(d) Revenue Recognition

Income on services provided in the nature of Advisory services is recognised on an accrual basis on completion of services as enumerated in the milestones specified in the relevant mandate letters

(e) Employee Benefits

- (i) Contributions to Provident Fund and Superannuation Fund are charged to the Statement of Profit and Loss as per applicable law/ rules
- (ii) The Company has unfunded Gratuity payable to the eligible employees. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. Actuarial gain or losses are recognised in the Statement of Profit and Loss
- (iii) The leave balance has been classified as Short-term and Long-term, based on the best estimates after considering the past trends. The Short-term leave encashment liability for the expected leave to be encashed has been measured by actuary on actual component eligible for leave encashment and expected Short-term leave to be availed is valued at total cost to the Company. Long-term leave is valued on actuarial basis determined on the basis of projected unit cost method

(f) Taxation

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

Deferred tax assets and liabilities are recognised for future tax consequences of timing differences between the book profit and tax profit. Deferred tax assets and liabilities, other than carry forward losses and unabsorbed depreciation as computed under the tax laws, are recognised when it is reasonably certain that there will be future taxable income. Carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Statement of Profit and Loss in the period of substantive enactment of the change

(g) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit /(loss) after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the period

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potentially dilutive securities

(h) Cash Flow Statements

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

(i) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements

(j) Provisions for Trade Receivables

The Company reviews Trade receivables on periodic basis and provisions/ write-off are made against doubtful trade receivables at the rates mentioned below:

Outstanding period from Due Date	Provision %	
	For Government Dues	Others
> 6 months < equal to 12 months	Nil	25%
> 12 months < equal to 18 months	Nil	50%
> 18 months < equal to 24 months	25%	100%
> 24 months < equal to 36 months	50%	100%
> equal to 36 months	100%	100%

(3) SHARE CAPITAL

(a) The details of the Authorised, issued, subscribed and paid up Share Capital is as below:

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised Share Capital		
25,000,000 Equity Shares of ₹ 10 per share	250,000,000	250,000,000
Issued, Subscribed and Fully Paid-up		
10,000,000 Equity Shares of ₹ 10 per share	100,000,000	100,000,000

(b) The entire shareholding of the Company is held by IL&FS Financial Services Limited and its nominees

(c) 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 Shares are entitled to interim dividend if proposed by the Board of Directors. The final dividend is subject to approval of the shareholder in the Annual General Meeting

(4) RESERVES AND SURPLUS

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

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	3,592,950	1,933,557
Addition:		
Transferred from statement of Profit & Loss	(22,879,369)	1,659,393
Balance at the end of the year	(19,286,419)	3,592,950

(5) LONG-TERM PROVISIONS

(a) Break- up of long-term provision is as below:

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits	2,298,579	1,126,040
Total	2,298,579	1,126,040

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

(i) The Company has recognised ₹ 533,821 (Previous year ₹ 429,512) and ₹ 445,140 (Previous Year ₹ 447,925) in Statement of Profit and Loss under Company’s Contribution to Provident Fund and contribution to Superannuation fund respectively

(ii) The Company operates un-funded post retirement defined benefit plans for gratuity, details for which are as follows:

I. Assumption	As at March 31, 2015	As at March 31, 2014
Discount Rate	8.02%	9.33%
Salary Escalation	6.50%	6.50%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(Amount ₹)		
II. Table Showing Change in Defined Benefit Obligation	As at March 31, 2015	As at March 31, 2014
Opening Defined Benefit obligation	445,009	224,198
Interest Cost	41,519	-
Current Service Cost	237,239	220,811
Liability Transfer In/Acquisitions	179,858	-
Actuarial (gain)/loss on obligations	162,190	-
Closing Defined Benefit obligation	1,065,815	445,009

(Amount ₹)

III. Amount Recognised in Balance Sheet	As at March 31, 2015	As at March 31, 2014
Liability at the end of the Year	1,065,815	445,009
Fair Value of the plan at the end of the Year	-	-
Amount Recognised in the Balance Sheet under "Provision for Employee Benefits"	1,065,815	445,009

(Amount ₹)

IV. Expenses Recognised in the Statement of Profit and Loss	As at March 31, 2015	As at March 31, 2014
Current Service Cost	237,239	220,811
Interest Cost	41,519	-
Actuarial (gain) / loss	162,190	-
Expense Recognised in Statement of Profit and Loss	440,948	220,811

(Amount ₹)

V. Reconciliation of the Liability Recognised in the Balance Sheet	As at March 31, 2015	As at March 31, 2014
Opening Net Liability	445,009	224,198
Expense Recognised	440,948	220,811
Liability Transfer In/Acquisitions	179,858	-
Amount recognised in Balance Sheet	1,065,815	445,009

(Amount ₹)

VI. Experience Adjustment	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit Obligation	1,065,815	445,009	224,198
Experience adjustment on Plan Liability	36,833	-	-

(6) TRADE PAYABLES

On the basis of information and records available with the Company and confirmations sought by the Management from suppliers under Micro, Small and Medium Enterprises Development Act, 2006, there have been no reported cases of delays in payments to micro, small and medium enterprises or of interest payment due to delay in such payments

(7) OTHER CURRENT LIABILITIES

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Statutory Dues	792,789	813,102
Other Payables	288,348	250,481
Total	1,081,137	1,063,583

(8) SHORT-TERM PROVISIONS

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits	487,665	347,348
Total	487,665	347,348

9) FIXED ASSETS

(Amount ₹)

	Gross Block (At Cost)			Depreciation / Amortisation				Net Block	
	As at April 1, 2014	Addition	Deduction	As at March 31, 2015	As at April 1, 2014	For the Period	Deductions	As at March 31, 2015	As at March 31, 2014
(a) Tangible Assets									
Data Processing Equipment	286,396	77,390	-	363,786	128,845	142,888	-	271,733	157,551
Furniture and Fixtures	5,709	-	-	5,709	900	6	-	4,803	4,809
Office Equipment	87,292	55,366	-	142,658	60,356	60,322	-	21,980	26,936
Total	379,397	132,756	-	512,153	190,101	203,216	-	118,836	189,296
(b) Intangible Assets									
Licensed Software	1,330,853	-	-	1,330,853	478,415	383,961	-	468,477	852,438
Website & Portals	131,461	-	-	131,461	38,249	36,583	-	56,629	93,212
Total	1,462,314	-	-	1,462,314	516,664	420,544	-	525,106	945,650
Grand Total	1,841,711	132,756	-	1,974,467	706,765	623,760	-	643,942	1,134,946

(9) FIXED ASSETS

(Amount ₹)

	Gross Block (At Cost)			Depreciation / Amortisation			Net Block		
	As at April 1, 2013	Addition	Deduction	As at March 31, 2014	As at April 1, 2013	For the Period	Deductions	As at March 31, 2014	As at March 31, 2013
(a) Tangible Assets - Own assets									
Data Processing Equipment	286,396	-	-	286,396	58,420	70,425	-	128,845	227,975
Furniture and Fixtures	-	5,709	-	5,709	-	900	-	4,809	-
Office Equipment	66,483	30,809	10,000	87,292	43,600	26,755	9,999	60,356	22,883
Total	352,879	36,518	10,000	379,397	102,020	98,080	9,999	190,101	250,858
(b) Intangible Assets - Other than internally generated									
Licensed Software	1,212,328	118,525	-	1,330,853	207,695	270,720	-	478,415	1,004,634
Website & Portals	131,461	-	-	131,461	11,958	26,291	-	38,249	119,503
Total	1,343,789	118,525	-	1,462,314	219,653	297,011	-	516,664	1,124,137
Grand Total	1,696,668	155,043	10,000	1,841,711	321,673	395,091	9,999	706,765	1,374,995

(10) DEFERRED TAX ASSETS

Major Components of Deferred Tax Assets arising on account of timing differences are :

(Amount ₹)

Particulars	As at April 01, 2014	Created/ (Utilised) during the year	As at March 31, 2015
Difference between book and tax depreciation	(205,000)	113,000	(92,000)
Others	541,000	362,000	903,000
Deferred Tax Assets (net)	336,000	475,000	811,000

(11) LONG-TERM LOANS AND ADVANCES

Break up of Long-Term Loans and Advances is as below:

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured Advances (considered good)		
Security Deposit	5,500	5,500
Prepaid Expenses	311,066	578,306
Advance Payment of Taxes (net)	4,569,409	2,814,809
Total	4,885,975	3,403,615

(12) TRADE RECEIVABLES

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Other Trade Receivable		
Unsecured, Considered good outstanding for less than 6 months from the date they are due for payment	2,809,000	23,707,960
Total	2,809,000	23,707,960

(13) CASH AND CASH EQUIVALENTS

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
Cash and Cash Equivalents		
Balance with Banks		
i. In current accounts	5,834,438	3,791,092
ii. In demand deposit accounts	70,178,259	75,000,000
Total	76,012,697	78,791,092

(14) SHORT-TERM LOANS AND ADVANCES

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
Unsecured Advances considered good		
Service tax credit receivable	572,542	274,209
Prepaid Expenses	318,636	266,509
Others	316,570	186,333
Total	1,207,748	727,051

(15) OTHER CURRENT ASSETS

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
Income Accrued but not Due	16,352	12,020
Total	16,352	12,020

(16) REVENUE FROM OPERATIONS

Particulars	(Amount ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Corporate Advisory Fees	11,400,000	31,537,500
Total	11,400,000	31,537,500

(17) OTHER INCOME

Particulars	(Amount ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Interest on Fixed Deposit	7,487,266	6,049,892
Profit on Sale of Assets	-	9,999
Interest on Income Tax Refund	101,011	-
Total	7,588,277	6,059,891

(18) EXPENSES

(a) Employees Benefit Expenses comprises of:

Particulars	(Amount ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Salaries & Allowances	25,268,770	23,082,210
Contribution to Provident & Other Funds	1,473,177	1,136,227
Staff Training & Welfare Expenses	921,097	500,186
Total	27,663,044	24,718,623

(b) Break up of Other Expenses is as below:

Particulars	(Amount ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Rent	4,693,226	4,948,196
Rates and Taxes	369,075	631,862
Repairs and Maintenance – others	1,627,897	982,636
Travelling & Conveyance	1,352,246	425,436
Legal and Professional Charges*	3,220,644	208,700
Insurance Expenses	3,107	10,953
Service Charges	800,001	961,392
Miscellaneous Expenses	1,989,646	1,854,109
Total	14,005,842	10,023,284

* Includes ₹350,000 (PY Nil) being provision for loss on account of for onerous contract

(c) Miscellaneous Expenses includes Auditor's Remuneration as below:

Particulars	(Amount ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
As Auditor	300,000	300,000
Other Matters	20,000	15,000
Total	320,000	315,000

(19) 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 after Tax by the number of equity shares for the respective periods as under:

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(Loss)/Profit after tax (₹)	(22,879,369)	1,659,393
(Loss)/Profit attributable for Equity Shareholders	(22,879,369)	1,659,393
- Weighted Average number of Equity Shares in calculating Basic and Diluted EPS (Nos.)	10,000,000	10,000,000
Face Value (₹ per Share)	10	10
Basic and Diluted Earnings (₹ per share not annualised)	(2.29)	0.17

(20) RELATED PARTY TRANSACTIONS

(a) As per the Accounting Standard - 18 on 'Related Party Transactions', the related parties as at March 31, 2015 are as follows:

(i) Ultimate Holding Company

Infrastructure Leasing & Financial Services Limited

(ii) Holding Company

IL&FS Financial Services Limited

(iii) Fellow Subsidiaries

(Entities where the Company has transactions)

IL&FS Securities Services Limited

IL&FS Transportation Networks Limited

IL&FS Broking Services Private Limited

Livia India Limited

(iii) Key Management Personnel

Mr Ravi Parthasarathy	Chairman (upto Feb 12,2015)
Mr Arun K Saha	Non-Executive Director (upto Mar 24,2015)
Mr Ramesh C Bawa	Non-Executive Director
Mr Vibhav Kapoor	Non-Executive Director
Mr Milind Patel	Non-Executive Director
Mr Rajesh Kotian	Non-Executive Director
Mr Avdhoot Deshpande	Manager and Chief Executive Officer
Mr Rakesh Gupte	Chief Financial Officer
Ms Bhargavi Jamkhandi	Company Secretary

(b) The Company's related party balances and transactions are summarised as follows:

(Amount ₹)

Particulars	Nature of Transaction	For the Year ended March 31, 2015	For the Year ended March 31, 2014
IL&FS Financial Services Limited	Expenses		
	Rent	4,691,372	4,948,196
	Car Parking Charges	63,708	60,000
	Service Charges	1,717,976	1,128,358
	Income		
	Consultancy Fee	-	6,100,000
	Liabilities		
	Current Liabilities	-	1,200
	Trade Payables	598,987	1,368,506
	Assets		
	Trade Receivables	-	6,853,960
Infrastructure Leasing & Financial Services Limited	Expenses		
	Travelling Expenses	30,090	-
	Liabilities		
	Trade Payables	23,605	17,163
	Assets		
	Short Term Advances	12,131	-
IL&FS Securities Services Limited	Expenses		
	Legal & Professional Expenses	15,000	15,000
IL&FS Transportation Networks Limited	Income		
	Consultancy Fee	2,500,000	6,125,000
IL&FS Broking Services Private Limited	Expenses		
	Consultancy Charges	2,160,000	-
Livia India Limited	Expenses		
	Service Charges	616,152	-

Key Management Personnel	Expenses		
Mr Avdhoot Deshpande	- Remuneration	10,600,011	-
Mr Rakesh Gupte#		816,667	-
Ms Bhargavi Jamkhandi#		140,510	-
Mr Ravi Parthasarathy	Director Sitting Fees	60,000	45,000
Mr Arun K Saha		60,000	45,000
Mr Vibhav Kapoor		75,000	45,000
Mr Ramesh C Bawa		60,000	45,000
Mr Milind Patel		75,000	45,000
Mr Rajesh Kotian		75,000	45,000

Reimbursement of cost is not included above.

The above remuneration is included in remuneration paid from IL&FS Financial Services Limited ₹ 4.75 mn and ₹ 0.96 mn respectively

(21) SEGMENT REPORTING

The Company is in the business of providing financial and advisory services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting"

(22) OTHERS

Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary. Notes 1 to 22 annexed hereto forms part of the Balance Sheet and Statement of Profit and Loss

For and on behalf of the Board

Ramesh C Bawa
Chairman

Milind N Patel
Director

Avdhoot Deshpande
Manager &
Chief Executive Officer

Rakesh Gupte
Chief Financial Officer

Bhargavi Jamkhandi
Company Secretary

NOTES

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IL&FS Capital Advisors Limited

The IL&FS Financial Centre, Plot C 22, G Block
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