

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IL&FS CAPITAL ADVISORS LIMITED

#### I) Report on the Financial Statements

We have audited the accompanying financial statements of **IL&FS CAPITAL ADVISORS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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.

#### II) Management's Responsibility for the Financial Statements

- 1) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.
- 2) 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.

#### III) Auditor's Responsibility

- 1) Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) 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 and the Order under section 143 (11) of the Act.



- 3) We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4) 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. 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.
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **IV) Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

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

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31,



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2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have pending litigations which would impact its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Kalpesh J. Mehta  
Partner  
Membership No. 48791

Place: Mumbai  
Date: 29 April, 2016

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Kalpesh J. Mehta  
Partner  
Membership No. 48791

Place: Mumbai  
Date: 29 April, 2016

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT  
(Re: IL & FS CAPITAL ADVISORS LIMITED)**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year, and hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) 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 Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.



- (c) There are no dues of Income-tax, Service Tax, cess, which have not been deposited as on March 31, 2016 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



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- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



Kalpesh J. Mehta  
Partner  
Membership No. 48791

Place: Mumbai  
Date: 29 April, 2016



**AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
MARCH 31, 2016**

**IL&FS CAPITAL ADVISORS LIMITED**

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**(1) Board of Directors**

**(2) Auditors, Bankers and Registered Office**

**(3) Financial Statements**

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**BOARD OF DIRECTORS**

Ramesh C Bawa (Chairman)

Hari Das Khunteta

Sharadchandra Abhyankar

Vibhav Kapoor

Milind N Patel

Rajesh Kotian

**AUDITORS, BANKERS & REGD OFFICE**

**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](http://www.ilfscapital.com)  
Corporate Identity Number – U65191MH2012PLC226314

**BALANCE SHEET**

(Amount ₹)

	Note	As at March 31, 2016	As at March 31, 2015
<b>EQUITIES &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	100,000,000	100,000,000
Reserves & Surplus	4	(14,732,326)	(19,286,419)
		<b>85,267,674</b>	<b>80,713,581</b>
<b>NON CURRENT LIABILITIES</b>			
Long-Term Provisions	5	3,513,749	2,298,579
		<b>3,513,749</b>	<b>2,298,579</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables other than MSME	6	1,682,585	1,805,752
Other Current Liabilities	7	6,751,597	1,081,137
Short-Term Provisions	8	5,710,485	487,665
		<b>14,144,667</b>	<b>3,374,554</b>
		<b>102,926,090</b>	<b>86,386,714</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS (Net)</b>			
Tangible Assets	9	108,710	118,836
Intangible Assets		103,598	525,106
		<b>212,308</b>	<b>643,942</b>
Deferred Tax Asset	10	1,329,000	811,000
Long-Term Loans and Advances	11	6,938,718	4,885,975
		<b>8,267,718</b>	<b>5,696,975</b>
<b>CURRENT ASSETS</b>			
Trade Receivables	12	34,938,513	2,809,000
Cash and Cash Equivalents	13	58,099,158	76,012,697
Short-Term Loans and Advances	14	1,299,646	1,207,748
Other Current Assets	15	108,747	16,352
		<b>94,446,064</b>	<b>80,045,797</b>
<b>TOTAL</b>		<b>102,926,090</b>	<b>86,386,714</b>

Notes 1 to 23 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 April 29, 2016

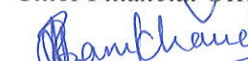
For and on behalf of the Board

  
 Chairman (DIN: 00040523)

  
 Director (DIN: 00058258)

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Company Secretary


**STATEMENT OF PROFIT AND LOSS**

(Amount ₹)

	Note	Year ended March 31, 2016	Year ended March 31, 2015
<b>REVENUE</b>			
Revenue from Operations	17	47,250,000	11,400,000
Other Income	18	5,454,548	7,588,277
		<b>52,704,548</b>	<b>18,988,277</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	19(a)	37,031,586	27,663,044
Operating Expenses	19(b)	11,095,691	14,055,842
Depreciation & Amortisation	9	541,178	623,760
		<b>48,668,455</b>	<b>42,342,646</b>
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>4,036,093</b>	<b>(23,354,369)</b>
Current Tax		(1,033,000)	-
Deferred Tax	10	518,000	475,000
MAT Credit		1,033,000	-
<b>PROFIT/ (LOSS) AFTER TAX</b>		<b>4,554,093</b>	<b>(22,879,369)</b>
<b>EARNING PER SHARE</b>			
Basic and Diluted	20	0.46	(2.29)
(Face value per share ₹ 10)			

**Notes 1 to 23 annexed hereto forms part of Financial Statements**

In terms of our Report attached.


For and on behalf of the Board

**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants


**Kalpesh J Mehta**  
 Partner  
 Membership No 48791

Mumbai April 29, 2016

  
 Chairman (DIN: 00046523)

  
 Director (DIN: 00058358)

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Company Secretary


**CASH FLOW STATEMENT**

(Amount ₹)

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>PROFIT/ (LOSS) BEFORE TAX</b>	4,036,093	(23,354,369)
<b>Adjustments for:</b>		
Depreciation and Amortisation	541,178	623,760
Provision for Employee Benefits	6,437,990	1,312,856
(Gain) on Sale of Assets	(1,194)	-
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>11,014,067</b>	<b>(21,417,753)</b>
<b>Adjustments for changes in:</b>		
Decrease/(Increase) in Long term and Short term Advances & Other Current Assets	76,216	(212,789)
(Increase)/ Decrease in Trade Receivables	(32,129,513)	20,898,960
Increase/ (Decrease) in Trade Payables & Current Liabilities	5,547,293	(159,457)
	<b>(15,491,937)</b>	<b>(891,039)</b>
Payment of Advance Tax	(2,313,252)	(1,754,600)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>A (17,805,189)</b>	<b>(2,645,639)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(109,550)	(132,756)
Proceeds from Sale of Fixed Assets	1,200	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B (108,350)</b>	<b>(132,756)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>C -</b>	<b>-</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) (17,913,539)</b>	<b>(2,778,395)</b>
Cash and cash equivalents at the beginning of the year	76,012,697	78,791,092
<b>Cash and cash equivalents at the end of the year</b>	<b>58,099,158</b>	<b>76,012,697</b>

**Notes 1 to 23 annexed hereto forms part of Financial Statements**



In terms of our Report attached.

For and on behalf of the Board

**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

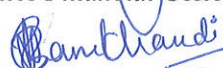

**Kalpesh J Mehta**  
 Partner  
 Membership No 48791

Mumbai April 29, 2016

  
 Chairman (DIN: 00040523)  
  
 Director (DIN: 00058358)

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Company Secretary


**NOTES FORMING PART OF THE FINANCIAL 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 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**

Tangible and Intangible Fixed assets are reported at acquisition cost, with deductions for accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost to bring the asset to its working condition for its intended use

The useful lives of the assets as determined by the Company are as stated below:

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para below

Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal technical evaluation, 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 etc.:

Asset	Useful Life (years)
Mobile Phones and I pad / Tablets	Fully depreciated in the year of capitalisation
All categories of assets costing less than ₹ 5,000/- each	Fully depreciated in the year of capitalisation
Software	4 years or the useful life of the software, whichever is shorter

The residual value of all the assets is retained at ₹ 1/- each




(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**

- (i) 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
- (ii) Interest Income is recognised on time proportion basis

(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 year 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 year 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 potential 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:

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>Authorised Share Capital</b>		
25,000,000 Equity Shares of ₹ 10 per share	250,000,000	250,000,000
<b>Issued, Subscribed and Fully Paid-up</b>		
10,000,000 Equity Shares of ₹ 10 per share	100,000,000	100,000,000

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

Particulars	(No. of Shares)	
	As at March 31, 2016	As at March 31, 2015
<b>Equity shares outstanding at the beginning and end of the year</b>	<b>10,000,000</b>	<b>10,000,000</b>

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

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>Balance at the beginning of the year</b>	<b>(19,286,419)</b>	<b>3,592,950</b>
Addition:		
Transferred from Statement of Profit & Loss	4,554,093	(22,879,369)
<b>Balance at the end of the year</b>	<b>(14,732,326)</b>	<b>(19,286,419)</b>




(5) LONG-TERM PROVISIONS

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

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits	3,513,749	2,298,579
	<b>3,513,749</b>	<b>2,298,579</b>

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

- (i) The Company has recognised ₹ 585,223 (Previous year ₹ 533,821) and ₹ 469,886 (Previous year ₹ 445,140) 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, 2016	As at March 31, 2015
Discount Rate	8.07%	8.02%
Salary Escalation	8.50%	6.50%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate

(Amount ₹)

II. Table Showing Change in Defined Benefit Obligation	As at March 31, 2016	As at March 31, 2015
Opening Defined Benefit obligation	1,065,815	445,009
Interest Cost	85,478	41,519
Current Service Cost	348,151	237,239
Liability Transfer In/Acquisitions	(279,150)	179,858
Actuarial (gain)/loss on obligations	400,138	162,190
Closing Defined Benefit obligation	<b>1,620,432</b>	<b>1,065,815</b>

(Amount ₹)

III. Amount Recognised in Balance Sheet	As at March 31, 2016	As at March 31, 2015
Liability at the end of the year	1,620,432	1,065,815
Fair Value of the plan at the end of the year	-	-
Amount Recognised in the Balance Sheet under “Provision for Employee Benefits”	<b>1,620,432</b>	<b>1,065,815</b>



(Amount ₹)

IV. Expenses Recognized in the Statement of Profit and Loss	As at March 31, 2016	As at March 31, 2015
Current Service Cost	348,151	237,239
Interest Cost	85,478	41,519
Actuarial (gain) / loss	400,138	162,190
Expense Recognized in Statement of Profit and Loss	<b>833,767</b>	<b>440,948</b>

(Amount ₹)

V. Reconciliation of the Liability Recognised in the Balance Sheet	As at March 31, 2016	As at March 31, 2015
Opening Net Liability	1,065,815	445,009
Expense Recognized	833,767	440,948
Liability Transfer In/Acquisitions	(279,150)	179,858
Amount recognized in Balance Sheet	<b>1,620,432</b>	<b>1,065,815</b>

(Amount ₹)

VI. Experience Adjustment	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Defined Benefit Obligation	1,620,432	1,065,815	445,009
Experience adjustment on Plan Liability	101,066	36,833	-

(6) **TRADE PAYABLES OTHER THAN MSME**

Based on information received by the Company from its suppliers, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil. There were no delays in the payment of dues to Micro and Small Enterprises

(7) **OTHER CURRENT LIABILITIES**

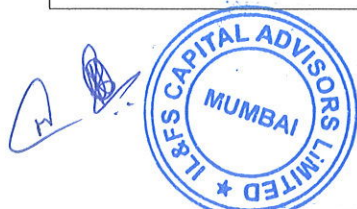
(Amount ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Dues	1,441,876	792,789
Other Payables	5,309,721	288,348
	<b>6,751,597</b>	<b>1,081,137</b>

(8) **SHORT-TERM PROVISIONS**

(Amount ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits	5,710,485	487,665
	<b>5,710,485</b>	<b>487,665</b>



## (9) Fixed Assets

(Amount ₹)

Particulars	Gross Block (At Cost)			Depreciation/ Amortisation			Net Block		
	As at April 01, 2015	Addition	Deduction	As at March 31, 2016	As at April 01, 2015	For the Year	Deductions	As at March 31, 2016	As at March 31, 2015
<b>(a) Tangible Assets</b>									
Data Processing Equipments	363,786	55,850	4,698	414,938	271,733	55,715	4,694	322,754	92,053
Furniture and Fixtures	5,709	-	-	5,709	906	591	-	1,497	4,803
Office Equipments	142,658	53,700	20,000	176,358	120,678	63,364	19,998	164,044	21,980
<b>Total</b>	<b>512,153</b>	<b>109,550</b>	<b>24,698</b>	<b>597,005</b>	<b>393,317</b>	<b>119,670</b>	<b>24,692</b>	<b>488,295</b>	<b>118,836</b>
<b>(b) Intangible Assets</b>									
Licensed Software	1,330,853	-	-	1,330,853	862,376	384,860	-	1,247,236	468,477
Website & Portals	131,461	-	-	131,461	74,832	36,648	-	111,480	56,629
<b>Total</b>	<b>1,462,314</b>	<b>-</b>	<b>-</b>	<b>1,462,314</b>	<b>937,208</b>	<b>421,508</b>	<b>-</b>	<b>1,358,716</b>	<b>525,106</b>
<b>Grand Total</b>	<b>1,974,467</b>	<b>109,550</b>	<b>24,698</b>	<b>2,059,319</b>	<b>1,330,525</b>	<b>541,178</b>	<b>24,692</b>	<b>1,847,011</b>	<b>643,942</b>



(Amount ₹)

## (9) Fixed Assets

Particulars	Gross Block (At Cost)			Depreciation/ Amortisation			Net Block	
	As at April 01, 2014	Addition	Deduction	As at April 01, 2014	For the Year	Deductions	As at March 31, 2015	As at March 31, 2014
<b>(a) Tangible Assets</b>								
Data Processing Equipments	286,396	77,390	-	128,845	142,888	-	274,733	157,551
Furniture and Fixtures	5,709	-	-	900	6	-	906	4,809
Office Equipments	87,292	55,366	-	60,356	60,322	-	120,678	26,936
<b>Total</b>	<b>379,397</b>	<b>132,756</b>	<b>-</b>	<b>190,101</b>	<b>203,216</b>	<b>-</b>	<b>393,317</b>	<b>189,296</b>
<b>(b) Intangible Assets</b>								
Licensed Software	1,330,853	-	-	478,415	383,961	-	862,376	852,438
Website & Portals	131,461	-	-	38,249	36,583	-	74,832	93,212
<b>Total</b>	<b>1,462,314</b>	<b>-</b>	<b>-</b>	<b>516,664</b>	<b>420,544</b>	<b>-</b>	<b>937,208</b>	<b>945,650</b>
<b>Grand Total</b>	<b>1,841,711</b>	<b>132,756</b>	<b>-</b>	<b>706,765</b>	<b>623,760</b>	<b>-</b>	<b>1,330,525</b>	<b>1,134,946</b>



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**(10) DEFERRED TAX ASSETS**

Major Components of Deferred Tax Assets arising on account of timing differences as on March 31, 2016 are as below :

Particulars	(Amount ₹)		
	As at April 01, 2015	Created/(utilised) during the year	As at March 31, 2016
Difference between book and tax depreciation	(92,000)	116,000	24,000
Others	903,000	402,000	1,305,000
<b>Deferred Tax Assets (net)</b>	<b>811,000</b>	<b>518,000</b>	<b>1,329,000</b>

Major Components of Deferred Tax Assets arising on account of timing differences as on March 31, 2015 are as below :

Particulars	(Amount ₹)		
	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
<b>Deferred Tax Assets (net)</b>	<b>336,000</b>	<b>475,000</b>	<b>811,000</b>

**(11) LONG-TERM LOANS AND ADVANCES**

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

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
<b><u>Unsecured Advances (considered good)</u></b>		
Security Deposit	5,500	5,500
MAT Credit Entitlement	1,033,000	-
Prepaid Expenses	50,557	311,066
Advance Payment of Taxes (net)	5,849,661	4,569,409
	<b>6,938,718</b>	<b>4,885,975</b>

The Company has recognised Minimum Alternate Tax (MAT) credit as per the provisions of section 115JAA of the Income Tax Act, 1961 in the current year, which can be carried forward for a period of ten years and set-off against the tax payable when the Company will fall under the normal tax rate. The convincing evidence of obtaining tax credit is supported by subsequent performance of the Company and subsisting business, which will ensure availability of sufficient future taxable income against which the above MAT credit will be adjusted



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(12) TRADE RECEIVABLES

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>Other Trade Receivable</b>		
Unsecured, Considered good outstanding for less than 6 months from the date they are due for payment	34,938,513	2,809,000
	<b>34,938,513</b>	<b>2,809,000</b>

(13) CASH & CASH EQUIVALENTS

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>Cash and Cash Equivalents</b>		
Balance with Banks		
i. In current accounts	5,501,971	5,834,438
ii. In demand deposit accounts	52,597,187	70,178,259
	<b>58,099,158</b>	<b>76,012,697</b>

(14) SHORT-TERM LOANS AND ADVANCES

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>Unsecured Advances considered good</b>		
Service tax credit receivable	953,993	572,542
Prepaid Expenses	341,474	318,636
Others	4,179	316,570
	<b>1,299,646</b>	<b>1,207,748</b>

(15) OTHER CURRENT ASSETS

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
Income Accrued but not Due	108,747	16,352
	<b>108,747</b>	<b>16,352</b>



*[Handwritten signatures]*





## (16) OPERATING LEASE COMMITMENTS

The Company has entered into Operating Lease arrangement in respect of premises. The minimum future payments during non-cancellable years under the foregoing arrangement in aggregate for each of the following years are as below:

Particulars	(Amount ₹)	
	As at March 31, 2016	As at March 31, 2015
Less than one year	4,396,800	-
One to five years	4,396,800	-
	<b>8,793,600</b>	<b>-</b>

The Operating Lease expenses incurred during the year of ₹ 3,297,600 (Previous year NIL) is included in Rent Expenses

## (17) REVENUE FROM OPERATIONS

Particulars	(Amount ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Corporate Advisory Fees	47,250,000	11,400,000
	<b>47,250,000</b>	<b>11,400,000</b>

## (18) OTHER INCOME

Particulars	(Amount ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on Fixed Deposit	5,452,628	7,487,266
Profit on Sale of Assets	1,193	-
Interest on Income Tax Refund	-	101,011
Miscellaneous Income	727	-
	<b>5,454,548</b>	<b>7,588,277</b>

## (19) EXPENSES

a) Employees Benefit Expenses comprises of:

Particulars	(Amount ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries & Allowances	34,345,719	25,268,770
Contribution to Provident & Other Funds	1,937,818	1,473,177
Staff Training & Welfare Expenses	748,049	921,097
	<b>37,031,586</b>	<b>27,663,044</b>





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

Particulars	(Amount ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	4,511,320	4,693,226
Rates and Taxes	460,528	369,075
Repairs and Maintenance – others	1,067,334	1,627,897
Travelling & Conveyance	1,007,987	1,352,246
Legal and Professional Charges *	575,720	3,220,644
Service Charges	872,004	800,001
Miscellaneous Expenses	2,600,798	1,992,753
	<b>11,095,691</b>	<b>14,005,842</b>

\*(Includes NIL (Previous year ₹ 350,000/-) being provision for loss on account of onerous contract)

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

Particulars	(Amount ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
As Auditor	450,000	300,000
Other Matters	75,000	20,000
	<b>525,000</b>	<b>320,000</b>

## (20) EARNINGS PER SHARE (EPS)

In accordance with the Accounting Standard 20 on 'Earning per Share', the Basic Earnings per Share and Diluted Earnings per Share have been computed by dividing the Profit after Tax by the number of equity shares for the respective years as under:

Particulars	(Amount ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) after tax (₹)	4,554,093	(22,879,369)
<b>Profit/(Loss) attributable for Equity Shareholders</b>	<b>4,554,093</b>	<b>(22,879,369)</b>
- 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)	0.46	(2.29)





**(21) RELATED PARTY TRANSACTIONS**

(a) As per the Accounting Standard - 18 on 'Related Party Transactions', the related parties as at March 31, 2016 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 Transportation Networks Limited  
Livia India Limited  
IL&FS Technologies Limited  
IL&FS Securities Services Limited  
Mandvi LNG Terminal Limited

(iv) **Key Management Personnel**

Mr Ramesh C Bawa	Chairman
Mr Vibhav Kapoor	Non-Executive Director
Mr Milind Patel	Non-Executive Director
Mr Rajesh Kotian	Non-Executive Director
Mr Avdhoot Deshpande	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 ₹)

Name of the Company / Key Management Personnel	Nature of the Transaction	For the year ended March 31, 2016	For the year ended March 31, 2015
IL&FS Financial Services Limited	<b><u>Expenses</u></b>		
	Rent	1,200,328	4,691,372
	Car Parking Charges	133,127	63,708
	Salaries Deputation	2,153,256	1,717,976
	<b><u>Liabilities</u></b>		
	Current Liabilities	4,989,310	-
Trade Payable	339,336	598,987	




Infrastructure Leasing & Financial Services Limited	<b>Expenses</b>		
	Travelling Expenses	3,435	30,090
	Rent	3,310,992	-
	<b>Liabilities</b>		
	Current Liabilities	6,689	-
	Trade Payables	27,474	23,605
	<b>Assets</b>		
	Short Term Advances	-	12,131
IL&FS Securities Services Limited	<b>Expense</b>		
	Legal & Professional Expenses	-	15,000
IL&FS Technologies Limited	<b>Expense</b>		
	License and Fees	33,994	-
IL&FS Transportation Networks Limited	<b>Income</b>		
	Consultancy Fee	10,000,000	2,500,000
	<b>Assets</b>		
	Trade Receivables	4,580,000	-
Mandvi LNG Terminal Limited	<b>Income</b>		
	Consultancy Fee	25,000,000	-
	<b>Assets</b>		
	Trade Receivables	28,625,000	-
IL&FS Broking Services Private Limited	<b>Expenses</b>		
	Consultancy Charges	-	2,160,000
Livia India Limited	<b>Expense</b>		
	Service Charges	872,004	616,152
Key Management Personnel	<b>Expenses</b>		
	<b>- Remuneration</b>		
	Mr Avdhoot Deshpande	11,020,976	10,600,011
	Mr Rakesh Gupte #	1,500,000	816,667
	Ms Bhargavi Jamkhandi #	162,000	140,510
	<b>- Director Sitting Fees</b>		
	Mr Ravi Parthasarathy	-	60,000
	Mr Arun K Saha	-	60,000
	Mr Vibhav Kapoor	45,000	75,000
	Mr Ramesh C Bawa	120,000	60,000
	Mr Milind Patel	75,000	75,000
	Mr Rajesh Kotian	75,000	75,000
	Mr Hari Das Khunteta	75,000	-
Mr Sharadchandra Abhyankar	45,000	-	

Reimbursement of cost is not included above.

# The above remuneration is included in remuneration paid from IL&FS Financial Services Limited ₹ 5.68 mn (Previous year ₹ 4.75 mn) and ₹ 1.05 mn (Previous year ₹ 0.96 mn) respectively



**(22) 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"

**(23) OTHERS**

Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary. Notes 1 to 23 annexed hereto forms part of the Balance Sheet and Statement of Profit and Loss


**For and on behalf of the Board**

  
Chairman (DIN: 00040522)

  
Director (DIN: 00058358)

Chief Executive Officer

  
Chief Financial Officer

  
Company Secretary

Mumbai, April 29, 2016



