

Future Ready



 **Financial Services**

IL&FS Financial Services Limited

ANNUAL REPORT 2014-15



Future Ready

While geopolitical challenges and uncertainty have plagued financial markets, our performance has reflected another year of consolidation in the reshaping and strengthening of the Company.

We have expanded our presence across investment banking services and consolidated our position in key areas, while proactively protecting and managing our assets. All the while, our commitment to our stakeholders has remained steadfast.

We will continue to focus on our core strength of innovative solutions and strong delivery capabilities. Further we will harness our integrated business model to increase penetration in the Infrastructure Sector.

We have come a long way over the last 9 years. Today IFIN is a stronger, safer and more dynamic institution. We have right-sized our business for the current operating environment, and stand prepared for a strong and exciting future.



Ready...

...to provide
innovative solutions

We provide a wide range of financial services and advisory solutions under one umbrella. Our comprehensive range of services include:

Asset & Structured Finance Plays pivotal role in the financial services business & provides innovative financing solutions across sectors	Debt Distribution One of the largest private sector debt syndication desks in the country	Corporate Advisory and M&A Offers M&A Advisory, Private Equity Syndication Services for a range of sectors
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Equity Capital Market
Merchant Banking and Institutional Broking platform

Infrastructure Debt Fund
Alternative investment platform. The first infrastructure debt fund in India

International Operations

Complement the domestic distribution desk and enhance product offering using global market presence

Chairman's Message

Dear Stakeholders,

I am happy to share my views on the performance of the Company, on an overall outlook I had anticipated that the macroeconomic indicators of the country are intact and the growth rate could resume back to the level of 7-10%, if certain key economic decisions are implemented on an urgent basis. The above has largely happened in the current financial year with stable Government machinery, the investment activity has seen upward trend

IL&FS Financial Services Ltd (IFIN) as an Organisation has evolved over the years and it is now the key vehicle to provide all the financial services solution across IL&FS Group. Along with its on-going business activities the Company has also strengthened its international distribution network and created a synergy with IL&FS Group business module. The newer initiatives in the area of capital market and infrastructure debt fund have shown sound synergy and growth. I strongly feel all these efforts would enhance the value of all the stakeholders as we move ahead

The Company has completed transformation of its business activities to offer integrated business solution in terms of Products range



as well as geographical reach. The profitability of the current year was decent and I hope the next financial year will see the Company surge further

In the last nine years the company has grown leaps and bound, IFIN and its subsidiaries have had an impressive overall growth in profit before tax with the shift in the business strategy moving out of doing more Greenfield projects to newer products like refinancing, securitization and extremely innovative structures including bond issuance has helped the growth despite constraints

I am confident that with all the reengineering efforts implemented in the current financial year the Company is well positioned to capitalize on new opportunities, deliver balanced growth, create value for all stakeholders and excel further

Sincerely,

Ravi Parthasarathy
Chairman

Managing Director & CEO's Message

Dear Stakeholders,

It gives me immense pleasure to share my views on yet another completion of the successful financial year. The financial year 2015 witnessed the beginning of a constructive approach adopted by the Government to successfully accomplish its agenda of accelerating the economic development, which is very much evident from the number of initiatives undertaken at the national level

In line with the above, our Gross Domestic Product (GDP) led by strong services sector growth has shown a remarkable upward trend. RBI's decision to reduce the policy repo rates by 25 bps further boosted the efforts, Low capacity utilisation; weak indicators of production and credit off-take prompted the RBI to go for a rate cut that impacted many levers of business

Our Company began the journey of FY 2015 by clearly laying down its objectives and the leadership team, committed to convert the targets into achievements. To begin with our Debt Distribution business has evolved over the year into a sustainable fee earning platform with a result oriented approach in ensuring funding support for growing infrastructure business. The Corporate Advisory Services business saw a deal resurgence. In the lending business, we have continued the focussed strategies on asset performance which has helped us keeping the



 | Financial Services

asset book healthy. The overall growth in the asset book is not high but the efforts are on to effectively expand the fee based income business verticals in the coming year

The profitability growth has been decent in the current financial year; the international subsidiaries have achieved their breakeven and are now better poised to ride the next wave of growth given the strong India leg. The IL&FS Infrastructure Debt Fund continued the growth momentum during FY 2015 and on the capital market business there have been a few significant transactions that will show the monetary results in the coming financial year.

I am sure with the favourable economic conditions, we will have much more opportunities for the potential business enabling us to achieve our set targets for the year in terms of business growth and the profitability numbers. I would like to acknowledge and thank the Board of Directors, Management team, Employees and Business partners for their continued support

Regards

Ramesh C Bawa
Managing Director & CEO

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CORPORATE INFORMATION

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

BANKERS

Abu Dhabi Commercial Bank	IDBI Bank	State Bank of Patiala
Allahabad Bank	Indian Bank	Syndicate Bank
Andhra Bank	Indian Overseas Bank	The Bank of Nova Scotia
ANZ Banking Group	Indusind Bank	The Bhartiya Mahila Bank
Axis Bank	ING Vysya Bank	The Karnataka Bank
Bank of Baroda	ICICI Bank	The South Indian Bank
Bank of India	Oriental Bank of Commerce	The Karur Vysya Bank
Bank of Maharashtra	Punjab & Sind Bank	The Jammu & Kashmir Bank
Canara Bank	Punjab National Bank	UCO Bank
Calyon Bank	Standard Chartered Bank	Union Bank of India
Central Bank of India	State Bank of Hyderabad	United Bank of India
Credit Suisse AG	State Bank of Bikaner & Jaipur	Vijaya Bank
Dena Bank	State Bank of Mysore	Yes Bank
HDFC Bank	State Bank of Travancore	

DEBENTURE TRUSTEE

Centbank Financial Services Ltd
Central Bank of India - MMO Building,
3rd floor (East), 55 Mahatma Gandhi Road, Fort
Mumbai - 400 001

REGISTERED OFFICE

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

Website: www.ilfsifin.com

Corporate Identity Number – U65990MH1995PLC093241

BOARD OF DIRECTORS



Ravi Parthasarathy
Chairman



Hari Sankaran
Director



Ramesh C Bawa
Managing Director & CEO



Surinder Singh Kohli
Director



Arun K Saha
Director



Vibhav Kapoor
Director



Shubhalakshmi Panse
Director



Neera Saggi
Director



Uday Ved
Director



Milind Patel
Joint Managing Director



Rajesh Kotian
Deputy Managing Director

COMMITTEES OF BOARD

Audit Committee

Surinder Singh Kohli
Shubhalakshmi Panse
Arun K Saha

Nomination and Remuneration Committee

Surinder Singh Kohli
Shubhalakshmi Panse
Ravi Parthasarathy
Hari Sankaran

Administration Committee

Arun K Saha
Ramesh C Bawa
Milind Patel

Committee of Directors

Ravi Parthasarathy
Hari Sankaran
Arun K Saha
Ramesh C Bawa

Risk Management Committee

Surinder Singh Kohli
Hari Sankaran
Arun K Saha
Ramesh C Bawa
Milind Patel
Rajesh Kotian

Disciplinary Committee

Hari Sankaran
Arun K Saha
Vibhav Kapoor

Stakeholders Relationship Committee

Arun K Saha
Milind Patel
Rajesh Kotian

CSR Committee

Shubhalakshmi Panse
Surinder Singh Kohli
Hari Sankaran
Ramesh C Bawa

SUBSIDIARIES

International Subsidiaries

IL&FS Global Financial Services Pte Ltd
IL&FS Global Financial Services (UK) Ltd
IL&FS Global Financial Services (ME) Ltd
IL&FS Global Financial Services (HK) Ltd

Domestic Subsidiaries

IL&FS Capital Advisors Ltd
IL&FS AMC Trustee Ltd
IL&FS Infra Asset Management Ltd
IL&FS Broking Services Pvt Ltd
(formerly Avendus Securities Pvt Ltd)

SENIOR MANAGEMENT TEAM

Ashesh Dutta
Chief Operating Officer

Deepak Pareek
Chief Financial Officer

Subash Chandra
Head Asset & Structured Finance

Sabyasachi Mukherjee, Santosh Swamy,
Lubna Usman
Heads Debt Distribution

K Mahesh
Head Corporate Advisory

Lokesh Chebium
Head Business Development

Neelam Desai
Company Secretary

Damini Marwah
Head Legal

Sudakshina Bhattacharya
Head Human Resources

Anita Ferreira
Head International Business

Ravi Sharma
Head Administration

Ready... ...to scale new heights

Never one to rest on its laurels, IFIN continues to set higher goals and pursue greater challenges. The Company's many innovative solutions have frequently set new benchmarks and trends

We pursue excellence in all that we do and we achieve it by actively challenging, reviewing and improving the way we work





DIRECTORS' REPORT

To
The Shareholders
IL&FS Financial Services Limited

The Directors are pleased to present the Twentieth Annual Report and the Audited Financial Statements for the financial year ended March 31, 2015

FINANCIAL RESULTS:

The summarised standalone financial results of the Company are as under:

Particulars	₹ in million	
	FY 2015	FY 2014
Gross Revenue	19,213	18,150
Gross Profit	5,670	5,169
Non-Cash Charges	21	41
Operating Income for the year	5,649	5,128
Provisions and Contingencies	1,645	1,577
Profit Before Tax	4,004	3,551
Provision for Taxation	1,510	900
Profit After Taxation	2,494	2,651
Balance of Profit b/f	2,749	2,641
Profit available for distribution	5,243	5,292

APPROPRIATIONS

	₹ in million	
Special Reserve I	499	530
Special Reserve II	68	38
General Reserve	249	265
Dividend (Incl. dividend distribution tax)	1,599	1,710
Balance of Profit	2,828	2,749
Total	5,243	5,292

DIVIDEND:

Your Directors have recommended payment of dividend at the rate of ₹ 5/- per equity share (50%) in respect of 265,667,555 Equity Shares, amounting to ₹ 1,598.76 million, inclusive of dividend tax of ₹ 270.42 million

The above payment of dividend would be subject to approval by the Members in the forthcoming Annual General Meeting

OPERATING ENVIRONMENT:

- (1) The Indian economy grew by 7.4% in FY 2015 as against 6.9% during FY 2014 and is expected to grow at faster pace next year. However, the credit growth has remained muted at around 10% mainly on account of the halt in new projects. With easing of credit cycle resulting into reduction in the interest rates by 75 basis in last 3 months by RBI, it is expected that the economic growth would pick up in the last quarter of the FY 2016
- (2) NBFC (Non-Banking Finance Company) sector has evolved considerably in terms of its size and operations and poses systemic risk. In view of the above, RBI has issued revised prudential norms, restructuring norms etc. to stem the systemic risk. The above amendments seeks to bring prudential norms at par with Banks and remove regulatory arbitrage available to the NBFCs
- (3) In line with the broader economic outlook, the Company's performance has remained stagnated with static asset book. The focuses have been maintained on recovery of the existing overdues and curb further delinquencies. The performance from the fee based platform was satisfactory and achieved the targeted income

OPERATIONAL PERFORMANCE:

- (1) The Company had taken various initiatives in the past 3 years to expand its presence across Investment Banking services and now focus to consolidate its position in the above areas. The enlarged fee based activities now includes Project Debt Syndication, Corporate Advisory, Capital Market Advisory, Asset Management and International Distribution Network even as fund based business remains challenging
- (2) The Project Debt Syndication Group (PSG) continues to be major contributors to the total fee income and has maintained its distribution reach with multiple lenders' fraternity. The PSG is actively engaged with Group Companies for planning of resource raising, its effective implementation, periodic review and corrective actions as and when required. PSG has tapped Debt Capital Market for refinancing of the obligations of IL&FS Group companies through innovative and structured products
- (3) The Company maintained diversified mix of its borrowing sources under Bank Borrowings as well as Market Borrowings with optimum borrowing cost
- (4) The long term as well as short term credit rating of the Company have been reaffirmed by the credit rating agencies viz, CARE, India Ratings (FITCH) and ICRA at top notch. The above credit ratings has enabled fund raising at significantly lower interest rate thus reducing the borrowing cost

- (5) The Company has been taking multiple initiatives to consolidate its presence in the other areas of its activities. Pursuant to the above initiatives, the Company has successfully closed second tranche of the Infrastructure Debt Fund raising around ₹ 7 bn, achieved highest deal closure activities from International Platforms. The steps have been taken to complete re-empanelment process in Institutional Broking Subsidiary and set up Business Development Team for sourcing third party mandates. The Company is also deliberating on the various options to increase activity level at its merchant banking and corporate advisory platforms

FINANCIAL PERFORMANCE:

- (1) The asset book of the Company has been maintained at ₹ 98,026 mn as at March 31, 2015 as compared to the asset book of ₹ 98,875 mn as at March 31, 2014
- (2) In view of the above, the interest income has marginally increased by 4% at ₹ 16,043 mn as compared to the previous year
- (3) On backdrop of the bullish run in capital market post formation of new government, the current investment portfolio has registered robust performance. However, due to lack of divestment opportunities, the performance of long term Investment Portfolio remain subdued. Accordingly, investment income has fallen by 10% at ₹ 1,229 mn compared to ₹ 1,372 mn during the last year
- (4) The total borrowings have increased by 12% to ₹ 123,943 mn as at March 31, 2015 vis-à-vis ₹ 111,929 mn as at March 31, 2014. However, due to efficient uses of diversified borrowing resources, the Company has managed to keep borrowing cost at ₹ 12,160 mn during the year, an increase of 5% compared to previous year
- (5) The fee based income for the year has been at ₹ 1,547 mn compared to ₹ 1,203 mn achieved during the previous year. The 29% increase in fee income is mainly attributable to Project Debt Syndication business and Corporate Advisory Services
- (6) Operating Overheads (including depreciation) marginally reduced to ₹ 1,403 mn for the year ended March 31, 2015 as against ₹ 1,467 mn for the previous year
- (7) A Contingency Provision of ₹ 1,170 mn has been created for the year ended March 31, 2015 in addition to the regulatory provision required by RBI
- (8) The Company has registered Profit before Tax (PBT) of ₹ 4,004 mn as against ₹ 3,551 mn for the previous year, an increase of 13%. The Company has achieved Profit after Tax (PAT) of ₹ 2,494 mn during the year as against ₹ 2,651 mn for the previous year, a decrease of 6% due to increase in tax provision
- (9) The Company has maintained Capital adequacy Ratio at 21.63% which is well above

15% prescribed by RBI for NBFCs. The Capital Adequacy Ratio provides enough leeway for taking up growth opportunity in its assets books

- (10) An amount of ₹ 249 million was transferred to General Reserve of the Company as a prudent measure. An amount of ₹ 499 mn was transferred to Special Reserve I pursuant to section 45 (1) (c) of the Reserve Bank of India Act, 1934. An amount of ₹ 68 mn was transferred to Special Reserve II pursuant to section 36 (1) (viii) of the Income Tax Act, 1961

OUTLOOK:

- (1) The Company will continue to focus on its core strength on product innovation and strong delivery capabilities. The Company will strive to maintain assets quality and yield from the asset book. A dedicated team has been created to exclusively work on the distressed assets with a clear target of regularising most of the accounts in the year
- (2) The improvement in market sentiments would enable customers to improve the liquidity position and free up their inventory levels. Accordingly, the Company is also working on case specific strategy for its clients which is being duly implemented which would help in early recovery of some of its assets
- (3) Further, emphasis on structured transactions will continue to maintain strong profitability. The efforts will be made to streamline its investment portfolio through divestments of matured asset and realize gain from the same
- (4) The Company will enhance its distribution reach to tap new financial market entrants such as IDFs, AIFs as next growth drivers for its fee based business. Further, maximization of relationship will be the focus area to generate revenue for other verticals
- (5) The Capital market business is closely working with all the group companies' CEOs to keep a track of their relevant financial business related to merchant banking. The Asset and Structured Finance client relation is also leveraged to generating the IPO / QIP and related merchant banking transactions
- (6) The Company will continue to harness its integrated business model to increase its penetration in the Infrastructure Sector as below:
 - (a) Strengthen business development initiative and offer bouquet of services. Fund based business continue to play pivotal role
 - (b) Maintain asset quality and collection efficiency with respect to the Lending Portfolio

- (c) Provide Innovative product solution using its primary and secondary market capabilities and expertise
- (d) Target foreign source of funding through its overseas subsidiaries for scaling of its Infrastructure Debt Fund's (IDF) assets under management
- (e) Focus on compliance will be maintained across regulatory authorities

OPERATIONS OF THE SUBSIDIARIES AND JOINT VENTURE:**(1) IL&FS Global Financial Services Pte Ltd:**

The Company was incorporated in the year 2008 and is being regulated by Monetary Authority of Singapore (MAS). The Company holds the regulatory license to deal in securities and advise on Corporate Finance

(2) IL&FS Global Financial Services (UK) Limited:

The Company was incorporated in the year 2009. The Company has obtained business license from Financial Conduct Authority (FCA), UK, to undertake business pertaining to Advisors & Arrangers for Investments activities

(3) IL&FS Global Financial Services (ME) Limited:

The Company was set up in the year 2011. The Company has obtained the regulatory approval from Dubai Financial Services Authority (DFSA) to undertake the activities of Funds arrangement and advisory services

(4) IL&FS Global Financial Services (HK) Limited:

The Company was incorporated in the year 2012 for undertaking business activities of dealing in securities and advising on securities

(5) IL&FS Capital Advisors Limited:

The Company was incorporated in the year 2012 and holds license from Securities and Exchange Board of India (SEBI) to undertake Merchant Banking activities

(6) IL&FS Broking Services Private Limited (IBSPL):

In order to enhance its business offering under merchant banking segment, the Company has acquired the institutional broking platform by acquiring the majority stake in IBSPL in the year 2013. IBSPL holds broking license from SEBI and is also registered with NSE and BSE. IBSPL has been providing broking services to institutional players as its empaneled client

(7) IL&FS Infrastructure Debt Fund (IDF):

The Company has set up an Infrastructure Debt Fund (IDF) and incorporated IL&FS Infra Asset Management Limited to act as Asset Management Company for IDF in the year 2013. As per the SEBI (Mutual Funds) Regulations, 1996, IL&FS AMC Trustee Limited was set up to oversee the activities of the Asset Management Company

(8) Syniverse Technologies India Pvt Limited (STIPL):

Syniverse Technologies India Pvt Limited is a Joint Venture of the Company with Syniverse Technologies Inc and Flash net Info Solutions Limited. STIPL was formed to undertake Mobile Number Portability (MNP) in India and has been awarded license to provide the MNP Services exclusively covering Northern and Western Zones

Pursuant to provision of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries and joint ventures in Form AOC – 1 is attached to the financial statements of the Company

RISK AND CONCERNS:

The Company has a strong Risk Management System for identification, monitoring, mitigation and reporting of the risks associated with its operations. These are comprehensively documented in policy statements and standard operating practices, while formal reporting is addressed to the Company's Audit Committee and Board. Appropriateness and adequacy of risk assessment methodology is reviewed by the Risk Management Committee of the Board

The Company has an established practice of compliance reporting covering all operations and support functions; compliance reporting is also subject to internal audit and is periodically reviewed to ensure comprehensive coverage. Similar practices are being established in all the domestic and international subsidiaries of the Company with the support of the Company

The Company's Asset Liability Management (ALM) Committee periodically reviews the borrowing profile, liquidity, funding, ALM mismatch positions. The Board has also constituted the Risk Management Committee which meets periodically to oversee the effectiveness of risk management processes, assessment of emerging risks and mitigation thereof and adequacy of response to developments in the regulatory regime

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an effective Internal Control System for all functions with adequate checks and balances. Periodic audit of all functions is carried out by the Internal Auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies. The Internal Auditors review the systems and procedures and advise on further

improvements wherever required. The reports of the Internal Audit are reviewed by the Audit Committee and the Board

The Company's policies are reviewed annually in line with the dynamic business environment and regulatory requirements

The financial statements are prepared on half yearly basis considering the above adequate internal control and systems and are reviewed by the Audit Committee and approved by the Board

HUMAN RESOURCE :

The Company firmly believes that its Human Resource is most valuable assets, and it contributes towards the performance of the Company in a substantial way. The Company has devised various development program for the employees through internal as well as external training program. The Company has a robust performance management system in place which recognises the performers and accordingly rewards the employee. The Board of Directors places on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

Pursuant to the Sexual Harassment of Women at Workplace (Preventive, Prohibition and Redressal) Act, 2013 (SHWW Act), the Company has formulated and adopted "The Sexual Harassment of Woman at the Workplace Prevention, Prohibition and Redressal policy"

As required under the SHWW Act, the Company has constituted an Internal Complaints Committee comprising of Senior Executives of the Company. The Committee is responsible for ensuring compliance in terms of provisions of the Act, from time to time

Pursuant to implementation of the SHWW Act, the status of complaints received and resolved is as follows:

Number of complaints received during FY 2015	None
Number of cases disposed during FY 2015	None
Number of cases pending for more than 90 days	Not applicable
Number of Awareness workshops conducted	5 sessions have been conducted till date
Nature of action taken by the District Officer	Not Applicable

FINANCIAL RESOURCES:

The Company raises its financial resources principally through term loans from banks, issue of non-convertible debentures, commercial paper and deposits from corporates. Resources are raised by the Company in accordance with the asset build up plan, interest rate movements, potential asset liability mismatch and treasury operations

RBI GUIDELINES:

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time as applicable to it

NON-ACCEPTANCE OF PUBLIC DEPOSITS:

The Company is a Systemically Important Non - Deposit Taking Non Banking Finance Company. It has not accepted any public deposits during Financial Year 2014-15

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Re-constitution of Board of Directors:****Appointment:**

During the year under review, the Board has in compliance with requirements of the Companies Act, 2013 and as per the recommendation of Nomination and Remuneration Committee, appointed Independent Directors viz, Ms Shubalakshmi Panse (DIN 02599310), Ms Neera Saggi (DIN 00501029) and Mr Uday Ved (07147461). Ms Neera Saggi and Mr Uday Ved shall hold office up to the date of the ensuing Annual General Meeting. The Board of Directors recommends their appointment at the ensuing Annual General Meeting

Resignation of Directors:

Mr Shahzaad Dalal and Mr Manu Kochhar, Non – Executive Directors of the Company have resigned from the Board with effect from March 26, 2015. The Board wishes to place on record its appreciation for the valuable guidance and services provided during their association with the Company

Retirement by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr Vibhav Kapoor (DIN 00027271) retires by rotation and being eligible; offers himself for re-appointment at the ensuing Annual General Meeting

The Board recommends the resolution for re-appointment of Mr Vibhav Kapoor as set out in the Notice of the Annual General Meeting for the approval of the Members

Statement of declaration given by the Independent Directors under Section 149:

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

Annual Evaluation of Board:

In compliance with the Companies Act, 2013, the performance evaluation of the Board was carried out during the year under review

The evaluation process was carried out by covering various aspects of the Board's functioning such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, governance matters, independent judgment and safeguarding of shareholder's interest etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings

In the separate meeting of Independent Directors, performance of Non-independent Directors, performance of the Board as a whole and performance of Chairman was evaluated, taking into account the views of Executive Directors and Non-executive Directors

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have 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 have 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 have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems and internal financial control are adequate and operating effectively

AUDITORS:**(1) STATUTORY AUDITORS:**

At the Annual General Meeting held on June 23, 2014, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the financial year 2017 - 18. 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 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 does not 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

(2) SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed M/s P. Diwan & Associates, Practicing Company Secretaries to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014 - 15. The report of the Secretarial Auditor is annexed to this report as **Annexure - I**. The report does not contain any qualification

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee was constituted by the Board of Directors of the Company at its meeting held on May 08, 2014

The Company has entered into Memorandum of Understanding with Nalanda Foundation, a charitable trust established under the Indian Trusts Act, 1882. The core activities of Nalanda Foundation include developing and implementing socio-economic and educational related activities

The CSR Policy of the Company and the details about the initiatives taken by the Company on Corporate Social Responsibility during the year have been appended as **Annexure - II** to this Report

CORPORATE GOVERNANCE :

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices. With this objective, the Company has put in place various policies and systems and processes to achieve transparency, business ethics and compliance with applicable laws

The Company has complied with the Corporate Governance requirements as specified under the Companies Act, 2013 and the report is annexed as an **Annexure - III**

RELATED PARTY TRANSACTIONS:

All the related party transactions that were entered into during the financial year were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered as material with any of its 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 - IV**

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of Annual Return is enclosed as **Annexure - V**

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The disclosures referred to under Sub-section 4 of Section 186 of the Companies Act, 2013 are not applicable to the Company, as it is a Non-Banking Finance Company

PARTICULARS OF EMPLOYEES:

A statement containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VI** to the Board's report

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lacs or more, or employed for part of the financial year and in receipt of ₹ 5 lacs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VII** to the Board's report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required to be furnished under Section 134 read with Companies (Accounts) Rules, 2014 are as under :

- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company
- (2) The particulars as regards foreign exchange earnings and outgo appear as Item No 24 in the notes to the accounts forming part of financial statements of the Company

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, Reserve Bank of India, Securities and Exchange Board of India, Banks and Financial Institutions and other governing regulatory authorities

ANNEXURES:

- (1) Secretarial Audit Report – Annexure – I
- (2) CSR Policy & CSR Initiatives – Annexure – II
- (3) Corporate Governance Section – Annexure – III
- (4) Form AOC – 2 – Annexure – IV
- (5) Extract of Annual Return – Annexure – V
- (6) Particulars of Directors and Key Management Personnel - VI
- (7) Particulars of Employees – Annexure – VII

For and on behalf of the Board of Directors

Date : May 14, 2015
Place : Mumbai

Ravi Parthasarathy
Chairman

ANNEXURE I
SECRETARIAL AUDIT REPORT
Form No MR-3
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015
[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

IL&FS FINANCIAL SERVICES LIMITED

IL & FS Financial Centre, Plot No C-22 G Block

Bandra Kurla Complex, Bandra (East)

Mumbai – 400 051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good practices by IL&FS FINANCIAL SERVICES LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder; (not applicable during the period).
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, whereas Foreign Direct Investment and External Commercial Borrowings were not applicable during the period
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (not

applicable during the period);

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (not applicable during the period);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable during the period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable during the period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the period)
- (vi) Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and other relevant guidelines and circulars issued by the Reserve Bank of India from time to time

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the Companies Act, 2013 (not notified during the period and hence not verified)
- (ii) The Listing Agreement for Debt Securities entered into by the Company with Stock Exchange(s)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that during the audit period, the Company have issued and allotted Debentures on Private Placement on 3rd July, 2014; 28th August, 2014 and 18th September, 2014

For P. DIWAN & ASSOCIATES
PRASHANT DIWAN

Date: 14.05.2015 PARTNER
Place: Mumbai FCS: 1403 CP: 1979

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

Annexure "A"

To
The Members
IL&FS FINANCIAL SERVICES LIMITED
IL & FS Financial Centre, Plot No C-22 G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For P. DIWAN & ASSOCIATES

PRASHANT DIWAN

Date: 14.05.2015

PARTNER

Place: Mumbai

FCS: 1403 CP: 1979

ANNEXURE II

Annual Report on CSR Activities to be Included in the Board's Report (FY 2014-15)

- (I) A Brief Outline of the Company's CSR Policy and Overview of Projects :

The CSR Policy of the Company was approved by the Board at its' Meeting held on July 25, 2014. The CSR Policy is effective from April 1, 2014. The focus areas of the approved CSR Policy are summarized below:

- (1) To support capacity building through skills based training programs with a focus on employment and entrepreneurship, functional literacy, financial literacy and inclusion

In the year ended March 31, 2015, out of about 2,500 candidates enrolled, training has been provided to about 2,200 young adults from economically weaker sections of society and assessments are in progress. These candidates will also be assisted in finding appropriate jobs in the formal sector and/or for starting their own businesses

- (2) To follow a livelihood-centered approach to holistic development of the target beneficiaries by undertaking context driven income generation activities

Current programs cover 660 people, predominantly women

- (3) To support quality education including special education, and strengthening of education infrastructure

CSR interventions in education are being carried out in 4 locations, covering 22 schools and 2,267 students & teachers

- (4) To support interventions in the area

IL&FS Financial Services Limited

of healthcare and nutrition, safe and adequate drinking water, sports, environmental sustainability, ecological balance, natural resource protection and conservation disaster relief, any other form of rural development thereby enabling an improved quality of life and resource security in the catchment areas of its infrastructure projects

A range of projects are being supported in this regard

(II) The Composition of the CSR Committee:

The CSR Committee comprises of:

Ms Shubhalakshmi Panse Chairperson
Mr Surinder Singh Kohli Member
Mr Hari Sankaran Member
Mr Ramesh C Bawa Member

(III) Average Net Profit of the Company for the Last Three Financial Years:

In line with the provisions of Section 135 of Companies Act, 2013 and the CSR Rules, 2014, the audited net profits for the last 3 years ended March 31, 2014 and the average of the same is as given below:

(IV) Prescribed CSR Expenditure :

(Amt in ₹ mn)

Particulars	FY 2012	FY 2013	FY 2014
Profit Before Tax *	3,773	4,503	3,551
Less: Dividend received from any other Companies in India, Which are covered under and complying with the provisions of Section 135 under Companies Act, 2013	(77)	(171)	(139)
Less: Any profit arising from any overseas branch or branches of the Companies, whether operated as separate Companies or otherwise	-	-	-
Total	3,696	4,332	3,412
Total Net Profits (FY12-14)			11,440
Avg. Net Profits			3,813

In line with the provisions of Section 135 of Companies Act, 2013 and the CSR Rules, 2014, the prescribed CSR Expenditure for FY 2014-15 is estimated at ₹ 76.27 mn: i.e., 2% of ₹ 3,813 mn = ₹ 76.27 mn

(V) Details of CSR Spent During the Financial year :

- (1) Total amount to be spent for the financial year: ₹ 76.27 mn, as above
- (2) Amount unspent, if any: ₹ 69.72 mn
- (3) Manner in which the amount spent during the financial year is detailed in **Appendix I**

(VI) Reasons for Shortfall in CSR Spend :

FY 2015 has been the first year of the enactment of Section 135 of Companies Act, 2013 and the associated CSR Rules, 2014. Several amendments/clarifications were issued by the Government over June, 2014 to January, 2015. The Company has been tracking these changes

and working towards identifying relevant CSR interventions which meet the intent of the law and the CSR policy

The Company has in place a dedicated team which is working on building a set of projects which will deliver meaningful and measurable outcomes. A systematic process is followed for this, based on research. Given the delayed commencement, and the lead time for developing impactful projects, there has been a shortfall in the CSR spend for this first year. The Directors expect that spend targets for FY 2016 will be met

(VII) Responsibility Statement :

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Shubhalakshmi Panse

(Chairperson - CSR Committee)

Ramesh C Bawa

(Managing Director & CEO)

APPENDIX I

Summary of CSR Activities/Projects For IFIN : FY 14-15

(Amount in ₹)

Sr No	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs was Under-taken	Amount Outlay (budget) project or program wise		Amount spent on the Projects or Programs		Cumulative Expenditure upto the reporting period		Amount spent: Direct or through implementing agency						
				Direct	Overheads	Direct	Overheads	Direct	Over-heads		Total					
SKILLING AND LIVELIHOOD																
1	CSR Skills Scholarship	(II), Livelihood Enhancement Projects	(1) Other Area (2) Pan India	4,50,00,000	10,00,000	4,60,00,000	64,00,000	1,44,000	65,44,000	64,00,000	1,44,000	65,44,000	64,00,000	1,44,000	65,44,000	Implementing Agency (Nalanda Foundation)
	TOTAL			4,50,00,000	10,00,000	4,60,00,000	64,00,000	1,44,000	65,44,000	64,00,000	1,44,000	65,44,000	64,00,000	1,44,000	65,44,000	

ANNEXURE III
Section / Report on Corporate Governance

The report on Corporate Governance is as follows:

(I) Board Constitution:

Sr No	Name of the Directors	Category	No. of Board Meetings attended	Last Annual General Meeting Attendance
(1)	Mr Ravi Parthasarathy	Chairman Non-Executive Director	5	Yes
(2)	Mr Hari Sankaran	Non-Executive Director	2	Yes
(3)	Mr Arun K Saha	Non-Executive Director	5	Yes
(4)	Mr Ramesh C Bawa	Managing Director & CEO	5	Yes
(5)	Mr Surinder Singh Kohli	Independent Director	5	Yes
(6)	Mr Milind Patel	Joint Managing Director	5	Yes
(7)	Mr Vibhav Kapoor	Non-Executive Director	4	Yes
(8)	Mr Shahzaad Dalal*	Non-Executive Director	3	Yes
(9)	Mr Manu Kochhar*	Non-Executive Director	3	Yes
(10)	Mr Rajesh Kotian	Deputy Managing Director	5	Yes
(11)	Ms Shubhalakshmi Panse *	Independent Director	1	No
(12)	Ms Neera Saggi*	Independent Director	-	-
(13)	Mr Uday Ved *	Independent Director	-	-

* (i) Ms Shubhalakshmi Panse was appointed as an Independent Director on February 5, 2015

(ii) Mr Manu Kochhar and Mr Shahzaad Dalal resigned from the Board with effect from March 26, 2015

(iii) Ms Neera Saggi was appointed as an Independent Director on March 18, 2015

(iv) Mr Uday Ved was appointed as an Independent Director on March 31, 2015

(II) Board Meetings:

During the period under review, five Board Meetings were held on April 29, 2014, May 08, 2014, July 25, 2014, November 13, 2014 and February 05, 2015

(III) Committees of the Board:

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

(a) Audit Committee:
Constitution:
Mr Surinder Singh Kohli.....Chairman
Ms Shubhalakshmi Panse
Mr Arun K Saha

The Board of Directors have duly accepted all the recommendations made by the Audit Committee during the year under review

(b) Nomination & Remuneration Committee: Constitution:
Mr Surinder Singh KohliChairman
Ms Shubhalakshmi Panse
Mr Ravi Parthasarathy
Mr Hari Sankaran

(c) Corporate Social Responsibility (CSR) Committee: Constitution:
Ms Shubhalakshmi Panse...Chairperson
Mr Surinder Singh Kohli
Mr Hari Sankaran
Mr Ramesh C Bawa

(d) Stakeholders Relationship Committee : Constitution:
Mr Arun K Saha.....Chairman
Mr Milind Patel
Mr Rajesh Kotian

(e) Risk Management Committee: Constitution:
Mr Surinder Singh Kohli. Chairman
Mr Hari Sankaran
Mr Arun K Saha
Mr Ramesh C Bawa
Mr Milind Patel
Mr Rajesh Kotian

(IV) Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. The remuneration policy reads as under:

- (I) Preamble :
- IL&FS Financial Services Limited (IFIN) is an independent professional institution with its own cadre of personnel and distinctive business practices. IFIN specializes in infrastructure financing transactions, with a combination of Investment Banking skill sets comprising of Debt Syndication, Corporate advisory and lending capabilities
- (1) Since the businesses of the Company are people centric, Human Resource Development (HRD) assumes great significance in facilitating the organization to meet this objective. The HRD strategy is to :
- (a) Attract and retain competent resources
 - (b) Provide competitive performance based compensation and benefits
 - (c) Facilitate and provide growth opportunities within the Group by encouraging movement of personnel across geographies
 - (d) Ensure clear communication of vision and business plans
- (II) Compensation Forums:
- (1) Nomination and Remuneration Committee:
- Remuneration Committee was constituted on October 26, 2006 for determining the Company's policy on compensation for employees of the Company, reviewing the performance of the employees, approving the annual remuneration and performance related pay to Whole-time Directors and the employees of the Company.
- In accordance with the provisions of the Companies Act, 2013 the nomenclature of the Committee was changed to Nomination & Remuneration Committee on May 8, 2014. At present Mr Surinder Singh Kohli, an Independent Director chairs the Committee
- (III) Statutory Provisions:
- (1) Pursuant to the notification of the Companies Act 2013, effective April 01, 2014, the following provisions thereof have been considered while formulating the Remuneration Policy at IFIN :
- (a) Remuneration for Whole-time, Non-Executive Directors, Key Management Personnel and Senior Management
 - (b) Role of the Nomination and Remuneration Committee
 - (c) Disclosures in the Directors' Report
- (IV) Objective:
- (1) The key objective of the Managerial Remuneration Policy is to enable a framework that allows competitive and fair rewards for the achievement of key deliverables
 - (2) While deciding remuneration for the Whole-time Directors' various factors such as the market scenario, business performance of IFIN and the remuneration practices in the Financial Sector
 - (3) Rationale for Remuneration Framework:
 - (a) Internal Ratios: The Compensation package for Managerial Personnel at level/s lower than Whole-time Director is revised annually in the form of performance increments, structural improvements and Cost of Living Adjustments. This has led to a compressing of the compensation differential between the lowest and highest levels of executive management
 - (b) Compliance & Risk Parameters : In view of Company law regulations,

the compliance roles of Whole-time Directors far outweigh that of any other level and consequently the risk parameters associated with these jobs are of a significantly

higher level as compared to the junior levels

(V) Remuneration Pattern:

- (1) Structure : A summary of the current structure set for the Whole-time Directors is as mentioned below :

Components	Criteria	Description
Base Salary	<ul style="list-style-type: none"> Reflects the Directors' experience, criticality of the role with the Group and the risk factor involved 	<ul style="list-style-type: none"> Consolidated Salary fixed for each financial year This component is also used for paying retiral benefits Paid on a monthly basis
Short-term incentive	<ul style="list-style-type: none"> Based totally on the performance of the Director Determined by the Compensation Committee after year-end based on performance against the pre-determined financial and non- financial metrics 	<ul style="list-style-type: none"> Variable component of the remuneration package Paid on an annually basis
Long-term incentive	<ul style="list-style-type: none"> Drive and reward delivery of sustained long-term performance Determined by the Compensation Committee and distributed on the basis of time, level and performance 	<ul style="list-style-type: none"> Variable long-term remuneration component, paid in shares
Retiral Benefits	<ul style="list-style-type: none"> Provide for sustained contribution Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts and the IFIN Superannuation Fund 	<ul style="list-style-type: none"> Accrues depending on length of service. It is 33.33% of Consolidated Pay

- (2) Base Salary : The Shareholders of the Company, while approving the appointment of the Whole-time Directors approve the scale within which the salary of the Whole-time Directors could be fixed

- (3) Perquisites and benefits: All other benefits are as per the rules of the Company. In addition to the above remuneration, the Whole-time Directors are also entitled to perquisites as per the Rules of the Company

- (4) Short-Term Incentive Plan ('STIP'):

- (a) The Company operates variable pay scheme called as "Performance Related Pay" [PRP]. Amendments to the PRP scheme is made to suit the organization's business and performance
- (b) In determining the actual PRP payments, the factors which are usually considered are Performance related to the Group's financial KPIs, Operational performance against budget

- (5) Long-Term Incentive Plan ('LTIP'):
IL&FS EWT (EWT) was set up in August 1990 to provide for the welfare of employees of IL&FS and its Subsidiary/ Affiliate Companies. EWT fund is utilized by the Trustees towards employee

welfare viz Promoting quality education, critical medical treatment etc

(VI) Key Management Personnel:

The Key Management Personnel (KMP) in IFIN are the Whole-time Directors, Chief Financial Officer and Company Secretary

- (1) The KMPs have operational responsibilities in addition to the responsibilities specified by the Companies Act, 2013

- (2) The remuneration package of the Whole-time Directors comprises of :

- (a) Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay and Variable House Rent Allowance
- (b) Annual Allowances: This consists of Leave Travel Allowance, Medical Reimbursement and Meal Allowance
- (c) Retirals: This includes Provident Fund @ 12% of Consolidated Pay, Gratuity @ 8.33% of Consolidated Pay and Superannuation @ 13% of Consolidated Pay

- (3) The remuneration package of the Senior Management comprises of:

- (a) Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay, Variable

- House Rent Allowance, Special Allowance and Vehicle Allowance
- (b) Annual Allowances: This consists of Leave Travel Allowance, Medical Reimbursement, Landline Reimbursement and Meal Allowance
- (c) Retirals: This includes Provident Fund @ 12% of Consolidated Pay, Gratuity @ 8.33% of Consolidated Pay and Superannuation @ 13% of Consolidated Pay
- (VII) Non-Executive Directors/ Independent Directors:
 The Non-Executive Directors are paid remuneration by way of sitting fees for attending the Board / Board Committee/s Meetings in accordance with the Companies Act, 2013 and also by way of a Commission. The payment of commission would be recommended by Nomination & Remuneration Committee. The commission would be distributed on uniform basis to reinforce the principle of collective responsibility of Directors. The Chairman of the Board and Chairman/Members of the Audit and Remuneration Committees would be paid commission for the responsibility and time spent by them
 The Board is responsible for setting policy in relation to the remuneration of the Non-Executive Directors/ Independent Directors
- (VIII) Remuneration Mix:
 The total remuneration package of Directors and KMPs is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that outstanding performance is incentivized accordingly
- (IX) Terms of Reference of the Nomination and Remuneration Committee (NRC):
 The terms of the reference of the Nomination and Remuneration Committee will be as follows:
- (1) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a Policy relating to the remuneration of the directors, key managerial personnel and other employees
 - (2) Formulating the criteria for evaluation of Independent Directors and other members of the Board
 - (3) Devising a policy on Board Diversity
 - (4) Identifying persons who are qualified to become directors and those to be appointed in Senior Management Cadre in accordance with the criteria laid down and recommend to the Board their appointment / removal
- (X) Disclosures:
 In accordance with the provisions of Companies Act 2013, details of the managerial remuneration would be disclosed in the Directors' Report to the Shareholders
- (XI) Review and Modification:
 Effectiveness of the Managerial Remuneration Policy is ensured through periodical review. The Board of Directors of the Company may amend or modify this Policy in whole or in part at any time as deemed appropriate
- Vigil Mechanism and Whistle-Blower Policy:**
 Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has established a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. We affirm that no employee of the Company was denied access to the Audit Committee. The Whistle blower policy of the Company reads as under:
- (I) OBJECTIVE:
- (a) The Company believes in the highest standards of ethical, moral and fair conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment
 - (b) It is primarily to address this objective, the Company adopted the Code of Conduct (the "Code"), which stipulates the guiding principles and standards governing the actions of the Company, its Directors and senior employees
 - (c) The provisions of the Companies Act, 2013, provides a requirement for all listed Companies to establish a Vigil mechanism for its employees, to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct
- (II) POLICY:
 This Whistle-blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company
- (III) DEFINITIONS:
 Definitions
 The definitions of some of the key terms used in this Policy are given below :
- (i) "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013

IL&FS Financial Services Limited

- (ii) "Employee" means all the employees of the Company (whether working in India or abroad)
 - (iii) "Investigators" mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee or Management and include the Auditors of the Company and the law enforcement authorities
 - (iv) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information, about the Company or its subsidiary (ies) that may evidence unethical or improper activity
 - (v) "Good Faith": An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous
 - (vi) "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation
 - (vii) "Whistle Blower" means an Employee making a Protected Disclosure under this Policy
 - (viii) "Disciplinary Action" means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter
- (IV) SCOPE:
- (1) The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - (a) Abuse of authority
 - (b) Breach of contract
 - (c) Negligence causing substantial and specific danger to public health and safety
 - (d) Manipulation of company data/ records
 - (e) Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error
- in preparations of Financial Statements or Misrepresentation of financial reports
- (f) Any unlawful act whether Criminal/ Civil
 - (g) Pilferation of confidential/ propriety information
 - (h) Deliberate violation of law/ regulation
 - (i) Wastage/misappropriation of company funds/assets
 - (j) Breach of Company Policy or failure to implement or comply with any approved Company Policy
- (2) The Whistle Blower's role is that of a reporting party with reliable information. A Whistle Blower is not required or expected to act as an investigator or finder of facts, nor would he determine the appropriate corrective or remedial action that may be warranted in a given case
- (3) A Whistle Blower should not act on his own in conducting any investigative activities, nor does he have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators
- (4) Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee
- (V) DISQUALIFICATIONS:
- (1) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action by the Company in such manner as may be deemed fit by the Company
 - (2) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention
 - (3) Whistle Blowers, who make two or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, shall be immediately disqualified from reporting further Protected Disclosures under this Policy
- (VI) PROCEDURE:
- (1) Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for

investigation under a sealed envelope at the following address:

Chairman - Audit Committee
 IL&FS Financial Services Limited
 The IL&FS Financial Centre, 3rd Floor,
 Plot No. C - 22, G Block,
 Bandra Kurla Complex,
 Bandra (East), Mumbai 400 051
 OR

By email to the following ID: ChairmanAC.
 ifin@ilfsindia.com

- (2) If a Protected Disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded by such executive to Chairman of the Audit Committee for further appropriate action. Reasonable care shall be taken by such executive to keep the identity of the Whistle Blower confidential
 - (3) Protected Disclosures should preferably be reported in writing in easy and understandable manner
 - (4) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. This is to ensure that the Audit Committee may interview the Whistle Blower, if required. Upon receipt of the covering letter, the Chairman of the Audit Committee shall detach the same and forward only the Protected Disclosure to the Investigators for investigation
 - (5) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure
 - (6) Protected Disclosures expressed anonymously will ordinarily not be investigated
 - (7) The Legal Counsel of the Company shall act as the Vigil Officer for operational matters under this policy
- (VII) INVESTIGATION:
- (1) The Chairman of the Audit Committee will investigate/ oversee the investigations of all Protective Disclosures under the authorization of the Audit Committee
 - (2) The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation in relation to the Protective Disclosures
 - (3) The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a fact-finding process. For the sake of clarity, the outcome of the investigation process may not support the information rendered by a Whistle Blower in the Protective Disclosures
 - (4) The identity of Subject will be kept confidential to the extent possible, subject to the reasonable and necessary requirements of the law and the investigation process
 - (5) Subject will normally be informed of the allegations at the outset of a formal investigation and shall be afforded opportunities of reasonable hearing to provide inputs during the investigation
 - (6) Subject shall extend all reasonable co-operation with the Chairman of the Audit Committee or any of the Investigators provided such co-operation shall not compromise self-incrimination protections available under applicable laws
 - (7) Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings
 - (8) Subject shall not interfere with the investigation process nor attempt to destroy evidence in relation thereto. Further, the Subject shall not withhold or tamper with, and shall not influence, coach, threaten or intimidate any witness called upon during the investigation process
 - (9) Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against Subject shall be considered as maintainable unless there is good evidence in support of the allegation
 - (10) Subject have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company
 - (11) The investigation shall be completed as expeditiously as possible and normally within 45 days of the receipt of the Protected Disclosure

- (VIII) PROTECTION:
- (1) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy
- (2) The Company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure
- (3) The Company shall take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc
- (4) Any other Employee assisting in the investigation process under this Policy shall also be protected to the same extent as the Whistle Blower
- (IX) INVESTIGATORS:
- (1) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority from the Audit Committee when acting within the course and scope of their investigation
- (2) Technical and other resources may be drawn upon as necessary to augment the investigation process. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards
- (3) Investigations will be launched only after a preliminary review which establishes that:
- (a) the alleged act constitutes an improper or unethical activity or conduct and
- (b) either the allegation is supported by information specific enough to be investigated or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity
- (X) DECISION:
- If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the procedures under applicable laws, besides the internal procedure adopted by the Company
- (XI) REPORTING:
- The Investigators shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any
- (XII) RETENTION OF DOCUMENTS:
- All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years. Reasonable care shall be taken to keep such Protected Disclosures confidential, subject to applicable laws
- (XIII) AMENDMENT:
- The Company is entitled to amend, suspend or rescind this Policy at any time without assigning any reasons therefor. Whilst, the Company has made best efforts to define detailed procedures for implementation of this Policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in consonance with the broad intent of this Policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance
- (V) Code of Conduct for Prohibition of Insider Trading:
- As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Prohibition of Insider Trading. All the Directors and employees of the Company are governed by this Code. During the year under review there has been due compliance with the said Code

For and on behalf of the Board of Directors
 Ravi Parthasarathy
 Chairman

Date : May 14, 2015
 Place : Mumbai

ANNEXURE IV

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: NA

For and on behalf of the Board of Directors
Ravi Parthasarathy
Chairman

Date : May 14, 2015

Place: Mumbai

ANNEXURE V

Extract of Annual Return - Form MGT9

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	U65990MH1995PLC093241
Registration Date	September 29, 1995
Name of the Company	IL&FS Financial Services Limited
Category / Sub-Category of the Company	Financial Services
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. Tel 022 26593333 Fax 022 26593149
Whether listed company	Yes, The Non-Convertible Debentures of the Company are listed on Bombay Stock Exchange Limited
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited (Formerly known as Intime Spectrum Registry Ltd) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Tel : 022-25963838 Fax : 022 25946979

(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
Stand-by commitment and other loan services	99711353	74.82%
Investment Banking Services	99712000	23.13%

(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, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Holding Company
(2)	IL&FS Capital Advisors Limited	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidiary Company
(3)	IL&FS Infra Asset Management Limited	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidiary Company
(4)	IL&FS AMC Trustee Limited	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidiary Company
(5)	IL&FS Broking Services Private Limited (Formerly Avendus Securities Pvt Limited)	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidiary Company
(6)	IL&FS Global Financial Services Pte Ltd	80 Raffles Place, # 38-02, UOB Plaza 1, Singapore – 048624	Subsidiary Company
(7)	IL&FS Global Financial Services (UK) Limited	40, Queen Street London, EC4R 1DD, United Kingdom	Subsidiary Company
(8)	IL&FS Global Financial Services (ME) Limited	Office No 402 & 403, Level 4 Al Fattan Currency House, P O Box 241754, Dubai, UAE	Subsidiary Company
(9)	IL&FS Global Financial Services (HK) Limited	Suites 706-07, 7th Floor, Citibank Tower 3 Garden Road, Central, Hong Kong	Subsidiary Company
(10)	Syniverse Technologies Services (India) Private Limited	9 th floor, Ilabs Centre, Plot no 18, Software Units Layout, Madhapur, Hyderabad - 500081	Associate 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		700	700		700	700	
b) Central Govt.							
c) State Govt.(s)							
d) Bodies Corporate	265,666,855	--	265,666,855	265,666,855	--	265,666,855	100
e) Banks / FI							NIL
f) Any Other							
Sub-Total (A)(1):	265,666,855	700	265,667,555	265,666,855	700	265,667,555	
(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)	265,666,855	700	265,667,555	265,666,855	700	265,667,555	
B. Public Shareholding	NIL			NIL			
(1) Institutions							
a) Mutual Funds / UTI							
b) Banks / FI							
c) Central Govt.							
d) State Govt.(s)							
e) Venture Capital Funds							
f) Insurance Companies							

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	
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)(1):									
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Share holders holding nominal share capital upto ₹ 1 lakh									
ii) Individual Share holders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
i) 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 / 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)									

TIN

(b) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in share holding during the year
	No. of Shares	% of total shares of the Company	No. of Shares	% of Shares Pledged / encumbered to total shares	
Infrastructure Leasing & Financial Services Limited	265,666,855	100%	265,666,855	100%	Nil
IL&FS & Mr Ravi Parthasarathy	100	-	100	-	Nil
IL&FS & Mr Vibhav Kapoor	100	-	100	-	Nil
IL&FS & Mr Manu Kochhar	100	-	100	-	Nil
IL&FS & Mr Shahzaad Dalal	100	-	100	-	Nil
IL&FS & Mr Arun K Saha	100	-	100	-	Nil
IL&FS & Mr Avinash Bagul	100	-	200	-	Nil
Total	265,667,555	-	265,667,555	100%	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 total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. of shares before Change	No. of shares After Change	
						Increase	Decrease	

- NIL -

(e) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	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				
Date wise Increase/Decrease in 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		NIL		

(v) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt in ₹ mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	85,889.68	26,552.72	-	1,12,442.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	448.34	446.49	-	894.83
Total (i+ii+iii)	86,338.02	26,999.21	-	1,13,337.23
Change in Indebtedness during the financial year				
Addition	34,082.50	8,071.16	-	42,153.66
Reduction	28,772.63	1,520.00	-	30,292.63
Net Change				
	5,309.87	6,551.16	-	11,861.03
Indebtedness at the end of the financial year	87,33,25,140	49,82,02,440	--	--
i) Principal Amount	91,199.55	33,103.88	-	1,24,303.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	873.33	498.20	-	1,371.53
Total (i+ii+iii)	92,072.87	33,602.08	-	1,25,674.96

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

(Amount in ₹)

Sr No	Particulars of Remuneration	Mr Ramesh C Bawa Managing Director & CEO	Mr Milind Patel Joint Managing Director	Mr Rajesh Kotian Deputy Managing Director	Total
	Gross Salary				
1	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	5,52,23,100	3,67,45,217	2,63,87,852	11,83,56,169
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	2,17,102	60,64,101	13,45,981	76,27,184
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	5,54,40,202	4,28,09,318	2,77,33,833	12,59,83,353
	Ceiling as per the Act			10.00%	48,79,51,061

(B) Remuneration to other Directors:

(1) Independent Directors:

Sr No	Particulars of Remuneration	Mr S.S.Kohli	Ms Shubhalakshmi Panse	Total
1	Fee for attending Board/ Committee Meetings	1,90,000	50,000	2,40,000
2	Commission	60,00,000	-	60,00,000
3	Others, please specify	-	-	-
	Total B1	61,90,000	50,000	62,40,000

(2) Other Non Executive Directors:

(Amount in ₹)

Sr No	Particulars of Remuneration	Mr Ravi Parthasarathy	Mr Arun K Saha	Mr Manu Kochhar	Mr Vibhav Kapoor	Mr Hari Sankaran	Mr Shahzaad Dalal	Total
1	Fee for attending Board/Committee Meetings	1,30,000	1,90,000	40,000	2,10,000	90,000	90,000	7,50,000
2	Commission	-	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-	-
	Total B2	1,30,000	1,90,000	40,000	2,10,000	90,000	90,000	7,50,000
	Total (B1+B2)							69,90,000
	Total Managerial Remuneration							13,29,73,353
	Overall Ceiling as per the Act						11.00%	53,67,46,168

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

(Amount in ₹)

Sr No	Particulars 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	48,64,875	1,07,62,181	1,56,27,056
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	41,552	2,11,758	2,53,310
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify....			
5	Others, please specify			
	Total C	49,06,427	1,09,73,939	1,58,80,366

(VII) PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES
(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

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					
Punishment					
Compounding					
C. OTHER OFFICER IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Ravi Parthasarathy

Chairman

Date : May 14, 2015

Place : Mumbai

ANNEXURE VI

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (₹ in mn)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
(1)	Mr Ravi Parthasarathy Chairman Non-Executive Director				
(2)	Mr Hari Sankaran Non-Executive Director				
(3)	Mr Arun K Saha Non-Executive Director				
(4)	Mr Vibhav Kapoor Non-Executive Director				
(5)	Mr Shahzaad Dalal# Non-Executive Director				
(6)	Mr Manu Kochhar# Non-Executive Director				
(7)	Mr Ramesh C Bawa Managing Director & CEO	55.44	-15.53%	39:1	Profit before Tax increased by 12.76% in financial year 2014-15
(8)	Mr Milind Patel Joint Managing Director	42.81	4.57%	31:1	
(9)	Mr Rajesh Kotian Deputy Managing Director	27.73	-9.97%	20:1	
(10)	Mr Surinder Singh Kohli Independent Director				
(11)	Ms Shubhalakshmi Panse* Independent Director				

Sr No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ in mn)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
(12)	Ms Neera Saggi* Independent Director				
(13)	Mr Uday Ved* Independent Director				
(14)	Mr Deepak Pareek Chief Financial Officer	10.97	-17.12%	Not Applicable	Profit before Tax increased by 12.76% in financial year 2014-15
(15)	Ms Neelam Desai Company Secretary	4.91	-22.16%	Not Applicable	

- # Mr Shahzaad Dalal resigned from the Company with effect from March 26, 2015 (vii) Price Earnings ratio of the Company was _____ as at March 31, 2015 and was _____ as at March 31, 2014 – Not applicable
- # Mr Manu Kochhar resigned from the Company with effect from March 26, 2015 (viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer - Not applicable
- * Ms Shubhalakshmi Panse has been appointed as an Independent Director of the Company with effect from February 05, 2015
- * Ms Neera Saggi has been appointed as an Independent Director of the Company with effect from March 18, 2015 (ix) Variations in the net worth of the Company as at March 31, 2015 and as at March 31, 2014 - The networth has increased by 4.42% to ₹ 20,312 mn in 2014-15 (₹ 19,453 mn in 2013-14)
- * Mr Uday Ved has been appointed as an Independent Director of the Company with effect from March 31, 2015 (x) Average percentage decrease already made in the salaries of employees other than the managerial personnel in the last financial year is 9.75% and there is a decrease in the managerial remuneration by 10.61%. The decrease in remuneration is due to decrease in the variable component as compared to last financial year
- (i) The median remuneration of employees of the Company during the financial year was ₹ 1.41 mn
- (ii) In the financial year, there was a decrease of 15.66% in the median remuneration of employees; (xi) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- (iii) There were 172 permanent employees on the rolls of Company as on March 31, 2015;
- (iv) Relationship between average increase in remuneration and company performance:
The Profit before Tax for the financial year ended March 31, 2015 increased by 12.76% whereas median remuneration has decreased by 15.66%. The decrease in remuneration is due to decrease in the overall variable component as compared to last financial year (xii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – None; and
- (v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel declined by 10.61% from ₹ 156.92 mn in 2013-14 to ₹ 141.86 mn in 2014-15 whereas the Profit before Tax increased by 12.76% to ₹ 4,004 mn in 2014-15 (₹ 3,551 mn in 2013-14) (xiii) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy
- (vi) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was ₹ _____ mn (₹ _____ mn as on March 31, 2014) – Not applicable

For and on behalf of the Board of Directors
Ravi Parthasarathy
Chairman

Date : May 14, 2015
Place : Mumbai

Annexure – VII
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 (in ₹)	Nature of employment, whether contractual or otherwise Qualifications and experience of the employee	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	Milind Patel	Joint Managing Director	4,28,09,318	Permanent Employment	ICWA & 23.7 years	26-Oct-06	46.7	Infrastructure Leasing & Financial Services Limited	NA	No
2	Rajesh Kotian	Deputy Managing Director	2,77,33,833	Permanent Employment	CA & 24 years	1-Aug-06	48.1	IL&FS Investsmart Limited	NA	No
3	Ashesh Jyoti Dutta	Chief Operating Officer	1,47,89,852	Permanent Employment	MBA & 23.7 years	1-Aug-06	48.5	Infrastructure Leasing & Financial Services Limited	NA	No
4	Subash Chandra Lokesh Chebium	Executive Vice President	1,26,35,531	Permanent Employment	PGDM & 29.6 years	10-Apr-07	52.7	ING Vysya Bank Limited	NA	No
5	Lokesh Chebium	Senior Vice President	79,52,543	Permanent Employment	CA & 21.4 years	1-Aug-06	45.6	Infrastructure Leasing & Financial Services Limited	NA	No
6	Deepak Pareek	Executive Vice President	1,09,73,939	Permanent Employment	CA & ICWA & 17.3 years	1-Aug-06	41.8	Infrastructure Leasing & Financial Services Limited	NA	No
7	Sabyasachi Mukherjee	Executive Vice President	1,11,43,443	Permanent Employment	PGPM & 19.8 years	1-Aug-06	44.6	IL&FS Investsmart Limited	NA	No
8	Santosh Swamy	Senior Vice President	93,08,016	Permanent Employment	CA & 20.8 years	1-Mar-13	45.4	IDFC Ltd	NA	No
9	Krishnan Mahesh	Executive Vice President	1,03,15,653	Permanent Employment	PGDM & 20.10 years	2-May-13	43.1	Morgan Stanley	NA	No
10	Shashi Johnson	Senior Vice President	89,86,516	Permanent Employment	PGDM & 23 years	25-Nov-13	46.2	ICICI Bank Ltd	NA	No
11	Lubna Usman	Senior Vice President	72,20,451	Permanent Employment	MBA & 17 years	16-Feb-12	42.0	IDBI Bank Ltd	NA	No
12	Damini Marwah*	Senior Vice President	48,51,114	Permanent Employment	LLB, LLM & 13.7 years	1-Aug-14	39.3	Citibank	NA	No
13	Vineet Agarwal*	Senior Vice President	32,48,253	Permanent Employment	PGDM & 23.9 years	1-Oct-14	46.0	L&T Financial Services Ltd	NA	No

* Employed for the part of the FY 15 and in receipt of remuneration which in aggregate was not less than five lakh rupees per month
Gross Remuneration includes salary, taxable allowances, value of perquisites as per Income Tax rules, 1962 and Company's contribution to Provident Fund, Family Pension Fund and Superannuation Fund but excludes contribution to Gratuity Fund
The nature of employment in all cases is contractual & are as per Company's rules
None of the above employees is related to any director of the Company

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IL&FS FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IL&FS FINANCIAL SERVICES 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 Management and Board of Directors are 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 controls systems 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 profit 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 has disclosed the impact of pending Litigations on its financial position in its standalone financial statements - refer Note 16(b) to the standalone financial statements.
 - 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 14, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (RE: IL&FS FINANCIAL SERVICES 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) and (vi) 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) According to the information and explanations given to us, the Company has granted loans, secured and unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) The receipts of principal and interest amounts have been generally regular.
 - (b) In respect of overdue amounts of over Rs 1 lakh remaining outstanding as at year end, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts.
- (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 Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. There were no unclaimed deposits with the Company any time during the year.
- (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, Value Added Tax, Sales Tax, Cess and other material statutory dues applicable to it with the appropriate authorities and Statutory dues in respect of Employees' State Insurance, Customs Duty, Excise Duty, and Wealth Tax are not applicable to the Company.
 - (b) There were no undisputed amounts payable on account 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) Details of dues of Sales Tax and Service Tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of statute	Nature of the dues	Period of which the amount relates	Forum where dispute is pending	Amount (₹ In Mn.)
Rajasthan Sales Tax	Sales Tax	FY 1997-98 and FY 1998-99	High Court of Rajasthan, Jodhpur	6.96
Kerala Sales Tax	Sales Tax	FY 2000-01	High Court of Kerala, Ernakulam	0.59
Karnataka Sales Tax	Sales Tax	From FY 1994-95 to 1998- 1999 and From FY 2005-06 to 2006 -07	Entry Tax Officer	2.11
Finance Act, 1994	Service Tax	FY 2008-09 and FY 2009-10	Commissioner of Appeals Central Excise	0.67

- (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) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks, and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are, *prima facie*, not prejudicial to the interests of the Company.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the company during the year for the purposes for which they were obtained.
- (xi) 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 14, 2015
KJM/NDU

BALANCE SHEET

(₹ in million)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	2,656.68	2,656.68
Reserves and Surplus	2	17,655.70	16,796.12
		20,312.38	19,452.80
NON CURRENT LIABILITIES			
Long- term Borrowings	3	67,171.27	62,590.22
Other Long- term Liabilities	4	88.02	129.34
Long- term Provisions	5	4,762.81	4,190.21
		72,022.10	66,909.77
CURRENT LIABILITIES			
Short- term Borrowings	3	24,566.30	21,528.00
Trade Payable	6	178.88	189.04
Current Maturity of Long- term Borrowings	3	32,205.86	27,810.83
Other Current Liabilities	4	2,250.05	1,724.01
Short- term Provisions	5	2,748.83	3,242.50
		61,949.92	54,494.38
TOTAL		154,284.40	140,856.95
ASSETS			
NON CURRENT ASSETS			
Fixed Assets (Net)			
Tangible Assets	7	48.06	57.56
Intangible Assets	7	9.50	9.48
Deferred Tax Assets	8	1,251.80	1,372.80
Non-Current Investments	9	32,722.64	28,759.25
Long -Term Loans and Advances	12	37,736.45	44,536.82
Other Non- Current Assets	15	1,429.68	973.10
		73,198.13	75,709.01
CURRENT ASSETS			
Current Maturity of Non-Current Investments	10	367.24	2,302.47
Current Maturity of Long- term Loans and Advances	12	25,322.77	28,313.25
Current Investments	11	4,349.60	4,459.03
Trade Receivables (net)	13	1,698.73	1,929.79
Cash and Cash Equivalents	14	18,678.26	5,476.31
Short- term Loans and Advances	12	28,889.09	20,369.68
Other Current Assets	15	1,780.58	2,297.41
		81,086.27	65,147.94
TOTAL		154,284.40	140,856.95

Notes 1 to 30 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 14, 2015

Ravi Parthasarathy
Ramesh C Bawa
Deepak Pareek
Neelam Desai

Mumbai, May 14, 2015

For and on behalf of the Board

Chairman
Managing Director & CEO
Chief Financial Officer
Company Secretary

STATEMENT OF PROFIT AND LOSS

(₹ in million)

	Note	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
Revenue from Operations	19	18,818.57	18,059.35
Other Income		393.93	90.51
		19,212.50	18,149.86
EXPENSES			
Finance Costs	20	12,160.08	11,554.66
Employee Benefit Expenses	21(a)	537.48	550.23
Other Operating Expenses	21(b)	845.02	876.15
Depreciation and Amortisation	7	20.75	40.59
Provisions, Contingencies and Write offs	22	1,645.40	1,577.45
		15,208.73	14,599.08
PROFIT BEFORE TAX		4,003.77	3,550.78
TAX EXPENSES			
Current Tax		1,387.00	1,145.00
Adjustment for Earlier Years		2.07	-
Deferred Tax		121.00	(245.00)
PROFIT FOR THE YEAR		2,493.70	2,650.78
EARNING PER SHARE			
Basic and Diluted	23	9.39	9.98
(Face value per share ₹ 10)			

Notes 1 to 30 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 14, 2015

Ravi Parthasarathy
Ramesh C Bawa
Deepak Pareek
Neelam Desai
 Mumbai, May 14, 2015

For and on behalf of the Board
 Chairman
 Managing Director & CEO
 Chief Financial Officer
 Company Secretary

CASH FLOW STATEMENT

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	4,003.77	3,550.78
Adjustments for:		
Depreciation and Amortisation	20.75	40.59
Provision, Contingencies and write-offs	1,645.40	1,577.45
Provisions for Employee Benefits (net)	17.48	(33.49)
Dividend and Pass through Income on Long term Investment	(345.19)	(401.17)
Profit on sale of Long Term Investments	(10.89)	(876.48)
(Gain)/ Loss on Sale of Assets	(0.12)	3.50
Operating Profit before Working Capital Changes	5,331.20	3,861.18
Adjustments for changes in:		
Decrease/(Increase) in Current Investments	109.43	(1,448.38)
Decrease/(Increase) in Long term and Short term Advances	170.28	(43.80)
Decrease/(Increase) in Trade Receivables	62.94	(415.93)
(Decrease)/Increase in Trade Payables	(10.16)	63.67
Proceeds from Short Term Borrowings (net)	3,038.31	4,612.21
Decrease/(Increase) in Other Current and Non-Current Assets	60.25	(1,465.23)
Increase in Other Current and Non-Current Liabilities	549.64	298.12
	9,311.89	5,461.84
Payment of Advance Tax (net of refund)	(1,271.20)	(1,255.69)
	8,040.69	4,206.15
Loan Disbursed (Net)	(3,296.75)	(880.91)
Credit Instruments (Net)	435.23	177.05
NET CASH GENERATED FROM/(USED) IN OPERATING ACTIVITIES	5,179.17	3,502.29

(₹ in million)

	Year ended March 31, 2015	Year ended March 31, 2014
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Long Term Investments (including advance towards investments) :		
Subsidiaries, Associates and Joint Ventures	-	(436.78)
Others	(575.23)	(3,689.65)
Proceeds from Sale of Long term Investments :		
Subsidiaries, Associates and Joint Ventures	49.37	-
Others	982.98	2,224.62
Dividend and Pass through Income on Long term Investment	345.19	401.17
Purchase of Fixed Assets including CWIP	(10.94)	(20.74)
Proceeds from Sale of Fixed Assets	0.19	0.72
NET CASH GENERATED FROM/(USED) IN INVESTING ACTIVITIES	B 791.56	(1,520.66)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	31,014.41	24,720.15
Repayment of Long Term Borrowings	(28,070.83)	(27,885.67)
Proceeds from issue of Debentures	6,332.50	6,575.00
Repayment of Debentures	(300.00)	-
Dividend paid on Equity (including Tax thereon)	(1,709.50)	(1,864.91)
Stamp Duty Paid from Securities Premium Account	(35.36)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	C 7,231.22	1,544.57
D) NET INCREASE IN CASH AND CASH EQUIVALENTS		
	(A+B+C) 13,201.95	3,526.20
Cash and cash equivalents at the beginning of the year	5,476.31	1,950.11
Cash and cash equivalents at the end of the year	18,678.26	5,476.31

Notes 1 to 30 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 14, 2015

Ravi Parthasarathy
Ramesh C Bawa
Deepak Pareek
Neelam Desai

Mumbai, May 14, 2015

For and on behalf of the Board

Chairman
Managing Director & CEO
Chief Financial Officer
Company Secretary

NOTES FORMING PART OF THE ACCOUNTS

Background

IL&FS Financial Services Ltd is incorporated in India as a public limited company and registered with Reserve Bank of India as Non Deposit Taking Non-Banking Financial Services Company (NBFC). The Company is engaged in financial services business comprising of lending, investments and advisory services

(1) 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”) and Guidelines issued by Reserve Bank of India. 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 a 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 lower by ₹ 2.83 mn and profit before tax is higher by ₹ 2.83 mn

(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) Investments

- (i) Investments are capitalized at cost including costs incidental to acquisition
- (ii) Investments are classified into long-term or current investments at the time of acquisition of such investments. Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 (AS 13) – “Accounting for Investments”. All other investments are classified as long-term investments
- (iii) Long-term investments are individually valued at cost less provision for diminution, other than temporary

- (iv) Current investments are valued at lower of cost and fair value of investments on a category basis
- (v) Reclassification of investments from the current to the long-term category is made at the lower of cost and fair value either on April 1st or October 1st of the year. Resultant loss, if any, is recognised in the Statement of Profit and Loss

(e) Earnings Per Share

- (i) Basic 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 outstanding during the year
- (ii) 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

(f) Cash Flow Statement

- (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 (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

(g) Foreign Currency Transactions

(i) Foreign Currency Transactions and Balances

Initial Recognition

Foreign currency transactions are recorded at the rate prevailing on the date of the transaction

Conversion

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction

Exchange Differences

The exchange differences on foreign currency short-term monetary items are recognised as income or as expenses in the period in which they arise

(ii) Foreign Currency Long-term Monetary Items

The Company has exercised the option of amortising / capitalising the exchange differences arising on long-term foreign currency monetary items as given under Ministry of Corporate Affairs (MCA) Notification No. G.S.R 914(E) dated December 29, 2011

(h) Derivative Transactions

- (i) The Company enters into interest rate and currency derivatives contracts for the purpose of hedging its interest rate risks. Such contracts are marked-to-market at each Balance Sheet Date. Unrealised loss on marked-to-market is recognised to the Statement of Profit and Loss and unrealized gain is not recognized
- (ii) Equity Futures and Options are marked-to-market based on category of contracts and losses are recognised to the Statement of Profit and Loss. However, gains arising on such derivative products are not recognized
- (iii) Premium received upfront on equity options written by the Company is accounted as a liability. Premium paid on equity options bought by the Company is accounted as Loans and Advances
- (iv) Initial margin paid on Equity Futures is recognized as Loans and Advances
- (v) Profit or Loss from derivative contracts is recognised on final settlement or squaring up of the contract

(i) Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must be met before revenue is recognised:

- (i) Interest and other dues on Lending is recognised on accrual basis, except in case of Non-Performing Assets (NPA's), wherein income is recognised on realisation of the same. NPA's are determined in accordance with the Guidelines issued by the Reserve Bank of India

- (ii) Income on Discounted Instruments is recognised over the tenor of Instrument on Straight line basis
- (iii) Upfront fee received on the Loans disbursed to borrowers is amortised as income on a pro rata basis over the tenor of loan
- (iv) Lease income in respect of assets capitalised up to March 31, 2001 is accounted in accordance with the Guidance Note on Accounting for Leases. Lease income in respect of assets capitalised on or after April 1, 2001 is recognised as per Accounting Standard 19 (AS-19) – Leases
- (v) Income on services provided in the nature of Corporate Advisory, Project Debt Syndication, Project Finance and other services fee based income is recognised on an accrual basis on completion of services as enumerated in the milestones specified in the relevant mandate letters
- (vi) Dividend income is recognised once the unconditional right to receive dividend is established
- (vii) Income from investment in units of Private Equity Funds (PEF) is recognised on the basis of the income distributed by the respective PEF
- (viii) Profit or Loss on sale of investments is determined based on weighted average cost of investments and is recognized on trade date basis
- (ix) Fees received on providing Guarantees and Letter of Comfort is recognised in the Statement of Profit and Loss over the period of Guarantee on straight line basis

(j) Finance Costs

Interest cost is recognised as expenses in the year in which the cost is incurred. Other finance Charges includes Origination fees and other ancillary costs with respect to funds mobilised by the Company which are amortised over the tenure of such borrowings

(k) Employee Benefits

(i) Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group

(ii) Long Term

The Group has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees

- Defined-contribution Plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund, Family Pension Fund and Superannuation Fund. The Group's payments to the defined contribution plans are reported as expenses in the year in which the employees perform the services that the payment covers

- Defined-benefit Plans

Expenses for defined-benefit plans are calculated as at the balance sheet date by independent actuaries. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Incremental liability based on the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. The actuarial gains / losses are accounted in the Statement of Profit and Loss

(iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the period in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method. The resulting actuarial gains / losses are accounted in the Statement of Profit and Loss

(I) Taxation

Income Tax comprises of Current tax and net changes in Deferred Tax Assets or Liability during the year. Current tax is determined at the amount of tax payable in respect of taxable income for the year 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 year of substantive enactment of the change

The Company has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income-tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus there is a permanent difference. Accordingly, no deferred tax liability has been created on the same

(m) Provisions for Non-Performing Assets (NPAs) and Investments

- (i) NPAs are identified and categorised according to the Guidelines issued by the Reserve Bank of India (RBI). Provisions / write offs are made against sub-standard, doubtful and loss assets at the rates prescribed in the RBI guidelines, unless an accelerated provision / write-off is warranted on a case to case basis in respect of NBFI activities
- (ii) Provisioning for NPAs is dependent upon, inter alia, whether the NPA is secured or unsecured. Loans are considered as secured, where the Company has valid recourse to assets / recovery by :
 - Equitable mortgage of property and / or
 - Pledge of shares, units, other securities, and / or
 - Hypothecation of assets and / or
 - Bank guarantees and / or
 - Decretal debts where Courts have attached property
- (iii) Impairment in the investment portfolio is provided / written-off, as per the Guidelines issued by the RBI, unless an accelerated provision / write-off is warranted on a case to case basis
- (iv) For Non NBFI activities provision / write off is done based on Management evaluation based on specific identification

- (v) The Company carries a significant quantum of project finance and investment banking assets in its books. Given the risk profile of such assets, the Company creates a provision for general contingency to cover adverse events that may affect the quality of the Company's assets
- (vi) With regard to restructured credit facilities, the Company had followed RBI Circular No.DBS.FID No. C-19 dated March 28, 2001 applicable to All India Term Lending and Refinancing Institutions till January 22, 2014
 From January 23, 2014, the Company has adopted RBI Circular No DNBS (PD) No. 272 dated January 23, 2014 applicable to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies. In compliance with above circular, the Company creates provision on all standard restructured accounts. Unrealised income represented by Funded Interest Term Loan (FITL) on standard accounts restructured after January 23, 2014 are fully provided
- (vii) RBI has issued a Circular DNBS (PD) CC.No.371/03.05.02/2013-14 on March 21, 2014 for the purpose of Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders. As per the above Circular, the Company is required to categorise its exposure as Special Mention Account (SMA) based on the past due status, initiate the process for formation of Joint Lender Forum (JLF) and arrive at Corrective Action Plan (CAP) and prescribes accelerated provision for non-compliance of the above. Based on the above Circular, the Company has initiated the required action for formation of JLF and finalisation of CAP which are within the Control of the Company
- (viii) Provision for Standard Assets is made at 0.25% of the outstanding standard assets in accordance with RBI guidelines other than standard restructured assets on which provision is made as described under point (vi) above

(n) 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

(o) Operating Cycle

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

(2) SHAREHOLDERS' FUNDS

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

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Authorised Share Capital		
300,000,000 (Previous Year : 300,000,000) Equity Shares of ₹ 10 per share	3,000.00	3,000.00
Issued, Subscribed and fully paid-up		
265,667,555 (Previous Year : 265,667,555) Equity Shares of ₹ 10 per share fully paid-up	2,656.68	2,656.68

- (b) The entire shareholding of the Company is held by Infrastructure Leasing and Financial Services Ltd (IL&FS) 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
- (d) Reserve and Surplus comprises of:

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Securities Premium Account	8,503.48	8,538.84
Special Reserve I	4,125.89	3,627.15
Special Reserve II	146.65	78.65
General Reserve	2,051.89	1,802.52
Surplus in Statement of Profit and Loss	2,827.79	2,748.96
Total	17,655.70	16,796.12

- (e) Details of addition and deletions in Securities Premium Account is as below:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the Year	8,538.84	8,538.84
Less:		
Stamp Duty paid based on notice received in current year on shares issued in Financial Year 2008-09 at the time of Demerger of IL&FS business to the Company	35.36	-
Balance at the end of the Year	8,503.48	8,538.84

- (f) Special Reserve I represents reserve created, pursuant to the Reserve Bank of India (Amendment) Ordinance 1997 under Section 45 (1) (c) of the Reserve Bank of India Act, 1934. Details of the addition and deletion to the Special Reserve I are as below :

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	3,627.15	3,096.99
Addition:		
Transferred from Statement of Profit and Loss	498.74	530.16
Balance at the end of the year	4,125.89	3,627.15

- (g) Special Reserve II has been created in terms of Section 36 (1) (viii) of Income Tax Act, 1961 out of the distributable profits of the Company. The details of addition and deletion to the Special Reserve II is as below :

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	78.65	40.65
Addition:		
Transferred from Statement of Profit and Loss	68.00	38.00
Balance at the end of the year	146.65	78.65

(h) Details of the addition and deletion to the General Reserve are as below :

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	1,802.52	1,537.44
Addition:		
Transferred from Statement of Profit and Loss	249.37	265.08
Balance at the end of the year	2,051.89	1,802.52

(i) The surplus in Statement of Profit and Loss is arrived at as per the table below:

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	2,748.96	2,640.92
Profit for the year	2,493.70	2,650.78
Less : Appropriations :	249.37	265.08
Proposed Dividend	1,328.34	1,461.17
Dividend Distribution Tax on above	270.42	248.33
Balance Transferred to :		
General Reserve	249.37	265.08
Special Reserve I	498.74	530.16
Special Reserve II	68.00	38.00
Balance at the end of the year	2,827.79	2,748.96

(j) The Board of Directors of the Company has proposed dividend for the year ended March 31, 2015 on equity shares @ ₹ 5 per share aggregating to ₹ 1,598.76 mn (inclusive of dividend distribution tax), which is subject to approval of shareholders. Dividend distribution tax on the same is ₹ 270.42 mn

(3) BORROWINGS

- (a) The Borrowings of the Company have been classified into Secured and Unsecured Loans and represents loans raised from Banks and Others. Security wise profile of the Company's Borrowings for each class are as below:

(₹ in million)

Particulars	As at March 31, 2015				As at March 31, 2014			
	Short-term	Long-term		Total	Short-term	Long-term		Total
		Current Portion	Non-Current			Current Portion	Non-Current	
Secured								
Debentures	-	1,191.00	13,916.50	15,107.50	-	300.00	8,775.00	9,075.00
Term Loan From Banks	2,707.95	30,500.00	41,579.17	74,787.12	4,107.44	26,550.83	44,329.17	74,987.44
Collateralized Borrowings (CBLO)	1,304.93	-	-	1,304.93	1,827.24	-	-	1,827.24
Unsecured								
Subordinated Debt (Tier II Capital)	-	-	8,000.00	8,000.00	-	-	8,000.00	8,000.00
Term Loan From Banks	1,000.00	-	-	1,000.00	1,000.00	-	-	1,000.00
Inter Corporate Deposit From Others	5,811.60	514.86	1,170.00	7,496.46	1,880.40	670.00	1,480.45	4,030.85
Inter Corporate Deposit From Related Parties (Refer Note 25)	2,841.82	-	2,505.60	5,347.42	1,636.27	290.00	5.60	1,931.87
Commercial Papers (Gross)	11,260.00	-	-	11,260.00	11,590.00	-	-	11,590.00
Less : Unexpired Discount	(360.00)	-	-	(360.00)	(513.35)	-	-	(513.35)
Total	20,553.42	514.86	11,675.60	32,743.88	15,593.32	960.00	9,486.05	26,039.37
	24,566.30	32,205.86	67,171.27	123,943.43	21,528.00	27,810.83	62,590.22	111,929.05

- (b) All Secured borrowings obtained by the Company (including Current Maturity of Long-term Borrowings and Short-term Borrowings except CBLO borrowing) are covered under a pari-passu first charge on all the assets, excluding own Tangible Fixed Asset and Intangible Assets, Trading Portfolio (current investments), Non-Current Investment where Company has given Non disposable undertaking, Investment in Subsidiaries and Affiliates, Tax Assets, Deferred Tax Assets and unamortized expenses. Secured borrowing includes certain loans, where security creation is under process
- (c) Age-wise analysis and Repayment terms of the Company's Long-term Secured Borrowings from Banks are as below:

Particulars	(₹ in million)		
	As at March 31, 2015	As at March 31, 2014	Frequency of Repayment*
1-2 Years	14,679.17	29,650.00	MT,HY
2-3 Years	14,525.00	8,804.17	MT,HY
3-4 Years	10,000.00	3,000.00	MT
4-5 Years	2,375.00	2,875.00	MT
Total	41,579.17	44,329.17	

*MT= Bullet payment on Maturity, HY= Half yearly Installment

- (d) The details of Secured Non-Convertible Debentures (NCDs) issued on private placement basis are as below:

Type of NCDs	Number of NCDs Issued	Number of NCDs outstanding as on		Face Value per NCD (₹)	Interest Rate (%)	Final Date of Redemption
		March 31, 2015	March 31, 2014			
2014 Series II	60,000	60,000	-	1,000	9.55	28-Aug-24
2014 Series I	470,000	470,000	-	1,000	9.50	03-Jul-24
2012 Series IV	500,000	500,000	500,000	1,000	9.54	28-Sep-22
2014 Series III	2,000,000	2,000,000	-	1,000	9.65	18-Sep-19
2014 Series II	372,500	372,500	-	1,000	9.60	28-Aug-19
2014 Series I	2,530,000	2,530,000	-	1,000	9.50	03-Jul-19
2013 Series VI	1,075,000	1,075,000	1,075,000	1,000	9.90	28-Jan-19
2013 Series I	1,750,000	1,750,000	1,750,000	1,000	10.50	17-Sep-18
2013 Series II	500,000	500,000	500,000	1,000	10.50	28-Aug-18
2012 Series VI	289,000	289,000	289,000	1,000	9.60	07-Jan-18
2014 Series III	460,000	460,000	-	1,000	9.65	18-Sep-17
2012 Series III	500,000	500,000	500,000	1,000	9.75	03-Sep-17
2012 Series II	1,000,000	1,000,000	1,000,000	1,000	9.75	13-Aug-17
2013 Series V	770,000	770,000	770,000	1,000	10.50	27-Sep-16
2013 Series IV	1,000,000	1,000,000	1,000,000	1,000	10.50	25-Sep-16
2014 Series III	440,000	440,000	-	1,000	9.60	18-Sep-16
2013 Series I	200,000	200,000	200,000	1,000	10.65	17-Sep-16
2012 Series VI	211,000	211,000	211,000	1,000	9.65	07-Jan-16
2013 Series VII	500,000	500,000	500,000	1,000	9.90	25-Sep-15
2013 Series I	480,000	480,000	480,000	1,000	10.75	17-Sep-15
2013 Series III	300,000	-	300,000	1,000	10.71	22-Dec-14

- (e) Subordinated Debt comprises of 8,000,000 Unsecured Redeemable Non-Convertible Debentures (NCD) as per details below issued on private placement basis:

Type of NCDs	Number of NCDs Issued	Number of NCDs outstanding as on		Face Value per NCD (₹)	Interest Rate (%)	Final Date of Redemption
		March 31, 2015	March 31, 2014			
2012 Series VII	1,000,000	1,000,000	1,000,000	1,000	9.55	28-Feb-2023
2012 Series V	1,000,000	1,000,000	1,000,000	1,000	9.55	27-Nov-2022
2012 Series I	2,000,000	2,000,000	2,000,000	1,000	10.15	29-Jun-2022
2011 Series II	2,000,000	2,000,000	2,000,000	1,000	10.30	22-Mar-2022
2011 Series I	2,000,000	2,000,000	2,000,000	1,000	10.30	28-Dec-2021

- (f) Age-wise analysis and Repayment terms of the Company's Long-term Unsecured Borrowings from Others are as below:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014	Frequency of Repayment*
1-2 Years	920.00	0.45	MT
2-3 Years	-	1,480.00	MT
3-4 Years	250.00	-	MT
Total	1,170.00	1,480.45	

* MT = Bullet payment on Maturity

- (g) Inter Corporate Deposit from Related Parties carries interest rate of 8.31% to 11.25% (As at March 31, 2014: 11.25%). Remaining Contractual Maturity for bullet repayment as on March 31, 2015 is between 1-2 years (As at March 31, 2014 : 2-3 years)
- (h) CBLO of ₹ 1,304.93 mn (As at March 31, 2014 - ₹ 1,827.24 mn) are secured by Government securities (G-Sec) held as part of Investment portfolio (Refer note 11(b))
- (i) The maximum amount of commercial paper outstanding during the year was ₹ 14,040.00 mn (Previous year- ₹ 17,240.00 mn)

(4) OTHER CURRENT AND LONG-TERM LIABILITIES

(₹ in million)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Current	Long-term	Current	Long-term
Interest Accrued but not Due	1,504.17	24.54	993.49	47.07
Income Received in Advance	536.77	54.91	497.76	65.66
Security Deposits Received	165.10	8.57	165.10	16.61
Statutory Dues Payable	20.15	-	29.20	-
Retention Money Payable	10.13	-	10.40	-
Other Payables	13.73	-	28.06	-
Total	2,250.05	88.02	1,724.01	129.34

Footnote: No amount of unclaimed dividend and unclaimed interest was due for transfer to Investor Education and Protection Fund u/s 125 of Companies Act, 2013 as at the balance sheet date

(5) SHORT-TERM AND LONG-TERM PROVISIONS

(a) Break-up of the Provisions are as below:

(₹ in million)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Short-term	Long-term	Short-term	Long-term
I. For Loans and Advances				
Standard Assets	-	250.00	-	250.00
Non- Performing Assets	462.98	-	548.43	-
Standard Restructured Assets	-	132.53	-	71.00
Other Provisions*	-	694.11	-	368.97
II. For Diminution on Investments				
Diminution in value of Investments	462.65	1,261.98	697.65	461.28
Mark to Market on Derivatives	7.17	-	16.24	-
III. Others				
Employee Benefits	205.27	24.19	213.74	26.46
Provision for Income Tax (net)	12.00	-	56.94	-
Proposed Dividend	1,328.34	-	1,461.17	-
Dividend Distribution Tax	270.42	-	248.33	-
General Contingencies	-	2,400.00	-	3,012.50
Total	2,748.83	4,762.81	3,242.50	4,190.21

*Other provisions represent:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest sacrifice on restructured advances (Refer note 19 (a))	205.05	111.90
Funded Interest Term Loans (Refer note 19 (a))	132.63	17.26
Unrealised income on loans settled by invocation of unquoted equity shares (Refer note 22)	356.43	239.81
Total	694.11	368.97

- (b) Contingent Provision against Standard assets aggregating ₹ 250 mn (As on March 31, 2014 - ₹ 250 mn) represents provision made pursuant to Reserve Bank of India circular DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued on January 17, 2011 requiring all NBFCs to make a provision of 0.25% on the outstanding standard assets other than standard restructured assets for which accelerated provision has been made as fully described in point (f) below:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	250.00	250.00
Add: Incremental provision for the year	-	-
Balance at the end of the year	250.00	250.00

- (c) Following table summarises movement in Provision for General Contingencies:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	3,012.50	2,800.00
Add: Provision made during the year	1,169.70	550.00
Less : Write Back during the year	(1,782.20)	(337.50)
Balance at the end of the year	2,400.00	3,012.50

- (d) In accordance with the Guidelines issued by the RBI, the Company has made provision for non-performing assets. The details of movement in provision for non-performing assets is as follows:

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	548.43	207.64
Provision made during the year	508.30	405.63
Non-Performing Assets Written off against provision	(593.75)	(64.84)
Balance at the end of the year	462.98	548.43

- (e) The details of movement in provision for diminution in value of investments is as follows:

Particulars	(₹ in million)			
	Provision for			
	Short-term		Long-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	697.65	484.21	461.28	243.28
Provision made/(written back) during the year	(235.00)	213.44	(18.30)	218.00
Transfer from Provision for General Contingencies	-	-	819.00	-
Balance at the end of the year	462.65	697.65	1,261.98	461.28

- (f) Provision against Standard Restructured Accounts aggregating ₹ 132.53 mn (As on March 31, 2014- ₹ 71.00 mn) represents provision made pursuant to Reserve Bank of India circular No DNBS (PD) No. 272 dated January 23, 2014

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	71.00	-
Add: Incremental provision for the year	61.53	71.00
Balance at the end of the year	132.53	71.00

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

- (i) The Company has recognised ₹ 11.73 mn (Previous Year ₹ 10.89 mn) and ₹ 9.27 mn (Previous Year ₹ 9.69 mn) in Statement of Profit and Loss under Company's Contribution to Provident Fund and Contribution to Superannuation Fund respectively
- (ii) The Company operates 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%
Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation	6.50%	6.50%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(₹ in million)

II. Table Showing Change in Defined Benefit Obligation	As at March 31, 2015	As at March 31, 2014
Opening Defined Benefit obligation	56.00	56.51
Interest Cost	5.22	4.66
Current Service Cost	5.50	5.81
Liabilities Transferred In	0.70	1.61
Liabilities Transferred Out	(0.53)	-
Benefit Paid	(2.75)	(10.05)
Actuarial (gain)/loss on obligations	5.56	(2.54)
Closing Defined Benefit obligation	69.73	56.00

(₹ in million)

III. Table of Fair Value of Plan Assets	As at March 31, 2015	As at March 31, 2014
Fair Value of Plan Assets at the start	55.30	52.47
Expected Return on Plan Assets	4.81	4.57
Contributions	6.60	8.00
Transfer from other Company	0.70	1.61
Transfer to other Company	(0.53)	-
Benefit Paid	(2.75)	(10.05)
Actuarial gain/(loss) on Plan Assets	6.26	(1.30)
Fair Value of Plan Assets at the end	70.39	55.30

(₹ in million)

IV. Actual Return on the Plan Assets	As at March 31, 2015	As at March 31, 2014
Expected Return on the Plan Assets	4.81	4.57
Actuarial gain/(loss) on Plan Assets	6.26	(1.30)
Actual Return on Plan Assets	11.07	3.27

(₹ in million)

V. Amount Recognised in the Balance Sheet	As at March 31,2015	As at March 31,2014	As at March 31,2013	As at March 31,2012	As at March 31,2011
Liability at the end of the year	69.73	56.00	56.51	44.14	34.93
Fair Value of Plan Assets at the end	70.39	55.30	52.47	44.32	36.39
Shortfall/(Excess)	(0.66)	0.70	4.04	(0.18)	(1.46)
Amount Recognised in Balance Sheet	(0.66)*	0.70	5.00	(0.18)	(1.46)

***Foot note** - The Company has not recognised gain of ₹ 0.66 mn arising on account of excess of return on fund value of plan assets over its liability on the basis of prudence

(₹ in million)

VI. Reconciliation of the Liability Recognised in the Balance Sheet	As at March 31, 2015	As at March 31, 2014
Opening Net Liability	0.70	5.00
Expense Recognised	5.24	3.70
Contribution by the Company	(6.60)	(8.00)
Amount recognised in Balance Sheet	(0.66)	0.70

(₹ in million)

VII. Expenses Recognised in the Statement of Profit and Loss	As at March 31, 2015	As at March 31, 2014
Current Service Cost	5.50	5.81
Adjustment with earlier year surplus	-	(0.96)
Interest Cost	5.22	4.66
Expected Return on Plan Assets	(4.81)	(4.57)
Actuarial (gain) / loss	(0.69)	(1.24)
Expense Recognised in Statement of Profit and Loss	5.24	3.70

(₹ in million)

VIII. Experience Adjustment	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As At March 31, 2012	As At March 31, 2011
Defined Benefit Obligation	69.73	56.00	56.51	44.14	34.93
Plan Assets	70.39	55.30	52.47	44.32	36.39
Surplus/(Deficit)	(0.66)	(0.70)	(4.04)	0.18	1.46
Experience adjustment on Plan Liability	(2.61)	25.28	(2.09)	7.10	8.32
Experience adjustment on Plan Asset	6.26	(8.36)	0.89	1.02	0.12

IX. Description of Plan Assets	As at March 31, 2015	As at March 31, 2014
Insurer Managed Funds	100%	100%

(iii) Other Details:

The estimates of salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other factors. The above information is certified by the actuary and relied upon by the Auditors

(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) FIXED ASSETS
For the year ended March 31, 2015

Description of Assets	Gross Block (At Cost)						Depreciation/Amortisation				Lease Terminal Adjust-ment	Net Block	
	As at April 1, 2014	Addition	Deduction/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the Year	Deduction/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	
TANGIBLE ASSETS													
Assets Given on Lease													
Data Processing Equipments	157.42	-	-	157.42	126.60	-	-	126.60	30.82	-	-	-	
Vehicles	8.93	-	-	8.93	2.35	-	-	2.35	0.32	6.26	6.26	6.26	
Plant & Machinery	1,613.45	-	-	1,613.45	700.58	7.93	-	708.51	903.04	1.90	1.90	9.83	
Own Assets													
Data Processing Equipments	25.66	4.38	1.17	28.87	19.53	5.04	1.11	23.46	-	5.41	5.41	6.13	
Electrical Fittings	10.58	0.51	0.01	11.08	3.08	(0.18)	0.01	2.89	-	8.19	8.19	7.50	
Furniture and Fixtures	21.19	0.26	-	21.45	9.10	(1.32)	-	7.78	-	13.67	13.67	12.09	
Office Premises	11.00	-	-	11.00	1.25	0.18	-	1.43	-	9.57	9.57	9.75	
Office Equipments	5.52	1.23	0.50	6.25	4.83	1.54	0.49	5.88	-	0.37	0.37	0.69	
Leasehold Improvement	17.26	0.07	-	17.33	11.95	2.82	-	14.77	-	2.56	2.56	5.31	
Vehicles	-	0.14	-	0.14	-	0.01	-	0.01	-	0.13	0.13	-	
Total (A)	1,871.01	6.59	1.68	1,875.92	879.27	16.02	1.61	893.68	934.18	48.06	48.06	57.56	
INTANGIBLE ASSETS													
Software (Acquired)	21.81	4.72	-	26.53	12.49	4.57	-	17.06	-	9.47	9.47	9.32	
Websites & Portals	0.94	0.03	-	0.97	0.78	0.16	-	0.94	-	0.03	0.03	0.16	
Total (B)	22.75	4.75	-	27.50	13.27	4.73	-	18.00	-	9.50	9.50	9.48	
Total (A+B)	1,893.76	11.34	1.68	1,903.42	892.54	20.75	1.61	911.68	934.18	57.56	57.56	67.04	

(₹ in million)

Description of Assets	Gross Block (At Cost)				Depreciation/Amortisation				Lease Terminal Adjust-ment	Net Block	
	As at April 1, 2013	Addition	Deduction/ Adjustments	As at March 31, 2014	As at April 1, 2013	For the Year	Deduction/ Adjustments	As at March 31, 2014		As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS											
Assets Given on Lease											
Data Processing Equipments	157.42	-	-	157.42	126.60	-	-	126.60	30.82	-	-
Aircraft *	398.33	-	398.33	-	224.19	-	224.19	-	-	-	3.42
Vehicles	8.93	-	-	8.93	2.35	-	-	2.35	0.32	6.26	6.26
Plant & Machinery	1,618.45	-	5.00	1,613.45	679.60	23.37	2.39	700.58	903.04	9.83	32.69
Own Assets											
Data Processing Equipments	26.69	2.27	3.30	25.66	19.36	3.44	3.27	19.53	-	6.13	7.33
Electrical Fittings	9.01	1.70	0.13	10.58	1.48	1.68	0.08	3.08	-	7.50	7.53
Furniture and Fixtures	18.04	3.56	0.41	21.19	6.88	2.49	0.27	9.10	-	12.09	11.16
Premises	11.00	-	-	11.00	1.07	0.18	-	1.25	-	9.75	9.93
Office Equipments	4.91	1.16	0.55	5.52	4.27	1.10	0.54	4.83	-	0.69	0.64
Leasehold Improvement	14.30	3.28	0.32	17.26	8.85	3.41	0.31	11.95	-	5.31	5.45
Total (A)	2,267.08	11.97	408.04	1,871.01	1,074.65	35.67	231.05	879.27	934.18	57.56	84.41
INTANGIBLE ASSETS											
Software (Acquired)	19.60	8.77	6.56	21.81	13.26	4.73	5.50	12.49	-	9.32	6.34
Websites & Portals	0.94	-	-	0.94	0.59	0.19	-	0.78	-	0.16	0.35
Total (B)	20.54	8.77	6.56	22.75	13.85	4.92	5.50	13.27	-	9.48	6.69
Total (A+B)	2,287.62	20.74	414.60	1,893.76	1,088.50	40.59	236.55	892.54	934.18	67.04	91.10

* The opening balance of lease terminal adjustment amounting to ₹ 173.84 mn as at April 01, 2013 was netted off while deriving net block as at March 31, 2014 on account of sale of underlying asset

(8) DEFERRED TAX ASSETS

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2015 are as below:

(₹ in million)

Particulars	As at April 01, 2014	Created during the year	As at March 31, 2015
Difference between book and tax depreciation	54.40	(5.53)	48.87
Provisions and Contingencies	1,300.00	(112.37)	1,187.63
Others	18.40	(3.10)	15.30
Deferred Tax Assets	1,372.80	(121.00)	1,251.80

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2014 are as below:

(₹ in million)

Particulars	As at April 01, 2013	Created during the year	As at March 31, 2014
Difference between book and tax depreciation	56.25	(1.85)	54.40
Provisions and Contingencies	1,056.10	243.90	1,300.00
Others	15.45	2.95	18.40
Deferred Tax Assets	1,127.80	245.00	1,372.80

(9) NON-CURRENT INVESTMENTS

(a) Summary of Non-Current Investments is as below :

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Investments		
Equity Shares	2,778.90	2,403.86
Preference Shares	2,367.90	2,575.14
Units of Mutual Funds	1,250.00	937.50
	6,396.80	5,916.50
Other Investments		
Equity Shares	7,220.19	4,422.70
Preference Shares	-	79.27
Units of Other Funds	9,088.80	9,379.41
Units of Mutual Fund	10.00	10.00
Pass Through Certificates	0.16	444.68
Investment Property	2,062.85	2,062.85
Debentures and Bonds	7,943.84	6,443.84
	26,325.84	22,842.75
Total	32,722.64	28,759.25

(b) Scrip wise details of the Investment as on March 31, 2015 is as below:

Fully paid

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
TRADE INVESTMENTS					
Equity Shares-Quoted					
IL&FS Engineering & Construction Co. Ltd	10	18,440,482	13,496,381	1,629.36	1,330.24
IL&FS Transportation Networks Ltd	10	3,199,776	2,440,534	481.96	406.04
Equity Shares-Unquoted					
- In subsidiaries					
IL&FS Global Financial Services PTE Ltd	SGD 1	3,050,001	3,050,001	122.12	122.12
IL&FS Global Financial Services (UK) Ltd	£1	400,001	400,001	30.25	30.25
IL&FS Global Financial Services (ME) Ltd	\$1	800,000	800,000	35.94	35.94
IL&FS Global Financial Services (HK) Ltd	HKD1	1,725,000	1,725,000	128.59	128.59
IL&FS Capital Advisors Ltd	10	10,000,000	10,000,000	100.00	100.00
IL&FS Infra Asset Management Ltd	10	16,800,000	16,800,000	168.00	168.00
IL&FS AMC Trustee Ltd	10	250,000	250,000	2.50	2.50
IL&FS Broking Services Pvt Ltd	10	3,800,000	3,800,000	80.13	80.13
- In Joint Venture					
Syniverse Technologies (India) Pvt Ltd	10	5,200	5,200	0.05	0.05
				2,778.90	2,403.86
Preference Shares- Unquoted					
Redeemable cumulative preference shares					
- In subsidiaries					
IL&FS Broking Services Pvt Ltd	100	2,252,000	2,252,000	225.20	225.20
- Others					
IL&FS Engineering & Construction Co. Ltd	100	450,000	2,631,500	42.75	249.99
IL&FS Transportation Network Ltd	10	100,000,000	100,000,000	2,000.00	2,000.00
Compulsorily Convertible Preference Shares					
- In Joint Venture					
Syniverse Technologies (India) Pvt Ltd (Series B)	10	4,800	4,800	0.05	0.05
Syniverse Technologies (India) Pvt Ltd (Series D)	1,000	99,900	99,900	99.90	99.90
				2,367.90	2,575.14

SGD = Singapore Dollar

\$ = US Dollar

HKD = Hongkong Dollar

£ = UK Sterling

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Units of Mutual Fund-Quoted (Refer note 9(g))					
IL&FS Infrastructure Debt Fund Series 1-A	1,000,000	250	250	250.00	187.50
IL&FS Infrastructure Debt Fund Series 1-B	1,000,000	250	250	250.00	187.50
IL&FS Infrastructure Debt Fund Series 1-C	1,000,000	750	750	750.00	562.50
				1,250.00	937.50
OTHER INVESTMENTS					
Equity Shares- Quoted					
Electrosteel Steels Ltd	10	67,700,000	67,700,000	677.00	677.00
Pipavav Defence and Offshore Ltd	10	12,617,254	12,617,254	775.54	775.54
Tech Mahindra Ltd	10	24,544	24,544	25.07	25.07
Sun Earth Ceramics Ltd*	10	1,291,625	1,291,625	-	-
Tata Steel Ltd	10	22,177	22,177	13.31	13.31
Equity Shares-Unquoted					
Ahmedabad Stock Exchange Ltd	10	331,800	331,800	18.96	18.96
Allen Scott Industries Ltd	10	149,300	149,300	0.10	0.10
Champion Agro Ltd	10	162,200	71,500	20.60	9.08
Dewanchand Ramsaran Industries Pvt Ltd	10	278,125	278,125	126.00	126.00
Essel Shyam Communication Ltd	10	386,000	386,000	79.00	79.00
ICOMM Tele Ltd	10	2,702,100	2,702,100	75.66	75.66
IFCI Venture Capital Funds Ltd	10	250,000	250,000	4.75	4.75
John Energy Ltd	10	579,830	476,370	444.27	365.00
Kakinada SEZ Ltd	10	507,055	507,055	5.08	5.08
Mahindra Sona Ltd	10	231,600	231,600	29.30	29.30
Metropolitan Stock Exchange (formerly MCX Stock Exchange Ltd)	1	58,459,170	27,165,000	1,058.06	977.93
Microland Ltd*	1	2,000,000	2,000,000	-	-

*These investment are carried at book value of ₹ 1/-

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
National Institute for Smart Government	100	50,000	50,000	5.00	5.00
Petronet India Ltd*	10	10,000,000	10,000,000	-	-
Petronet VK Ltd*	10	5,000,000	5,000,000	-	-
Petronet CCK Ltd*	10	39,920	39,920	-	-
Petronet MHB Ltd*	10	39,920	39,920	-	-
Reid & Taylor India Ltd	10	24,523,656	24,523,656	1,169.16	1,169.16
Samudra Shoes Ltd*	10	337,500	337,500	-	-
Tamil Nadu Urban Infrastructure Financial Services Ltd	10	170,014	170,014	1.70	1.70
Tamil Nadu Urban Infrastructure Trustee Co Ltd	10	17,014	17,014	0.17	0.17
Tata Teleservices Ltd	10	78,500,000	-	2,535.55	-
Tidel Park Ltd	10	2,000,000	2,000,000	20.00	20.00
Triton Overwater Transport Agency Ltd	10	498,000	498,000	4.98	4.98
Vandanaa Vidhyut Ltd	10	5,692,430	1,735,000	130.93	39.91
				7,220.19	4,422.70
Preference Shares- Unquoted					
Optionally Convertible Cumulative Redeemable Preference Shares					
John Energy Ltd	1,000	-	4,272	-	4.27
John Energy Ltd	1,000	-	75,000	-	75.00
				-	79.27
Units of Other Funds- Unquoted					
In Subsidiary					
IFIN Realty Trust (Class A)	1,000,000	804.69	854.06	804.69	854.06
Investment Square Trust	1,662,687,621	1.00	1.00	1,662.69	1,662.69

*These investment are carried at book value of ₹ 1/-

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Others					
IL&FS Realty Fund (Class A)	100,000	8,435.29	9,030.21	843.53	903.02
IL&FS Milestone Fund	1,000	15,970.00	34,529.00	15.97	34.53
IL&FS Infrastructure Equity Fund-1	1,000	1,775,000.00	1,745,000.00	1,775.00	1,745.00
IL&FS Orix Trust	1,000,000	-	73.30	-	73.30
IL&FS IIDC Fund	1,000,000	575.66	562.37	645.31	634.10
Leverage India Fund (Class E)	1,000	99,693.86	114,776.60	99.69	114.78
Pan Asia Project Development Fund India (Class A)	100	2,349,797.81	2,865,442.32	234.98	286.54
Rajasthan Project Development Fund	1,000	1,249.00	1,249.00	1.25	1.25
Tara India Fund-III Class A Units	1,000,000	730.63	769.42	730.63	769.42
Tara India Fund-III Class D Units	1,000,000	31.60	31.60	31.60	31.60
Tara India Fund IV Trust (Preferred)	1,000,000	20.25	-	20.25	-
Tamilnadu Urban Development Fund	100,000	1,664.46	1,664.46	166.45	166.45
Maytas Investment Trust	1,000	2,102,667.00	2,102,667.00	2,056.76	2,102.67
				9,088.80	9,379.41
Pass Through Certificates-Unquoted					
IL&FS Investment Trust - IV (PTC - II)	1	100,780	100,780	0.10	0.10
IL&FS Investment Trust-IV (PTC-Series III)	1	-	16,830,307	-	0.02
IL&FS Investment Trust - IV (PTC-Series I)	1	44,265,406	44,265,406	0.06	0.06
IL&FS Investment Trust - I (IIT- I)	889,000	-	500	-	444.50
				0.16	444.68
Units of Mutual Fund-Quoted					
HDFC Debt Fund for Cancer Cure – 100% Dividend Donation Option	10	1,000,000	1,000,000	10.00	10.00

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Investment in Properties					
Allotment of specified area at Kohinoor Square Project, Mumbai	-	-	-	2,062.85	2,062.85
Debentures and Bonds					
Compulsorily Convertible Debentures- Unquoted					
(Refer note 9(f))					
Bajaj Power Ventures Pvt Ltd	100	30,000,000	30,000,000	3,000.00	3,000.00
Essel Sports Infrastructure Ltd	40,000,000	17	17	680.00	680.00
Fully Convertible Debentures- Unquoted					
A2Z Infrastructure Ltd	10,000,000	150	-	1,500.00	-
Non-Convertible Debentures- Unquoted					
ICL Lions Pvt Ltd	10,000,000	150	150	1,500.00	1,500.00
Optionally Convertible Debentures - Unquoted					
Pochampally Handloom Park Ltd (Refer note 9 (h))	100,000	752	752	75.20	75.20
Ascend Telecom Infrastructure Pvt Ltd (Refer note 9(f))	1,186,637,088	1	1	1,186.64	1,186.64
Covered Warrants- Unquoted					
NK Telecom Products Ltd	10	200,000.00	200,000.00	2.00	2.00
				7,943.84	6,443.84
Total				32,722.64	28,759.25

(c) Market Value of Quoted Investment and Cost of Unquoted Investments

Particulars	As at March	
	31, 2015	31, 2014
(₹ in million)		
Quoted Investment		
Aggregate Market Value	4,708.34	1,599.71
Cost	4,862.24	3,237.20
Unquoted Investment		
Cost	27,860.40	25,522.05
Total Cost	32,722.64	28,759.25

- (d) The Holding Company acquired management control of IL&FS Engineering & Construction Company Ltd (IECCL) vide orders of the Company Law Board (CLB) dated August 31, 2009, in order to protect the credit exposure of the Company to IECCL. Such acquisition of the shares and further investments were made exclusively to protect the interest of the Company and does not form part of a strategy to acquire and retain long term assets /investments
- (e) The Company has four foreign subsidiaries and investment in such subsidiaries has been made in foreign currency. Given the size of the Investment and level of operations, the Company has not entered into hedging of the above Investments
- (f) These investments are under put and call options with promoters of the investee company or investee company
- (g) These units were partly paid-up and unquoted as at March 31, 2014.
- (h) Provision of ₹ 7.52 mn (As at March 31,2014 – ₹ 7.52 mn) is created being Non-performing assets as per RBI Guidelines and included in Provision for Non-Performing Assets disclosed under Note 5 (e)

(10) CURRENT MATURITIES OF NON CURRENT INVESTMENTS

Break up of Current Maturities of the Long-term Investment is as below:

Fully Paid

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Fully Convertible Debentures- Unquoted					
A2Z Infrastructure Ltd	10,000,000	-	150	-	1,500.00
Non-Convertible Debentures- Unquoted					
ABG International Pvt Ltd	1,000	367,244	367,244	367.24	367.24
Shree Naman Developers Ltd	1,000	-	435,232	-	435.23
Total				367.24	2,302.47

(11) CURRENT INVESTMENTS

(a) Summary of Current Investments is as below:

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Equity Shares	1,438.10	1,438.19
Government Securities	2,209.48	2,813.45
Debentures	702.02	207.39
Total	4,349.60	4,459.03

(b) Scrip wise details of the Current Investment Portfolio is as below:
Fully Paid

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Equity Shares - Quoted					
Aditya Birla Nuvo Ltd	10	-	46,449	-	53.73
Bank Of India	10	-	200,000	-	45.99
Dena Bank	10	-	200,000	-	12.65
Dr Reddy Laboratories Ltd	5	10,300	20,000	34.92	50.64
Era Infra Engineering Ltd	10	5,840,000	440,000	181.44	28.52
HCL Technologies Ltd	2	20,000	-	17.37	-
Hero Honda Motors Ltd	2	4,500	-	13.61	-
Idea Cellular Ltd	10	-	300,000	-	46.06
IL&FS Engineering & Construction Co. Ltd	10	1,000	1,000	0.12	0.12
Indiabulls Financial Services Ltd	2	-	96,575	-	22.74
Infosys Technologies Ltd	5	-	5,000	-	18.48
Jaiprakash Associates Ltd	2	-	1,500,000	-	75.46
Jet Airways (India) Ltd	10	-	300,000	-	68.36
Jammu & Kashmir Bank Ltd	1	90,708	-	12.79	-
Jindal Saw Ltd	2	83,000	-	8.51	-
Jubilant Life Sciences Ltd	1	-	400,001	-	82.59
LIC Housing Finance Ltd	10	-	300,000	-	67.36
Lupin Ltd	10	-	50,000	-	45.91
Mahindra & Mahindra Ltd	5	-	75,000	-	70.29
Parental Drugs (India) Ltd	10	176,770	176,770	55.16	55.16
Pipavav Defence & Offshore Engineering Co Ltd	10	10,600,000	3,500,000	465.94	118.04
Power Finance Corporation Ltd	10	44,000	-	12.36	-
Reliance Industries Ltd	10	17,000	-	17.18	-
Ruchi Soya Industries Ltd	2	1,500,000	-	67.67	-
S.Kumars Nationwide Ltd	10	22,058,769	22,058,769	481.05	481.05
Syndicate Bank	10	-	125,000	-	11.03
Tata Motors (DVR Ordinary Shares-Class A)	2	44,000	-	16.18	-
Tata Communications Ltd	10	127,000	-	53.79	-
Wipro Ltd	2	-	50,000	-	30.08

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Zee Entertainment Enterprises Ltd	1	-	199,999	-	53.93
				1,438.10	1,438.19
Government Securities- Quoted (Refer note 3(h))					
11.83% GOI 2014 (Mty 12-Nov-2014)	100	-	6,500,000	-	785.62
8.08% GOI 2022 (Mty 02-Aug-2022)	100	-	2,500,000	-	248.58
8.12% GOI 2020 (Mty 10-Dec-2020)	100	-	8,000,000	-	766.45
8.13% GOI 2022 (Mty 21-Sep-2022)	100	-	2,500,000	-	249.22
8.15% GOI 2022 (Mty 11-Jun-2022)	100	-	4,000,000	-	412.52
8.83% GOI 2023 (Mty 25-Nov-2023)	100	-	3,508,600	-	351.06
8.60% GOI 2028 (Mty 2-Jun-2028)	100	10,000,000	-	1,069.50	-
8.40% GOI 2024 (Mty 28-Jul-2024)	100	5,500,000	-	620.06	-
9.20% GOI 2030 (Mty 30-SEP-2030)	100	3,013,400	-	311.54	-
				2,209.48	2,813.45
Non-Convertible Debentures – Quoted					
8.95% RUPL 2023 (Mty 26-Apr-2023)	100	-	2,000,000	-	207.39
8.65% PFC 2019 (Mty 28-NOV-2019)	100	1,500,000	-	152.02	-
8.15% PGC 2020 (Mty 09-MAR-2020)	100	1,000,000	-	100.00	-
8.15% PGC 2025 (Mty 08-MAR-2025)	100	1,000,000	-	100.00	-
8.15% PGC 2030 (Mty 09-MAR-2030)	100	1,000,000	-	100.00	-
Non-Convertible Debentures – Unquoted					
BVM Finance Ltd	10,000,000	250	-	250.00	-
				702.02	207.39
Total				4,349.60	4,459.03

(c) Market Value of Quoted Investment and Cost of Unquoted Current Investment

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Quoted Investment		
Aggregate Market Value	3,639.41	3,770.95
Cost	4,099.60	4,459.03
Unquoted Investment		
Cost	250.00	-
Total Cost	4,349.60	4,459.03

- (d) The Company has executed Power of Attorney in favour of its Professional Clearing Member in respect of its Dematerialised Account, holding its quoted equity investment. These investments are appropriated against margin requirement of the respective stock exchange. As on March 31, 2015, the Company is required to maintain margin of ₹ 20.95 mn (As on March 31, 2014 ₹ 168.05 mn) which is covered by the current investment equivalent to ₹ 29.54 mn (As on March 31, 2014 ₹ 194.58 mn)

(12) LOANS AND ADVANCES

(a) Break up of Loans and Advances is as below:

Particulars	As at March 31, 2015				As at March 31, 2014			
	Short-term	Long-term		Total	Short-term	Long-term		Total
		Current	Non-Current			Current	Non-Current	
Secured Loans (Considered Good)								
To Related Parties (Refer note 25)	-	4,347.75	5,115.27	9,463.02	1,700.00	3,934.79	3,065.77	8,700.56
To Others	19,573.76	17,792.37	26,983.87	64,350.00	12,744.07	20,835.97	33,952.96	67,533.00
Unsecured Loans (Considered Good)								
To Related Parties (Refer note 25)	4,104.50	9.39	1,142.58	5,256.47	1,539.81	-	1,000.00	2,539.81
To Others	4,048.42	2,114.16	1,623.37	7,785.95	1,614.22	3,491.26	3,666.98	8,772.46
Doubtful Loans								
To Related Parties (Refer note 25)	-	-	63.89	63.89	-	-	-	-
To Others	936.26	1,059.10	550.50	2,545.86	2,367.21	51.23	167.22	2,585.66
	28,662.94	25,322.77	35,479.48	89,465.19	19,965.31	28,313.25	41,852.93	90,131.49
Unsecured Advances (Considered Good)								
Advance Payment of Taxes (net)	-	-	1,230.24	1,230.24	-	-	1,393.06	1,393.06
Capital Advances to Others	-	-	976.35	976.35	-	-	976.75	976.75
Advance towards Investments	-	-	14.91	14.91	-	-	286.56	286.56
Other Advances								
To Related Parties (Refer note 25)	52.99	-	0.50	53.49	3.88	-	-	3.88
To Others	29.30	-	-	29.30	89.62	-	-	89.62
Deposits	10.00	-	2.36	12.36	16.72	-	2.83	19.55
Margin Money with Related Parties	20.95	-	-	20.95	190.81	-	-	190.81
Prepaid Expenses								
To Related Parties (Refer note 25)	2.01	-	-	2.01	-	-	-	-
To Others	110.90	-	32.61	143.51	103.34	-	24.69	128.03
	226.15	-	2,256.97	2,483.12	404.37	-	2,683.89	3,088.26
Total	28,889.09	25,322.77	37,736.45	91,948.31	20,369.68	28,313.25	44,536.82	93,219.75

(₹ in million)

- (b) Provision of ₹ 455.46 mn (As at March 31, 2014 – ₹ 548.43 mn) is created on Doubtful Loans (Non-performing assets) as per RBI Guidelines and disclosed under Provision for Non-Performing Assets under Note 5 (d)
- (c) Secured Loan includes loans aggregating ₹ 2,629.61 mn (As at March 31, 2014 - ₹ 5,174.00 mn), where security creation is under process
- (d) Margin Money with Related Parties includes Initial Margin on Equity Derivative transactions of ₹ 20.95 mn (As at March 31, 2014- ₹ 168.05 mn) paid by the Company to their capacity as Professional Clearing Member

(13) TRADE RECEIVABLES

- (a) Trade Receivables comprises of receivable of Interest and other dues from its clients and fee for services rendered to its clients. Provision for Bad and Doubtful Debt is made on receivable of fees for services
- (b) Trade Receivables are classified into following categories :

Particulars	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	24.24	51.38
Unsecured, Considered Doubtful	113.61	62.26
Less : Provision for Bad and Doubtful Debts	(113.61)	(62.26)
Other Debts		
Secured, Considered Good	457.51	770.82
Unsecured, Considered Good	1,216.98	1,107.59
Total	1,698.73	1,929.79

(14) CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and Cash Equivalents		
Cheques on Hand	1,516.09	1,668.30
Balance with Banks		
i) In current accounts	1,091.22	3,297.81
ii) In demand deposit accounts	16,070.95	510.20
Total	18,678.26	5,476.31

(15) OTHER CURRENT AND NON-CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Current	Non-Current	Current	Non-Current
Income Accrued on Investments	108.89	944.18	331.39	594.54
Income Accrued on Lease, Loans and Advances	1,629.28	485.50	1,445.82	378.56
Receivable on Sale of Securities	42.41	-	520.20	-
Total	1,780.58	1,429.68	2,297.41	973.10

(16) CONTINGENT LIABILITY
(a) Guarantees

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Guarantees issued on behalf of third parties	3,635.51	400.94

(b) Claims against Company not acknowledged as debts

- (i) Income Tax: Demand Raised by Income Tax Authorities against the Company not acknowledged as debts and not provided for, the Company is in appeal at various authorities - ₹ 117.59 mn (As at March 31, 2014- ₹ 206.84 mn)

- (ii) Sales Tax: Demand raised by Sales Tax authorities against the Company ₹ 11.71 mn for Lease tax dues (As at March 31, 2014 - ₹ 12.99 mn), against which the Company has preferred appeals with the Appellate Tribunal, High Court
- (iii) Service Tax: Demand raised by Service Tax authorities against the Company ₹ 0.67 mn for CENVAT credit availed (As at March 31, 2014 ₹ 0.67 mn), against which the Company has preferred appeals with the Custom Excise & Service Tax Appellate Tribunal
- (iv) Others: Demand Raised by Superintendent of Stamps, Maharashtra against the Company not acknowledged as debts and not provided for towards penalty for delay in payment of stamp duty, the Company has challenged the notice issued, with the authorities - ₹ 97.60 mn (As at March 31, 2014 - ₹ Nil)

The Company does not expect any outflow of economic resources in respect of the above

(17) COMMITMENTS

(a) Capital Commitments

Estimated amount of contracts remaining to be executed but not provided in respect of Tangible Assets ₹ 0.45 mn (As at March 31, 2014- ₹ 0.31 mn)

(b) Financial Commitments

Undisbursed Commitment in respect of Loans is ₹ 409.12 mn (Previous Year ₹ 51.61 mn) and in respect of Investments is ₹ 2,104.75 mn (Previous Year ₹ 987.50 mn)

(c) 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	(₹ in million)	
	As at March 31, 2015	As at March 31, 2014
Less than one year	24.66	24.66
One to five years	29.39	54.05
Total	54.05	78.71

The Operating Lease expenses incurred during the Year of ₹ 16.70 mn (Previous Year ₹ 16.70 mn) is included in Rent Expenses

(18) DERIVATIVE INSTRUMENTS

(a) Detail of outstanding derivative instruments are as below:

Particulars	As at March 31, 2015	As at March 31, 2014
Index Options		
No. of Contracts	2,000	8,000
Notional Principal (₹ in mn)	5.66	27.56
Interest Rate Swap		
No. of Contracts	5	1
Notional Principal (₹ in mn)	1,750.00	250.00

(b) Details of Equity/Index option outstanding as at March 31, 2015 are as below:

(₹ in million)

Particulars	Total Premium carried forward at the Year end including provision made	
	As at March 31, 2015	As at March 31, 2014
Index Option	7.47	29.83

(19) REVENUE FROM OPERATIONS

(a) The Company is engaged in the area of Financial Services and its revenue from operations includes Interest on Lending and Investment Portfolio, Gain on sale of Investments and Fee from Services as per the table below:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Fund Based		
Interest Income on Loans*	14,374.65	13,646.36
Income from Investments	2,896.83	3,206.93
Lease Income	0.23	2.61
Fee Based		
Project Debt Syndication Fees	1,300.95	1,032.29
Consultancy and Advisory Fees	245.91	171.16
Total	18,818.57	18,059.35

*Interest income is net-off:

- (i) Provision for Interest sacrifice of ₹ 93.14 mn (Year ended March 31, 2014 ₹ 53.77 mn) on restructured advances (Refer note 5 (a))
- (ii) Reversal of interest income of ₹ 115.37 mn (Year ended March 31, 2014 ₹ 17.26 mn) towards provision for funded interest term loan on restructured advances as per NBFC Prudential Norms on income recognition (Refer note 5 (a))

(b) Lease Income comprises of:

(₹ in million)

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Lease Rentals	0.23	5.27
Loss on sale of leased Assets	-	(2.66)
Total	0.23	2.61

(c) Break up of Income from Investments are as below:

(₹ in million)

Particulars	Year ended		Year ended	
	March 31, 2015		March 31, 2014	
	Non-Current	Current	Non-Current	Current
Interest/Discount/Premium	1,354.05	314.09	1,521.06	306.43
Pass Through Income	163.42	-	295.72	-
Dividend Income	181.77	18.52	105.45	34.89
Net Gain/(Loss) on Sale of Investment	10.89	598.07	876.47	157.36
Profit/(loss) on Derivative Contracts	-	256.02	-	(90.45)
	1,710.13	1,186.70	2,798.70	408.23
Total		2,896.83		3,206.93

(20) FINANCE COSTS

(₹ in million)

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Interest Expenses on Borrowings	12,088.19	11,499.87
Other Finance Costs	71.89	54.79
Total	12,160.08	11,554.66

(21) EXPENSES

(a) Employees Benefit Expenses comprises of:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and Allowances	484.95	505.49
Contribution to Provident and Other Fund	26.51	24.29
Staff Training and Welfare Expenses	26.02	20.45
Total	537.48	550.23

(b) Other Operating Expenses

(i) Break up of Other Operating Expenses is as below:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rent	89.01	105.86
Electricity Charges	3.72	3.80
Rates and Taxes	62.12	62.87
Repairs and Maintenance	35.04	32.49
Travelling and Conveyance	45.44	37.11
Communication Expenses	8.15	9.27
Legal and Professional Charges	43.66	146.42
Insurance Expenses	3.05	1.48
Brand Subscription Charges	181.50	175.51
Service Charges	271.29	210.28
Corporate Social Responsibility Expense	6.54	-
Miscellaneous Expenses	95.50	91.06
Total	845.02	876.15

(ii) Rent expense is net of recovery made of ₹ 20.94 mn (Year ended March 31, 2014: ₹ 14.25 mn) from Subsidiaries

- (iii) In terms of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities approved by the Committee are (i) skills and livelihood (ii) education and (iii) discretionary items

In line with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountants of India, the disclosure of the CSR expenditure during the year, is as under:

- (a) Gross amount required to be spent by the company during the year: ₹ 76.27 mn
 (b) Amount spent during the year on:

(₹ in million)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	6.54	Nil	6.54

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

(₹ in million)

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
As Auditor	13.62	12.10
Other Matters	3.68	2.56
Total	17.30	14.66

(22) PROVISION, CONTINGENCIES AND WRITE OFFS

Particulars	(₹ in million)			
	Year ended March 31, 2015		Year ended March 31, 2014	
Provisions for :				
General Contingencies Written Back	(1,782.20)		(337.50)	
Non-Performing Assets Written Back	(593.75)	(2,375.95)	(64.84)	(402.34)
Loans Written off	1,556.95		402.34	
Diminution in value of Long-term Investments	819.00	2,375.95	-	402.34
General Contingencies Created	1,169.70		550.00	
Non-Performing Assets Created	508.30		405.63	
Standard Restructured Assets	61.53		71.00	
Bad and Doubtful Debts	51.62		45.60	
Other NBFC Prudential Norms	116.62	1,907.77	70.64	1,142.87
Mark to Market on Derivatives		(9.07)		3.14
(Write Back)/ Provision for Diminution in :				
- Long-term Investments		(18.30)		218.00
- Current Investments		(235.00)		213.44
Total		1,645.40		1,577.45

(23) 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:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax (₹ in mn)	2,493.70	2,650.78
Profit attributable for Equity Shareholders	2,493.70	2,650.78
- Weighted Average number of Equity Shares in calculating Basic and Diluted EPS	265,667,555	265,667,555
Face Value (₹ per Share)	10.00	10.00
Basic and Diluted Earnings (₹ per Share)	9.39	9.98

(24) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions during the year are as follows:

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
I. Earnings in Foreign Currency		
Income	4.57	9.95
II. Expenses in Foreign Currency		
Legal and Professional Charges	-	90.44
Foreign Travel	0.22	0.29
Others	2.36	2.13
Total	2.58	92.86

25) 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:

Holding Company	2015	2014	Fellow Subsidiaries*	2015	2014
Infrastructure Leasing & Financial Services Ltd	✓	✓	IL&FS Township & Urban Assets Ltd	✓	✓
Subsidiary Companies	2015	2014	IL&FS Transportation Networks Ltd	✓	✓
IL&FS Global Financial Services Pte Ltd	✓	✓	IL&FS Trust Co. Ltd	✓	✓
IL&FS Global Financial Services (UK) Ltd	✓	✓	IL&FS Urban Infrastructure Managers Ltd	✓	✓
IL&FS Global Financial Services (ME) Ltd	✓	✓	IL&FS Water Ltd	✓	✓
IL&FS Global Financial Services (HK) Ltd	✓	✓	IL&FS Wind Farms Ltd	✓	-
IL&FS Capital Advisors Ltd	✓	✓	IL&FS Wind Power Services Ltd	✓	-
IL&FS AMC Trustee Ltd	✓	✓	IMICL Dighi Maritime Ltd	✓	-
IL&FS Infra Asset Management Ltd	✓	✓	Integrated Waste Mgmt & Urban Services (TN) Pvt. Ltd	✓	✓
IL&FS Broking Services Pvt Ltd (formerly Avendus Securities Pvt Ltd)	✓	✓	ISSL Market Services Ltd	✓	✓
Enterprises over which IFIN has control	2015	2014	ISSL Settlement & Transaction Services Ltd	✓	✓
IFIN Realty Trust	✓	✓	ITNL Road Infrastructure Development Co. Ltd	✓	-
Investment Square Trust	✓	✓	Jharkhand Road Projects Implementation Co. Ltd	✓	✓
Affiliates Companies	2015	2014	Jogihali Wind Energy Pvt Ltd	✓	-
Syniverse Technologies (India) Private Ltd (Joint Venture)	✓	✓	Karyavattom Sports Facilities Ltd	✓	✓
Fellow Subsidiaries*	2015	2014	Khandke Wind Energy Pvt Ltd	✓	✓
Baleshwar Kharagpur Expressway Ltd	✓	✓	Khed Sinnar Expressway Ltd	✓	✓
Barwa Adda Expressway Ltd	✓	✓	Kiratpur Ner Chowk Expressway Ltd	✓	✓
Bhopal E Governance Ltd	✓	-	Lalpur Wind Energy Pvt Ltd	✓	✓
Chenani Nashri Tunnelway Ltd	✓	-	LIVIA India Ltd (from January 30, 2015)	✓	-
East Delhi Waste Processing Co. Pvt. Ltd	✓	✓	Mahidad Wind Energy Pvt Ltd (from July 22, 2014)	✓	-
Hazaribagh Ranchi Expressway Ltd	✓	✓	Nana Layja Power Co. Ltd	✓	✓
IIDC Ltd	✓	-	Patiala Bio Power Co. Ltd	✓	✓
IL&FS Airport Limited	✓	-	Porto Novo Maritime Ltd	✓	✓
IL&FS Cluster Development Initiative Ltd	✓	✓	Rapid MetroRail Gurgaon South Ltd	✓	✓
IL&FS Education & Technology Services Ltd	✓	✓	RDF Power Projects Ltd (from June 23, 2014)	✓	-
IL&FS Energy Development Co. Ltd	✓	✓	Ratedi Wind Power Ltd (Formerly IL&FS Wind Power Ltd)	✓	-
IL&FS Environmental Infrastructure & Services Ltd	✓	✓	Sabarmati Capital One Ltd	✓	✓
IL&FS IIDC Fund	✓	✓	Sabarmati Capital Two Ltd	✓	✓
IL&FS Infrastructure Equity Fund-I	✓	✓	Sealand Warehousing Pvt Ltd	✓	-
IL&FS Investment Managers Ltd	✓	-	Sipla Wind Energy Ltd	✓	-
IL&FS Investment Trust - I	✓	✓	TADAS Wind Energy Pvt Ltd	✓	-
IL&FS Investment Trust - IV	✓	✓	West Gujarat Expressway Ltd	✓	-
IL&FS Maritime Infrastructure Co. Ltd	✓	✓	Wind Urja India Pvt Ltd	✓	-
IL&FS Orix Trust	✓	-	ITNL International Pte Ltd	✓	-
IL&FS Paradip Refinery Water Ltd	✓	✓	Key Management Personnel	2015	2014
IL&FS Portfolio Management Services Ltd	✓	✓	Mr Ravi Parthasarathy, Chairman	✓	✓
IL&FS Rail Ltd	✓	✓	Mr Hari Sankaran, Director	✓	✓
IL&FS Renewable Energy Ltd	✓	✓	Mr Arun K Saha, Director	✓	✓
IL&FS Securities Services Ltd	✓	✓	Mr Vibhav Kapoor, Director	✓	✓
IL&FS Tamil Nadu Power Co. Ltd	✓	✓	Mr Ramesh Bawa, Managing Director & CEO	✓	✓
IL&FS Technologies Ltd (from January 30, 2015)	✓	-	Mr Milind Patel, Joint Managing Director	✓	✓
			Mr Rajesh Kotian, Deputy Managing Director	✓	✓
			Mr Deepak Pareek, Chief Financial Officer	✓	-
			Mrs Neelam Desai, Company Secretary	✓	-

* As certified by the holding Company and with whom transactions done during the year

- (b) The nature and volume of the transactions during the year ended March 31, 2015 with the above related parties were as follows:

(₹ in million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Joint Venture	Key Management Personnel	Year ended March 31, 2015
Income							
Interest	-	-	2,179.06	-	-	-	2,179.06
Investment Income	-	-	121.93	22.21	45.44	-	189.58
Fee and Other Income	0.24	47.33	1,117.41	-	-	-	1,164.98
Expenditure							
Interest and Finance Charges	23.88	1.40	431.32	-	-	-	456.60
Other Operating Expenses	294.75	(21.51)	229.75	-	-	4.69	507.68
KMP Remuneration	-	-	-	-	-	142.48	142.48
Balances as at end of the Year							
Assets							
Non-Current Assets							
Long-term Loans & Advances	-	0.50	6,321.74	-	-	-	6,322.24
Current Assets							
Current Maturity of Long-term Loans & Advances	-	-	4,357.14	-	-	-	4,357.14
Trade Receivables	-	43.66	922.10	-	-	-	965.76
Short-term Loans & Advances	35.81	0.89	4,141.74 ¹	0.01	-	2.01	4,180.46
Other Current Assets	-	-	249.59	-	-	-	249.59
Liabilities							
Non-Current Liabilities							
Long-term Borrowings	-	-	2,505.60	-	-	-	2,505.60
Current Liabilities							
Short-term Borrowings	-	-	2,841.82	-	-	-	2,841.82
Trade Payables	4.51	0.22	113.15	-	-	-	117.88
Other Current Liabilities	2.02	-	119.32	-	-	-	121.33
Off Balance Sheet Items							
Guarantees Given	-	-	334.63	-	-	-	334.63
Transactions during the Year ended March 31, 2015							
Brokerage Paid	-	3.16	-	-	-	-	3.16
Subscription to Shares/Units	-	-	134.77	-	-	-	134.77
Redemption of Shares/Units	-	-	535.46	49.37	-	-	584.83
Long Term/ Short Term Loans Given (Assets)	-	-	12,550.70	-	-	-	12,550.70
Long Term/ Short Term Loans repaid (Assets)	-	-	11,557.23	-	-	-	11,557.23
Long Term/ Short Term Borrowing Taken (Liabilities)	31,640.00	75.10	40,857.30	-	-	-	72,572.40
Repayment of Long Term/ Short term Borrowing (Liabilities)	31,640.00	75.10	37,441.74	-	-	-	69,156.85
Dividend Paid	1,461.17	-	-	-	-	-	1,461.17

¹ Includes ₹ 20.95mn paid to clearing member and stock broker on account of margin money required to be paid as per Exchange regulations

The nature and volume of the transactions during the year ended March 31, 2014 with the above related parties were as follows

(₹ in million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Joint Venture	Key Management Personnel	Year ended March 31, 2014
Income							
Interest	-	-	1,046.45	-	-	-	1,046.45
Investment Income	-	-	66.14	4.86	36.85	-	107.85
Fee and Other Income	0.02	6.73	911.03	-	-	-	917.78
Expenditure							
Interest and Finance Charges	55.75	-	393.44	-	-	-	449.19
Other Operating Expenses	296.89	84.81	192.52	-	-	-	574.22
KMP Remuneration	-	-	-	-	-	141.99	141.99
Balances as at end of the Year							
Assets							
Non-Current Assets							
Long-term Loans & Advances	-	-	4,065.77	-	-	-	4,065.77
Current Assets							
Current Maturity of Long-term Loans & Advances	-	-	3,934.79	-	-	-	3,934.79
Trade Receivables	2.09	7.01	836.92	-	-	-	846.02
Short-term Loans & Advances	-	21.88	3,412.62 ¹	-	-	-	3,434.50
Other Current Assets	-	47.61	746.93	-	-	-	794.54
Liabilities							
Non-Current Liabilities							
Long-term Borrowings	-	-	5.60	-	-	-	5.60
Current Liabilities							
Current Maturities of Long-term Borrowings	-	-	290.00	-	-	-	290.00
Short-term Borrowings	-	-	1,636.27	-	-	-	1,636.27
Trade Payables	6.11	86.54	23.13	-	-	-	115.78
Other Current Liabilities	1.73	-	74.26	-	-	-	75.99
Off Balance Sheet Items							
Guarantees Given	-	-	343.40	-	-	-	343.40
Transactions during the Year ended March 31, 2014							
Subscription to Shares/Units	-	211.58	2,044.20	-	-	-	2,255.78
Redemption of Shares/Units	-	-	140.08	-	-	-	140.08
Purchase of Investments	1,186.64	-	-	-	-	-	1,186.64
Long Term/ Short Term Loans Given (Assets)	-	-	11,658.20	-	-	-	11,658.20
Long Term/ Short Term Loans repaid (Assets)	-	-	5,602.90	-	-	-	5,602.90
Long Term/ Short Term Borrowing Taken (Liabilities)	42,481.30	-	27,757.37	-	-	-	70,238.67
Long Term / Short term Borrowing repaid (Liabilities)	42,984.00	-	27,157.92	-	-	-	70,141.92
Dividend Paid	1,594.01	-	-	-	-	-	1,594.01

¹ Includes ₹ 190.81 mn paid to clearing member and stock broker on account of margin money required to be paid as per Exchange regulations

- (c) Statement of significant transaction/balances during the year ended March 31, 2015 are as below:

(₹ in million)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
INCOME				
Interest				
IL&FS Renewable Energy Ltd	-	464.84	-	-
IL&FS Maritime Infrastructure Co. Ltd	-	401.11	-	-
Jharkhand Road Projects Implementation Co. Ltd	-	367.70	-	-
Investment Income				
IL&FS Investment Trust - I (IIT - I)	-	40.35	-	-
IL&FS Securities Services Ltd	-	9.87	-	-
IFIN Realty Trust	-	-	22.21	-
IL&FS Orix Trust	-	(44.05)	-	-
IL&FS Transportation Networks Ltd	-	117.83	-	-
Fee & Other Income				
IL&FS Tamil Nadu Power Co. Ltd	-	366.60	-	-
IL&FS Transportation Networks Ltd	-	302.22	-	-
IL&FS Infra Asset Management Ltd	40.00	-	-	-
EXPENDITURE				
Interest and Finance Charges				
IL&FS Securities Services Ltd	-	329.06	-	-
ISSL Settlement and Transactions Ltd	-	34.72	-	-
IL&FS Broking Services Pvt Ltd	1.40	-	-	-
Other Operating Expenses				
IL&FS Securities Services Ltd	-	142.48	-	-
IL&FS Portfolio Management Ltd	-	93.66	-	-
Mr Ramesh Bawa	-	-	-	4.69
Brokerage Paid				
IL&FS Broking Services Pvt Ltd	3.16	-	-	-
Managerial Remuneration				
Mr Ramesh Bawa	-	-	-	55.44
Mr Milind Patel	-	-	-	42.81
Mr Rajesh Kotian	-	-	-	27.73
Mr Deepak Pareek	-	-	-	10.97
Ms Neelam Desai	-	-	-	4.91
Long Term/ Short Term Loans Given (Assets)				
IL&FS Rail Ltd	-	3,500.00	-	-
Jharkhand Road Projects Implementations Co. Ltd	-	2,472.50	-	-

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
IL&FS Maritime Infrastructure Co. Ltd	-	1,365.00	-	-
Nana Layja Power Co. Ltd	-	900.00	-	-
Long Term/ Short Term Loans repaid (Assets)				
Nana Layja Power Co. Ltd	-	2,400.00	-	-
IL&FS Rail Ltd	-	1,950.00	-	-
IL&FS Energy Development Co. Ltd	-	1,250.00	-	-
Jharkhand Road Projects Implementations Co Ltd	-	1,200.00	-	-
Subscription to Shares/Units				
IL &FS Transportation Networks Ltd	-	75.92	-	-
IL&FS Infrastructure Equity Fund-I	-	30.00	-	-
IL&FS IIDC Fund	-	28.85	-	-
Redemption of Investments				
IFIN Realty Trust	49.37	-	-	-
IL&FS Investment Trust - I (IIT - I)	-	444.50	-	-
IL&FS Orix Trust	-	73.30	-	-
Long Term/ Short Term Borrowing Taken (Liabilities)				
IL&FS Securities Services Ltd	-	26,444.70	-	-
IL&FS Broking Services Pvt Ltd	75.10	-	-	-
Long Term / Short term Borrowing repaid (Liabilities)				
IL&FS Securities Services Ltd	-	23,473.10	-	-
IL&FS Broking Services Pvt Ltd	75.10	-	-	-
Balances as at end of the year				
ASSETS				
Long-term Loans and Advances				
IL&FS Maritime Infrastructure Co. Ltd	-	2,500.00	-	-
IL&FS Technologies Ltd	-	2,673.40	-	-
Sabarmati Capital Two Ltd	-	900.00	-	-
Current Maturity Of Long-term Loans				
IL&FS Renewable Energy Ltd	-	2,500.00	-	-
Jharkhand Road Projects Implementation Co. Ltd	-	1,557.00	-	-
Short-term Loans and Advances				
IL&FS Rail Ltd	-	1,550.00	-	-
Jharkhand Road Projects Implementation Co. Ltd	-	1,272.50	-	-
East Delhi Waste Processing Co. Ltd	-	716.00	-	-
IL&FS Environmental Infrastructure & Services Ltd	-	450.00	-	-
IL&FS Capital Advisors Ltd	0.57	-	-	-

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
Ramesh C Bawa	-	-	-	2.01
Trade Receivables				
IL&FS Tamilnadu Power Co. Ltd	-	411.91	-	-
IL&FS Transportation Networks Ltd	-	168.17	-	-
IL&FS Infra Asset Management Ltd	40.10	-	-	-
Other Current Assets				
IL&FS Technologies Ltd	-	111.25	-	-
Sabarmati Capital Two Ltd	-	53.11	-	-
IL&FS Environmental Infrastructure & Services Ltd	-	45.21	-	-
IL&FS Maritime Infrastructure Co. Ltd	-	29.38	-	-
LIABILITIES				
Long-term Borrowings				
IL&FS Securities Services Ltd	-	2,500.00	-	-
Short-term Borrowings				
IL&FS Securities Services Ltd	-	1,771.10	-	-
IL&FS Energy Development Co. Ltd	-	510.00	-	-
Trade Payables				
IL&FS Infra Asset Management Ltd	0.22	-	-	-
IL&FS Securities Services Ltd	-	81.26	-	-
IL&FS Portfolio Management Services Ltd	-	31.88	-	-
Current Liabilities				
IL&FS Securities Services Ltd	-	89.30	-	-
Jharkhand Road Projects Implementation Co. Ltd	-	15.89	-	-
Off Balance Sheet Items				
IL&FS Transportation Networks Ltd	-	300.00	-	-
IIDC Ltd	-	34.63	-	-

Statement of significant transaction/balances during the Year ended March 31, 2014
is as below

(₹ in million)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
INCOME				
Interest				
IL&FS Renewable Energy Ltd	-	457.10	-	-
IL&FS Maritime Infrastructure Co Ltd	-	289.84	-	-
East Delhi Waste Processing Co Ltd	-	101.64	-	-
Investment Income				
IL&FS Investment Trust - I (IIT - I)	-	55.56	-	-
IL &FS Transportation Networks Ltd	-	9.76	-	-
Fee & Other Income				
Khed Sinnar Expressway Ltd	-	172.50	-	-
Barwa Adda Express way Ltd	-	170.44	-	-
IL&FS Transportation Networks Ltd	-	204.35	-	-
IL&FS Tamil Nadu Power Co. Ltd	-	100.00	-	-
EXPENDITURE				
Interest and Finance Charges				
IL&FS Securities Services Ltd	-	304.63	-	-
ISSL Settlement and Transactions Ltd	-	72.42	-	-
Other Operating Expenses				
IL&FS Securities Services Ltd	-	120.90	-	-
IL&FS Portfolio Management Ltd	-	58.00	-	-
IL & FS Global Financial Services (HK) Ltd	50.74	-	-	-
Managerial Remuneration				
Mr Ramesh Bawa	-	-	-	65.40
Mr Milind Patel	-	-	-	44.92
Mr Rajesh Kotian	-	-	-	31.15
Long Term/ Short Term Loans Given (Assets)				
IL&FS Rail Ltd	-	2,850.00	-	-
Jharkhand Road Projects Implementations Co. Ltd	-	1,557.00	-	-
Nana Layja Power Co. Ltd	-	1,500.00	-	-
Long Term/ Short Term Loans repaid (Assets)				
IL&FS Rail Ltd	-	2,850.00	-	-
IL&FS Transportation Networks Ltd	-	1,000.00	-	-
Subscription to Shares/Units				
IL &FS Transportation Networks Ltd	-	2,000.00	-	-
IL&FS Broking Service Pvt Ltd	80.13	-	-	-
IL&FS Global Financial Services (HK) Ltd	73.45	-	-	-
IL&FS Infra Asset Management Ltd	57.50	-	-	-
Redemption of Investments				
IL&FS IIDC Fund	-	139.99	-	-
Long Term/ Short Term Borrowing Taken (Liabilities)				
IL&FS Securities Services Ltd	-	20,453.50	-	-
ISSL Settlement & Transaction Services Ltd	-	4,147.40	-	-
Long Term / Short term Borrowing repaid (Liabilities)				
IL&FS Securities Services Ltd	-	19,794.00	-	-
ISSL Settlement & Transaction Services Ltd	-	4,424.90	-	-

Balances at the year ended March 31, 2014

(₹ in million)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
Balances as at end of the year				
ASSETS				
Long-term Loans and Advances				
Jharkhand Road Projects Implementation Co. Ltd	-	1,557.00	-	-
IL&FS Maritime Infrastructure Co. Ltd	-	1,350.00	-	-
Current Maturity Of Long-term Loans				
IL&FS Renewable Energy Ltd	-	2,800.00	-	-
Short-term Loans and Advances				
Nana Layja Power Company Ltd	-	1,500.00	-	-
East Delhi Waste Processing Co Ltd	-	619.81	-	-
IL&FS Energy Development Co Ltd	-	550.00	-	-
IL&FS Environmental Infrastructure & Services Ltd	-	370.00	-	-
Trade Receivables				
Barwa Adda Expressway Ltd	-	194.43	-	-
Khed Sinnar Expressway Ltd	-	157.86	-	-
IL&FS Tamilnadu Power Co Ltd	-	112.63	-	-
IL&FS Transportation Networks Ltd	-	145.05	-	-
Other Current Assets				
IL&FS Maritime Infrastructure Co Ltd	-	232.53	-	-
IL&FS Securities Services Ltd	-	476.10	-	-
LIABILITIES				
Long-term Borrowings				
ISSL Market Services Ltd	-	5.60	-	-
Current Maturity of Long-term Borrowings				
IL&FS Securities Services Ltd	-	220.00	-	-
ISSL Settlement & Transaction Services Ltd	-	60.00	-	-
Short-term Borrowings				
IL&FS Securities Services Ltd	-	1,079.50	-	-
ISSL Settlement & Transaction Services Ltd	-	337.40	-	-
Trade Payables				
IL&FS Global Financial Services (HK) Ltd	40.59	-	-	-
IL & FS Global Financial Services PTE Ltd	39.69	-	-	-
IL&FS Securities Services Ltd	-	10.96	-	-
Current Liabilities				
ISSL Settlement & Transaction Services Ltd	-	32.56	-	-
East Delhi Waste Processing Co. Pvt Ltd	-	23.68	-	-
Off Balance Sheet Items				
IL&FS Transportation Networks Ltd	-	300.00	-	-
East Delhi Waste Processing Co. Pvt Ltd	-	43.40	-	-

(26) JOINT VENTURE REPORTING

- (a) The Company has a joint control over the following entity as per AS 27- Financial reporting of interests in Joint Ventures

Jointly Controlled Entity (Incorporated In India)	Percentage of Ownership Interest	
	As at March 31, 2015	As at March 31, 2014
Syniverse Technologies (India) Pvt Ltd	26.00%	26.00%

- (b) The aggregate amount of assets, liabilities, income and expenditure of the jointly controlled entity, based on audited financial statement of the entity is as follows:

Balance Sheet Items

(₹ in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Assets	89.12	85.11
Liabilities	18.82	16.73
Contingent Liabilities	1.59	1.59

Statement of Profit and Loss Items

(₹ in million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income	94.83	76.81
Expenses (including tax)	54.95	47.09

(27) SEGMENT REPORTING

The Company is in the business of providing financial 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”

(28) Information relating to Restructured Accounts in accordance with RBI Notification No. DNBS(PD).
NO.272 /CGM(NSV) dated January 23, 2014
(a) For the year ended March 31, 2015

(₹ in Crore)

Sr. No.	Type of Restructuring Asset Classification	Under CDR Mechanism			Others			Total		
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard		Doubtful	Loss
1	Restructured Accounts as on April 01, 2014									
	No of Borrowers	3	-	-	-	3	13	2	1	16
	Amount Outstanding	30.18 ²	-	-	-	30.18	224.63 ¹	8.08	6.70	239.41
	Provision there on	5.65	-	-	-	5.65	12.50	-	0.14	12.64
2	Freshly Restructured during the year ended March 31, 2015									
	No of Borrowers	-	-	-	-	-	2	-	-	2
	Amount Outstanding	2.54	-	-	-	2.54	266.97 ⁴	0.60	1.21	268.67
	Provision there on	0.15	-	-	-	0.15	19.46	-	-	19.46
3	Up gradations to restructured standard category									
	No. of Borrowers	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2015 and hence need not be shown as restructured standard advances at the April 1, 2014 ³									
	No of Borrowers	-	-	-	-	-	(2)	-	-	(2)
	Amount Outstanding	(0.02)	-	-	-	(0.02)	(118.76)	(0.06)	-	(118.82)
	Provision there on	-	-	-	-	-	(1.35)	-	-	(1.35)
5	Down gradations of restructured accounts during the year ended March 31, 2015									
	No of Borrowers	(1)	1	-	-	-	(4)	3	1	-
	Amount Outstanding	(15.96)	15.96	-	-	-	(18.62) ¹	16.39 ¹	2.23	-
	Provision there on	(2.27)	1.88	-	-	(0.39)	(2.39)	-	-	(2.39)
6	Write offs of restructured accounts during the year ended March 31, 2015									
	No of Borrowers	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2015									
	No of Borrowers	2	1	-	-	3	9	5	2	16
	Amount Outstanding	16.75 ²	15.96	-	-	32.70	354.21 ⁴	25.01 ¹	10.14	389.37
	Provision there on	3.53	1.88	-	-	5.41	28.21	-	0.14	28.35

- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2014 and March 31, 2015 is ₹ 7.52 crores
- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2014 and March 31, 2015 is ₹ 118.64 crores
- No of borrowers and amount outstanding under Sr no 4 of above table includes, recoveries made from existing restructured facilities
- Includes a facility of ₹ 72.00 crores which is not forming part of the restructuring package
- Provision includes provision made for interest sacrifice amounting to ₹ 20.51 crores and provision on standard restructured assets amounting to ₹ 13.25 crores in accordance with notification no DNBS(PD).NO.272 /CGM(NSV) (Refer Note 5 (a))

(b) For the year ended March 31, 2014

(₹ in Crore)

Sr. No.	Type of Restructuring Asset Classification	Under CDR Mechanism			Others			Total
		Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	
1	Restructured Accounts as on April 01, 2013							
	No. of Borrowers	1	-	-	1	5	2	-
	Amount Outstanding	10.26	-	-	10.26	174.68 ¹	7.33	-
	Provision there on	1.88	-	-	1.88	3.94	-	-
2	Freshly Restructured during the year ended March 31, 2014							
	No. of Borrowers	2	-	-	2	9	1	-
	Amount Outstanding	19.92 ²	-	-	19.92	186.81	7.46	-
	Provision there on	3.77	-	-	3.77	8.56	0.14	-
3	Up gradations to restructured standard category							
	No. of Borrowers	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2014 and hence need not be shown as restructured standard advances at the April 1, 2014 ³							
	No. of Borrowers	-	-	-	-	(1)	-	-
	Amount Outstanding	-	-	-	-	(136.86)	(0.01)	-
	Provision there on	-	-	-	-	-	-	-
5	Down gradations of restructured accounts during the year ended March 31, 2014							
	No. of Borrowers	-	-	-	-	-	(2)	2
	Amount Outstanding	-	-	-	-	-	(6.71)	6.71
	Provision there on	-	-	-	-	-	(0.14)	0.14
6	Write offs of restructured accounts during the year ended March 31, 2014							
	No. of Borrowers	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2014							
	No. of Borrowers	3	-	-	3	13.00	2	1
	Amount Outstanding	30.18 ²	-	-	30.18	224.63 ¹	8.08	6.70
	Provision there on	5.65	-	-	5.65	12.50	-	0.14

- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2013 is ₹ 6.40 crores and March 31, 2014 is ₹ 7.52 crores
- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on March 31, 2014 is ₹ 118.64 crores
- No of borrowers and amount outstanding under Sr no 4 of above table includes, recoveries made from existing restructured facilities
- Provision includes provision made for interest sacrifice amounting to ₹ 11.19 crores and 2.75% provision on standard restructured assets amounting to ₹ 7.10 crores in accordance with notification no DNBS(PD).NO.272 /CGM(NSV) (Refer Note 5 (a))

- (29)** Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary
- (30)** Additional Disclosures in terms of RBI Notification No DNBR 019/CGM (CDS)-2015 dated April 10, 2015 'Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015' are annexed as **Annexure I**

For and on behalf of the Board

Ravi Parthasarathy

Chairman

Ramesh C Bawa

Managing Director & CEO

Deepak Pareek

Chief Financial Officer

Neelam Desai

Company Secretary

Mumbai, May 14, 2015

ANNEXURE 1 TO AUDITED FINANCIAL STATEMENTS
(Refer Note 30 of Notes to Accounts)

Additional Disclosures in terms of RBI Notification No DNBR 019/CGM (CDS)-2015 dated April 10, 2015 'Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015'

1 Summary of Significant Accounting Policies

As disclosed in Note 1 of the Financial Statements

2.1 Capital

(₹ in Crores)		
Particulars	FY 2015	FY 2014
(i) CRAR (%)	21.63*	21.63
(ii) CRAR - Tier I Capital (%)	14.35	14.13
(iii) CRAR - Tier II Capital (%)	7.28	7.50
(iv) Amount of subordinated debt raised as Tier-II capital	800.00	800.00
(v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

*Considering proposed dividend of ₹ 5/- per share

2.2 Investments

(₹ in Crores)		
Particulars	FY 2015	FY 2014
(1) Value of Investments		
(i) Gross Value of Investments	3,743.95	3,552.08
(a) In India	3,712.26	3,520.39
(b) Outside India	31.69	31.69
(ii) Provisions for Depreciation	172.46	115.89
(a) In India	172.46	115.89
(b) Outside India	-	-
(iii) Net Value of Investments	3,571.49	3,436.18
(a) In India	3,539.80	3,411.84
(b) Outside India	31.69	24.34
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	115.89	72.75
(ii) Add : Provisions made during the year	56.57	43.14
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	172.46	115.89

Investment in one of the Non-Convertible Debentures has been classified as Non-performing Asset (NPA) in accordance with RBI guidelines and provision of ₹ 0.75 crore is held on the same which is disclosed under note 4.4 : Movement of NPAs

2.3 Derivatives

2.3.1 Interest Rate Swap

		(₹ in Crores)	
	Particulars	FY 2015	FY 2014
(i)	The notional principal of swap agreements	175.00	25.00
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	0.04	NIL
(iii)	Collateral required by the NBFC upon entering into swaps	NIL	NIL
(iv)	Concentration of credit risk arising from the swaps*	NIL	NIL
(v)	The fair value of the swap book	NIL	NIL

* The Company does not offer derivative products to its customers for market making purposes and the derivative transactions entered into by the Company are for hedging its own balance sheet risks. Counterparty for swap agreements entered to hedge is its asset/liabilities are banks

2.3.2 Exchange Traded Interest Rate (IR) Derivatives

The Company has not undertaken any transaction in Exchange Traded Derivatives in current year or previous year

2.3.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

- (i) The Company deals in over-the-counter (OTC) interest rate and currency derivatives. The Company deals in derivatives for hedging its interest rate risks and currency risks in its balance sheet and does not take any position on behalf of third parties for market making purposes. This may involve
 - Hedging of matching asset or liability
 - General Balance Sheet hedging and management with a view to optimise cost and taking advantage of market opportunities. Such transactions falls under the category of transformation of risk
- (ii) Treasury Function of the Company is integrated with its Parent 'Infrastructure Leasing and Financial Services Ltd' (IL&FS). The derivative transactions are originated by the Integrated Treasury department, which ensures compliance with the Company's policy and the Regulatory guidelines. The settlement and accounting of derivatives transactions are handled by separate team in Finance and Accounts Function of the Company. The dealing activities in Derivatives are governed by Investment Policy and Risk Management Framework of the Company
- (iii) The Company has set up a 'Treasury Committee' consisting of Directors and Senior Management of the Company and Integrated Treasury Department, which is responsible for setting up and review of exposure limits, monitoring of MTM position on the derivatives portfolio in compliance with Investment Policy and Risk Management Framework of the Company. Treasury Committee is also responsible for review of Market Developments, strengthen Controls, ensure regulatory compliance and recommend risk management measures for consideration of Board of Directors
- (iv) Various risk limits are set-up and actual exposures are monitored vis-a-vis the limits allocated. These limits are set up taking into account market volatility, business strategy and management experience. The Company measures and monitors risk of its derivatives portfolio using Price Value of a basis point (PV01), stop loss review limits, scenario analysis and marked to market value on the Net Worth of the Company
- (v) Integrated Treasury Department monitors movements in currency and interest rates portfolio on a continuous basis. The Company has implemented a robust management information system for timely reporting of its derivative portfolio which comprises of reporting of Exposure Limits, mark to market positions and stop loss limits to Treasury Committee on weekly basis in the normal course, and more frequently wherever warranted by market volatility. A quarterly report is circulated to the Committee of Directors which covers market developments, transactions executed/terminated during the month, outstanding positions and the MTM thereof. A similar report is also submitted to Investment Portfolio Review Committee, a subcommittee of Board

of Directors of the Company. In addition results of scenario analysis is also placed for review of Investment Committee

- (vi) The Company enters into derivative transactions with counter parties based on their business ranking and financial position. The Company sets up appropriate limits upon evaluating net MTM receivables with the counterparties. MTM exposure on derivatives transactions are aggregated for monitoring and control purpose. The Limits are monitored by taking into account all outstanding derivative positions. This exercise is carried out on a quarterly basis
- (vii) The Accounting policy of the Company in respect of Derivative Transactions is mentioned in Note no 1(h) of the Financial Statements

Quantitative Disclosures

(Amount in ₹ crores)

S.N.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	NIL	1,750
(ii)	Marked to Market Positions		
	a) Asset (+)	NIL	0.04
	b) Liability (-)	NIL	0.74
(iii)	Credit Exposure	NA	NA
(iv)	Unhedged Exposures	NA	NA

2.4 Disclosures relating to Securitisation

2.4.1 No Securitisation transaction has been undertaken by the Company during the year

2.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company

The Company has not sold any assets to Securitisation / Reconstruction Company during the year for Asset Reconstruction

2.4.3 Details of Assignment transactions undertaken by NBFCs

The Company has not undertaken any assignment transaction during the year

2.4.4 Details of non-performing financial assets purchased / sold

The Company has not purchased or sold any non-performing financial asset during the year

2.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ in Crores)

	Up to 30/31 days	Over 1 month and upto 2 months	Over 2 months and upto 3 months	Over 3 months and up to 6 months	Over 6 Months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Advances	308.47	887.89	1,080.90	1,712.62	2,486.02	994.29	841.08	596.47	8,907.74
Investments	265.36	-	98.16	110.00	251.72	368.00	126.00	2,346.03	3,565.27
Borrowings	569.12	513.95	281.04	1,641.59	2,707.51	3,728.88	2,085.25	903.00	12,430.34
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

- (i) Above statement has been prepared in accordance with RBI circular DNBS (PD).CC.No.15 /02.01 / 2000-2001 dated June 27, 2001
- (ii) Advances and borrowing represents the principal component only and does not include interest accrued but not due thereon
- (iii) For the purpose of the above statement, the management has classified trading portfolio (comprising of quoted equity shares and government securities) in 'Over 2 months and upto 3 months' bucket which have been relied upon by the auditors
- (iv) Maturity pattern of Advances has been determined based on cash flows as stipulated in the repayment schedule adjusted for earliest exercisable date of embedded options
- (v) The Company has made equity investment in its overseas subsidiaries which are included under the head of 'investment' in above table

2.6 Exposures
2.6.1 Exposure to Real Estate Sector

(₹ in crores)

S.N.	Particulars	As at March 31, 2015	As at March 31, 2014
(A)	Direct exposure		
(i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits;	1,160.42	1,014.51
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(a) Residential	-	-
	(b) Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	1,160.42	1,014.51

Note: In computing the above information certain estimates, assumptions, and adjustments have been made by the Management which have been relied upon by the auditors

2.6.2 Exposure to Capital Market

(₹ in crores)

S.N.	Particulars	FY 2015	FY 2014
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,797.90	1,488.58
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	280.76	234.31
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	4,131.53	4,262.45
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	20.74	113.58
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	151.48	84.48
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	248.80	248.80
(vii)	bridge loans to companies against expected equity flows / issues;	-	-

S.N.	Particulars	FY 2015	FY 2014
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	455.63	481.23
Total Exposure to Capital Market		7,086.84	6,913.43

Note: In computing the above information certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

2.6.3 Details of financing of parent company products

The company has not financed any products of the parent during current year

2.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the current year

3. Miscellaneous

3.1 Registration / license / authorisation obtained from other financial sector regulators

In addition to registration with RBI as NBFC-SI, the Company has obtained Underwriting License from Securities and Exchange Board of India (SEBI)

3.2 Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by RBI or SEBI (being the regulator for the Company) during the year ended March 31, 2015

3.3 Ratings assigned by credit rating agencies and migration of ratings during the year -

The Company has been assigned credit rating as per the details below and there has been no change in ratings of the Company during the year.

Rating Agency	Rating
Credit Analysis & Research Limited (CARE)	CARE AAA, CARE A1+
Investment Information and Credit Rating Agency (ICRA)	ICRA A1+
India Ratings & Research	IND AAA, IND A1+

4. Additional Disclosures

4.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account is as below :

S.N.	Particulars	FY 2015	FY 2014
(i)	Provisions for depreciation on Investment	(25.33)	43.15
(ii)	Provision towards NPA	50.83	40.56
(iii)	Other Provision and Contingencies (with details)		
	Provision for Standard Restructured Assets	6.15	7.10
	Provision for Bad and Doubtful Debts	5.16	4.56
	Provision for General Contingencies	116.97	55.00
	Provision for Standard Assets	-	-
	Provision for Mark to Market on Derivatives	(0.91)	0.31
	Others	11.67	7.06
(iv)	Total Provision and Contingencies Other than Provision for Tax (iv) = (i) + (ii) + (iii)	164.54	157.75
(v)	Provision made towards Income tax net of Deferred Tax	151.00	90.00
(vi)	Total Provision and Contingencies including Provision for Tax (vi) = (iv) + (v)	315.54	247.75

4.2 Draw Down from Reserves

The Company has not undertaken any drawdown from reserves during the year. However, the Company has utilized its Securities Premium account to the extent of ₹ 3.54 crore for payment of stamp duty based on notice received in current year on shares issued in financial year 2008-09 at

the time of Demerger of IL&FS business to the Company

4.3 Concentration of Deposits, Advances, Exposures and NPAs

4.3.1 Concentration of Advances

(₹ in crores)

Particulars	FY 2015	FY 2014
Total Advances to twenty largest borrowers*	4,767.08	4,135.73
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	46.70	41.64

* Total Advances represents Loans & Advances, Debentures in the nature of credit exposure and non-fund based exposures outstanding as at Balance sheet date

4.3.2 Concentration of Exposures

(₹ in crores)

Particulars	FY 2015	FY 2014
*Total Exposure to twenty largest borrowers / customers	5,127.31	4,531.27
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	44.25	41.10

* Total Exposure represents Total Advances and Investments in shares of the companies

4.3.3 Concentration of NPAs

(₹ in crores)

Particulars	FY 2015	FY 2014
*Total Exposure to top four NPA accounts	190.19	227.05

* Total Exposure represents Loans & Advances and Debentures in the nature of credit exposure and NPA represents Gross NPA

4.3.4 Sector-wise NPAs

Sector	Percentage of *NPAs to Total Advances in that sector	
	FY 2015	FY 2014
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	2.58%	2.46%
4. Services	-	-
5. Unsecured personal loans	-	-
6. Auto loans	-	-
7. Other personal loans	-	-

* Considered Gross NPA

4.4 Movement of NPAs

(₹ in crores)

Particulars	FY 2015	FY 2014
(i) Net NPAs to Net Advances (%)	2.08	1.91
(ii) Movement of NPAs (Gross)		
(a) Opening balance	243.07	104.58
(b) Additions during the year	391.32	310.25
(c) Reductions during the year	381.41	171.77
(d) Closing balance	252.97	243.07

(iii)	Movement of Net NPAs		
(a)	Opening balance	188.22	83.82
(b)	Additions during the year	352.63	277.17
(c)	Reductions during the year	338.35	172.76
(d)	Closing balance	202.50	188.22
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	54.84	20.76
(b)	Provisions made during the year	78.16	54.13
(c)	Write-off / write-back of excess provisions	82.53	20.05
(d)	Closing balance	50.47	54.84

Note: Gross NPA and Provision for NPAs includes Funded Interest Term Loans amounting to ₹ 4.17 Crore (FY 2014: ₹ NIL Crore)

4.5 Joint Ventures and overseas Subsidiaries

(₹ in crores)

Name of the Subsidiary	Country of Operation	Total Assets
IL&FS Global Financial Services Pte Ltd	Singapore	18.55
IL&FS Global Financial Services (UK) Ltd	UK	10.22
IL&FS Global Financial Services (ME) Ltd	UAE	13.15
IL&FS Global Financial Services (HK) Ltd	Hong Kong	12.43

4.6 Off-balance Sheet SPVs sponsored

(₹ in crores)

Particulars	Domestic	Overseas
Name of the SPV sponsored	NIL	NIL

5 Disclosure of Complaints

(₹ in crores)

Particulars	FY 2015	FY 2014
(a) No. of complaints pending at the beginning of the year	NIL	NIL
(b) No. of complaints received during the year	NIL	NIL
(c) No. of complaints redressed during the year	NIL	NIL
(d) No. of complaints pending at the end of the year	NIL	NIL

Note: As certified by the Management and relied upon by the auditors

For and on behalf of the Board

Ravi Parthasarathy
Chairman

Ramesh C Bawa
Managing Director & CEO

Deepak Pareek
Chief Financial Officer

Neelam Desai
Company Secretary

Mumbai, May 14, 2015

Form AOC-1
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as per the Companies Act, 2013**
Part "A" : Subsidiaries

Sr. No.	Name of the subsidiary	(₹ in million)															
		1	2	3	4	5	6	7	8	9	10	11	12				
	IL&FS Global Financial Services (UK) Ltd	NA	IL&FS Global Financial Services (ME) Ltd	NA	IL&FS Global Financial Services (PTE) Ltd	NA	IL&FS Global Financial Services (HK) Ltd	NA	IFIN Realty Trust	Investment Square Trust	IL&FS Infrastructure Equity Fund	IL&FS Capital Advisors Ltd	IL&FS AMC Trustee Ltd	IL&FS Infra Asset Management Ltd	IL&FS Orix Trust	IL&FS Broking Services Private Limited	
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP/₹ 92.55	USD/₹ 62.34	SGD/₹ 45.43	HKD/₹ 8.03	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	
	Share capital	30.25	35.94	122.12	128.59	809.62	1,662.69	1,775.00	100.00	2.50	193.98	0.01	0.16	302.16			
	Reserves & surplus	62.65	82.94	50.91	(11.70)	(65.15)	-	(224.97)	(19.29)	(1.94)	(15.05)	0.16	0.75	(90.84)			
	Total assets	101.98	131.53	185.52	123.87	810.28	1,662.69	1,550.21	86.39	1.20	228.75	0.75	0.75	235.59			
	Total Liabilities	9.09	12.66	12.49	6.97	65.81	-	0.18	5.67	0.65	49.82	0.59	0.59	24.27			
	Investments	-	-	-	-	788.39	1,662.69	1,549.92	-	-	-	-	-	-	-	-	-
	Turnover	72.25	80.92	84.28	71.17	50.22	-	0.07	18.99	0.83	107.30	73.30	73.30	41.66			
	Profit/(Loss) before taxation	17.20	19.15	13.30	1.83	31.30	-	(29.93)	(23.35)	(0.36)	29.47	29.71	29.71	(52.92)			
	Provision/(Credit) for taxation	3.90	-	(0.95)	(0.98)	-	-	-	(0.48)	-	(7.58)	-	-	(2.14)			
	Profit after taxation	13.30	19.15	14.25	2.81	31.30	-	(29.93)	(22.88)	(0.36)	37.04	29.71	29.71	(50.79)			
	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	% of shareholding	100.00%	100.00%	100.00%	100.00%	91.98%	100.00%	100.00%	100.00%	100.00%	86.60%	100.00%	100.00%	76.00%			

Note:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year - Nil

Part “B” : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in million)

Name of Associates/Joint Ventures	Syniverse Technologies (India) Private Limited
(1) Latest audited Balance Sheet Date	March 31, 2015
(2) Shares of Associate/Joint Ventures held by the company on the year end	
- Numbers	5,200
- Amount of Investment in Associates/Joint Venture	0.05
- Extend of Holding %	26.00%
(3) Description of how there is significant influence	
(4) Reason why the associate/joint venture is not consolidated	N.A. As the Company is exempted for preparation of Consolidated Financial Statement
(5) Networth attributable to Shareholding as per latest audited Balance Sheet	70.30
(6) Profit / (Loss) for the year	
(i) Considered in Consolidation	N.A.
(ii) Not Considered in Consolidation	-

Note:

- Names of associates or joint ventures which are yet to commence operations - Nil
- Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For and on behalf of the Board

Ravi Parthasarathy
Chairman

Ramesh C Bawa
Managing Director & CEO

Deepak Pareek
Chief Financial Officer

Neelam Desai
Company Secretary

Mumbai, May 14, 2015

Additional Information required under paragraph 9BB of the Non - Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998

(₹ in lakhs)

Particulars	Amount Outstanding	Amount Overdue
(A) Liabilities Side		
(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid		
(a) Debentures : Secured	159,486	-
: Unsecured (Subordinated Debts) (other than falling within the meaning of Public Deposits)	82,516	-
(b) Deferred Credits	-	-
(c) Term Loans	748,610	-
(d) Inter Corporate Loans and Borrowings	130,905	-
(e) Commercial Paper	109,000	-
(f) Public Deposits	-	-
(g) Other Loans (specify nature)		-
- Collateralised Borrowings	13,053	-
- Working Capital Limits	9,580	-
(B) Assets Side		
(3) Break-up of Loans and Advances including Bills Receivables (other than those included in (4) below) :		
(a) Secured	762,952	24,463
(b) Unsecured	131,658	1,444
(4) Break up of Leased Assets and Stock on Hire and Hypothecation Loans counting towards EL/ HP activities		
(i) Lease assets including lease rentals under Sundry Debtors :		
(a) Financial Lease	123	-
(b) Operating Lease	-	-
(ii) Stock on Hire including hire charges under Sundry Debtors :		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation Loans counting towards EL/ HP activities		-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

(₹ in lakhs)

Particulars	Amount Outstanding
(5) Break up of Investments	
(A) Current Investments :	
(1) Quoted :	
(i) Shares : (a) Equity	14,381
(b) Preference	-
(ii) Debentures and Bonds	7,020
(iii) Units of Mutual Funds	-
(iv) Government Securities	22,095
(v) Others	-
(2) Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-

(₹ in lakhs)

Particulars	Amount Outstanding
(B) Long Term Investments :	
(1) Quoted :	
(i) Shares : (a) Equity	36,022
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual funds	12,600
(iv) Government Securities	-
(v) Others	-
(2) Unquoted :	
(i) Shares : (a) Equity	63,969
(b) Preference	23,679
(ii) Debentures and Bonds	83,091
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	
Units in Other Funds	90,888
Pass Through Certificates	2
Warrants	20
Investment in Property	20,629

(₹ in lakhs)

Particulars	Amount net of provisions		
	Secured	Unsecured	Total
(6) Borrower Group-wise Classification of all Leased Assets, Stock -on hire and Loans and Advances			
(A) Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the Same Group	-	-	-
(c) Other Related Parties	95,151	52,565	147,716
(2) Other than Related Parties	662,486	77,250	739,736
Total	757,637	129,815	887,452

(₹ in lakhs)

(7) Investor group-wise classification of all Investments (Current and long term in shares and securities) (both quoted and unquoted) :	Market value/ Break up or fair value or NAV	Book value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	8,927	8,927
(b) Companies in the Same Group	1,000	1,000
(c) Other Related Parties	81,227	73,697
2. Other than Related Parties	278,404	269,960
Total	369,558	353,584

(₹ in lakhs)

(8) Other information	Amount
(i) Gross Non- performing Assets	
(a) Related parties	639
(b) Other than related parties	24,659
(ii) Net Non- performing Assets	
(a) Related parties	521
(b) Other than related parties	19,730
(iii) Assets acquired in satisfaction of debt	31,434

Additional information required as per RBI circular no 125/03.05.002/2008-09 issued on Aug 1, 2008

Capital to Risk Assets Ratio		
Items	As at March 31, 2015	As at March 31, 2014
CRAR	21.63%	21.63%
CRAR -Tier I Capital	14.35%	14.13%
CRAR -Tier II Capital	7.28%	7.50%

(₹ in crores)

Exposure to Real Estate Sector		
Category	As at March 31, 2015	As at March 31, 2014
Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown seperately)	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund bases (NFB) limits;	1,160.42	1,014.51
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Asset Liability Management
Maturity pattern of certain items of assets and liabilities

(₹ in Crores)

	1 day to 30/31 days (One month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	TOTAL
Liabilities									
Borrowings from Banks	90.00	350.00	250.00	717.08	2,013.71	2,920.42	1,237.50	-	7,578.71
Market Borrowings	479.11	163.95	31.04	924.51	693.80	808.46	847.75	903.00	4,851.63
Assets									
Advances	308.47	887.89	1,080.90	1,712.62	2,486.02	994.29	841.08	596.46	8,907.74
Investments	265.36	-	98.16	110.00	251.72	368.00	126.00	2,346.03	3,565.27

Disclosure as per clause 28 of the Listing Agreement

(A) Loans and Advances in the nature of Loan to	(₹ in Crores)
(i) Subsidiaries	Nil
(ii) Associates	Nil
(iii) Firms/Companies where Directors are interested	Nil
(B) Investment by Loanee Company in Shares of Parent and Subsidiary Company, when the Company has made a Loan or Advance in the nature of Loan	Nil

Ready...

...to conquer the future together



We value the talents of our people and enhance those talents by providing encouragement, support and opportunities for growth and development.

We respect and encourage both open communication and diverse contributions aimed at achieving the Company's goals.



Annual I - Star Event



Training Programs



CSR Activities



I Marathon



India-China Business Forum



Review Meet



Our Presence



 **Financial Services**

IL&FS Financial Services Limited

The IL&FS Financial Centre, Plot C 22, G Block,
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Tel No 91-22-2653 3333 ■ Fax No 91-22-2653 3149

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