

# Future Ready



## **ANNUAL REPORT**

**FOR THE YEAR ENDED MARCH 31, 2015**





# **IL&FS Global Financial Services (UK) Limited**

**(Company Registration Number 06830319)**

## **Report of The Directors and Financial Statements**

**For the year ended March 31, 2015**

### **Corporate and Registered Office**

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# DIRECTORS' REPORT

For the financial year ended March 31, 2015

The Directors have pleasure in presenting their Annual Report and the Audited Financial Statements for the financial year ended March 31, 2015. The small companies exemption is being adopted for the preparation of this annual report.

## Principal Activities and Review of the Business

IL&FS Global Financial Services (UK) Limited (IGFSL-UK) is a Private Limited Company incorporated in the UK. IGFSL-UK is authorised and regulated by the Financial Conduct Authority (FCA) under Firm Reference No 494444 to undertake activities relating to advising on investments (except on Pension Transfers and Pension Opt Outs), arranging deals in investments and making arrangements with a view to transactions in investments.

IGFSL-UK is a 100% owned subsidiary of IL&FS Financial Services Limited (IFIN), one of India's leading non-banking financial companies providing a wide range of financial and advisory solutions.

## Business review

The Company began its operations in the financial year 2010. The Company has made significant progress on the closure of large mandates during the current financial year and is focused on achieving robust growth using its marketing strength and existing relationship base built over the past four years.

## Going Concern Basis

After making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements. For further details kindly refer to Note 1 of the financial statements.

## Results

The Company earned fee income of GBP 727,526 (2014: GBP 562,210) and miscellaneous income GBP 31,335 (2014: GBP 39,348) during the year ended March 31, 2015 and achieved profit after tax of GBP 155,822 (2014: GBP 11,094)

## Dividend

The Directors do not recommend the payment of a dividend (2014: GBP Nil)

There is only one class of equity shares as at March 31, 2015

## Directors

The Directors of the Company during the year ended March 31, 2015 are as follows:

- (i) Mr Ravi Parthasarathy
- (ii) Mr Surinder Singh Kohli
- (iii) Mr Ramesh Bawa
- (iv) Mr Milind Patel
- (v) Mr Rajesh Kotian
- (vi) Mr Abhishek Sahay

### **Directors' Indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### **Directors' Interest**

The Directors of the Company holding office during the financial year had no interest in share capital and debentures of the Company.

### **Financial Control**

The Directors acknowledge responsibility for the Company's system of internal financial control and believe the established systems including the computerisation of the Company's financial accounts are appropriate to the business. No material losses or contingencies have arisen during the year that would require disclosure by the Directors.

### **Risk Management**

The Company's risk management policies and exposure in relation to the respective risks are detailed in Note 2 to the financial statements.

### **Auditor**

Each of the persons who are a Director at the date of approval of this Annual Report confirms that:

- (i) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (ii) the Director has taken all steps that he / she ought to have taken as Director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor of the Company and the resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

**Approved by the Board of Directors on May 13, 2015  
and signed on its behalf by**

**Abhishek Sahay**

Director

# STATEMENT OF DIRECTORS

## Directors' Responsibilities

For the financial year ended March 31, 2015

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law the Directors have chosen to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IL&FS GLOBAL FINANCIAL SERVICES (UK) LIMITED

We have audited the financial statements of IL&FS Global Financial Services (UK) Limited for the year ended March 31, 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at March 31, 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.

**Caroline Britton**

(Senior Statutory Auditor)

For and on behalf of **Deloitte LLP**

Chartered Accountants and Statutory Auditor

London, United Kingdom, May 13, 2015

## Statement of Comprehensive Income

for the year ended March 31, 2015

(in GBP)

	NOTE	2015	2014
Revenue		<b>727,526</b>	562,210
Interest and Miscellaneous income		<b>31,335</b>	39,348
<b>Total revenue</b>	3	<b>758,861</b>	601,558
Administration expenses	5,6	<b>349,151</b>	356,200
Depreciation		<b>8,883</b>	9,924
Other administrative expenses	4	<b>202,907</b>	220,631
<b>Total expenses</b>		<b>560,941</b>	586,755
<b>Profit before tax</b>	7	<b>197,920</b>	14,803
<b>Tax</b>	14,15	<b>(42,098)</b>	(3,709)
<b>Profit for the year</b>		<b>155,822</b>	11,094
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>155,822</b>	11,094
<b>Attributable to the owners of the Company</b>		<b>155,822</b>	11,094

All amounts relate to continuing activities.

The notes on Pages 11 to 23 form an integral part of the financial statements

# Balance Sheet as at March 31, 2015

(Registration No: 06830319)

	NOTE	2015	(in GBP) 2014
<b>Non-Current assets</b>			
Property, plant and equipment	8	<b>21,837</b>	30,178
<b>Current assets</b>			
Trade and other receivables	9	<b>772,899</b>	226,016
Cash and Cash equivalents	10	<b>310,058</b>	640,594
		<b>1,082,957</b>	866,610
<b>Total assets</b>		<b>1,104,794</b>	896,788
<b>Current liabilities</b>			
Trade and other payables	11	<b>53,710</b>	38,618
Current tax liabilities	14	<b>43,315</b>	5,006
		<b>97,025</b>	43,624
<b>Net Current Assets</b>		<b>985,932</b>	822,986
<b>Non-Current liabilities</b>			
Deferred Tax Liabilities	15	<b>4,075</b>	5,292
<b>Net Assets</b>		<b>1,003,694</b>	847,872
<b>Equity</b>			
Share capital	12	<b>400,001</b>	400,001
Retained earnings	16	<b>603,693</b>	447,871
<b>Equity attributable to the owners of the Company</b>		<b>1,003,694</b>	847,872
<b>Total equity</b>		<b>1,003,694</b>	847,872

The notes on Pages 11 to 23 form an integral part of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on May 13, 2015 and signed on its behalf by:

**Abhishek Sahay**  
Director

## Statement of changes in Equity

for the year ended March 31, 2015

(in GBP)

	Share Capital	Retained Earnings	Total
<b>Balance as at April 1, 2012</b>	400,001	406,079	806,080
Profit for the year ended March 31, 2013	-	30,698	30,698
Balance as at March 31, 2013	400,001	436,777	836,778
Profit for the year ended March 31, 2014	-	11,094	11,094
Balance as at March 31, 2014	400,001	447,871	847,872
Profit for the year ended March 31, 2015	-	155,822	155,822
<b>Balance as at March 31, 2015</b>	<b>400,001</b>	<b>603,693</b>	<b>1,003,694</b>

## Cash Flow Statement

for the year ended March 31, 2015

(in GBP)

	2015	2014
<b>Operating activities</b>		
Profit for the year	<b>155,822</b>	11,094
<b>Adjustment for:</b>		
Depreciation of property, plant and equipment	<b>8,883</b>	9,924
Corporation tax expense	<b>42,098</b>	3,709
<b>Operating cash flow before movements in working capital</b>	<b>206,803</b>	24,727
(Increase) / Decrease in receivables	<b>(546,883)</b>	101,520
Increase in payables	<b>15,091</b>	13,252
Corporation tax paid	<b>(5,006)</b>	(11,774)
<b>Net Cash from / (used in) operating activities</b>	<b>(329,995)</b>	127,725
<b>Investing activities</b>		
Purchase of property, plant and equipment	<b>(542)</b>	(2,962)
<b>Net Cash used in investing activities</b>	<b>(542)</b>	(2,962)
Net increase / (decrease) in cash and cash equivalent	<b>(330,536)</b>	124,763
Cash and cash equivalents at the beginning of year	<b>640,594</b>	515,831
<b>Cash and cash equivalents at end of year</b>	<b>310,058</b>	640,594

# Notes to the financial statements

## for the year ended March 31, 2015

### **(1) Significant Accounting Policies**

The principal accounting policies, which have been consistently applied, are set out below:

#### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis.

#### **Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1 in the Directors' report. The Company is expected to generate positive cash flows on its own account for the foreseeable future.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

After consideration of the business review and the risks and uncertainties set out in note 2, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is provided on the cost on a straight-line basis over the anticipated useful lives as below:

Lease Improvements	Over the lease period
Computer and Equipment	Four years

Depreciation on Furniture and Fixtures, Office Equipment and Electrical Installation is provided on the Written down Value Method as below:

Office Equipment	13.91%
Furniture and Fixtures	18.10%
Electrical Installation	13.91%

## Financial Assets

Financial assets are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

### (i) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They arise when the Company renders services and are measured at amortised cost using the effective interest method, less any impairment.

### (ii) Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

## **Financial Liabilities**

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

## **Foreign currency transactions**

The Company's financial statements are presented in sterling, being the Company's functional currency. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date and any resulting foreign exchange differences are included in the income statement. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## **Revenue recognition**

The Company's revenue includes fees earned from advisory services. Such fees are recognised when services are performed and when economic benefit will accrue to the entity.

## **Taxation**

Income tax expense represents the sum of the current income tax and deferred tax. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in the United Kingdom as at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **Segment reporting:**

IFRS 8 requires that an entity disclose financial and descriptive information about its reportable segments, which are operating segments or aggregation of operating segments. Operating segments are identified on the basis of internal reports that are regularly reviewed by the Chief Executive Officer to allocate resources and to assess performance.

## **(2) Financial risk management policies and objectives**

The management of the Company reviews and agrees policies for managing each of these risks the entity faces and they are summarised as follows:

### **I. Credit risk:**

Credit risk refers to the risk that debtors will default on their contractual obligations resulting in a financial loss to the Company.

The credit risk on bank balances and debtors is limited because they are held with creditworthy entities.



The majority of the credit risk faced by the Company during the year was from group entities. The Company has an effective system to monitor and follow up for realisation of above dues within a reasonable time period.

## **II Interest rate risk**

The Company is not exposed to any significant interest rate risk. No sensitivity analysis is prepared as the company does not expect any material effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the balance sheet date.

## **III Foreign currency risk**

The Company is not exposed to any foreign currency risk as there are minimum non-functional currency balances. No foreign currency sensitivity analysis is prepared as the management of the Company does not expect a material impact on the Company's profit or loss arising from the effects of reasonably possible changes to foreign exchange rates at the reporting date on a going forward basis

## **IV Liquidity risk**

Liquidity risk is managed by matching the payment and receipt cycle. As at the balance sheet date the Company has sufficient liquidity to meet its liabilities and does not expect to make borrowings in the foreseeable future.

## **V Capital Risk Management**

The capital structure consists of equity attributable to equity holders of the Company, comprising issued capital and retained earnings. The Company ensures that sufficient capital is available for its operations and meeting capital resources. The Company monitors its Capital position at every quarter to ensure that the shortfall in the Capital, if any is taken care of by fresh infusion of capital by the Parent Company.

The remaining contractual maturity of the Company's non-derivative financial assets and financial liabilities as at balance sheet date is as follows:

(in GBP)						
<b>As at</b>	<b>Upto 1</b>	<b>1-3</b>	<b>3-12</b>	<b>1-5</b>	<b>5 +</b>	<b>Total</b>
<b>March 31, 2015</b>	<b>month</b>	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	
<b>Financial Assets</b>						
Non-Interest Bearing						
(i) Debtors	706,135	-	-	-	-	706,135
(ii) Bank Balance	310,058	-	-	-	-	310,058
<b>Financial Liabilities</b>						
Non-Interest Bearing						
(i) Trade and other Payables	53,710	-	-	-	-	53,710

### (3) Revenue

Revenue comprises the following:

(in GBP)		
<b>For the year ended</b>	<b>March 31,</b>	March 31,
	<b>2015</b>	2014
Fee Income	<b>727,526</b>	562,210
Interest Income on Fixed Deposit	<b>5,506</b>	7,108
Miscellaneous Income	<b>25,829</b>	32,240
<b>Total</b>	<b>758,861</b>	601,558

All invoices relating to revenue were raised in the United Kingdom

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Executive to allocate resources to the segments and assess their performance. Pursuant to this, the Company continues to identify a single reportable segment, i.e. consultancy services.

#### (4) Administrative Expenses

	(in GBP)	
<b>For the year ended</b>	<b>March 31, 2015</b>	March 31, 2014
Rent	<b>31,921</b>	31,921
Professional fees	<b>5,482</b>	18,693
Auditor's Remuneration for audit of annual accounts	<b>9,500</b>	9,500
Travelling expenses	<b>11,544</b>	15,533
Other expenses *	<b>144,460</b>	144,984
<b>Total</b>	<b>202,907</b>	220,631

\*Other Expenses includes exchange fluctuation loss of GBP 874 (2014 GBP 24,903)

#### (5) Directors' Remuneration

The remuneration of the Director was as below:

	(in GBP)	
<b>For the year/period ended</b>	<b>March 31, 2015</b>	March 31, 2014
Salary	<b>114,644</b>	21,070
Director's Sitting Fees	-	2,506

Only one Director is remunerated by the company. The Director has no other interests except as disclosed in Directors' Report.

There is no remuneration paid other than sitting fees to other Directors by the Company.

#### (6) Employees costs (including executive Directors' Remuneration)

The aggregate remuneration comprised:

	(in GBP)	
<b>For the year/period ended</b>	<b>March 31, 2015</b>	March 31, 2014
Wages and salaries	<b>314,405</b>	325,708
Social Security Charges	<b>34,746</b>	30,492
<b>Total</b>	<b>349,151</b>	356,200

The average monthly number of employees (including Executive Director) was three (previous year three). At the end of the period, the Company has three employees (previous year four employees)

## (7) Profit before tax

Profit before tax has been arrived at after charging the following expenses:

	(in GBP)	
<b>For the year/period ended</b>	<b>March 31, 2015</b>	March 31, 2014
Employee costs (see note 6)	<b>349,151</b>	356,200
Depreciation	<b>8,883</b>	9,924
Rent	<b>31,921</b>	31,921
Professional fees	<b>5,482</b>	18,693
Auditor's Remuneration for audit of annual accounts	<b>9,500</b>	9,500
Travelling expenses	<b>11,544</b>	15,533
Other expenses	<b>144,460</b>	144,983
<b>Total</b>	<b>560,941</b>	586,754

## (8) Property, plant and equipment

	(in GBP)					
<b>Particulars</b>	<b>Data Processing Equipment</b>	<b>Electrical Fittings</b>	<b>Lease Improve- ments</b>	<b>Furniture and Fixtures</b>	<b>Office Equip- ments</b>	<b>Total</b>
<b>Cost</b>						
At March 31, 2014	7,555	681	17,573	41,598	851	68,258
Additions during the year	542	-	-	-	-	542
At March 31, 2015	8,097	681	17,573	41,598	851	68,800
<b>Accumulated Depreciation</b>						
At March 31, 2014	3,544	281	12,595	21,125	535	38,081
Charge for the Period	1,564	55	3,515	3,706	44	8,883
<b>Carrying Amount as at March 31, 2015</b>	<b>2,989</b>	<b>345</b>	<b>1,463</b>	<b>16,767</b>	<b>272</b>	<b>21,836</b>

## (9) Other Financial Assets

Details of trade and other receivables are as below:

(in GBP)		
As at	March 31, 2015	March 31, 2014
Other receivable	8,890	37,997
Amount receivable on services rendered	706,135	129,115
Security Deposit	36,716	36,716
Advance payment of taxes	2,874	2,874
Prepaid Expenses	18,283	10,905
Interest Accrued but not due	-	8,409
<b>Total</b>	<b>772,899</b>	<b>226,016</b>

The Company's average credit period is 15 days (2014: 15 days).

Trade receivables disclosed above are identified as loans and receivables and therefore valued at amortised cost.

## (10) Cash and cash equivalents

Cash and Cash equivalent includes Cash in hand and Balance with Bank. The carrying amounts of cash and cash equivalents are at their approximate fair value.

Cash and cash equivalent are as set out below:

(in GBP)		
As at	March 31, 2015	March 31, 2014
Bank Balance in current account	310,058	90,594
Fixed Deposit with bank	-	550,000
<b>Total</b>	<b>310,058</b>	<b>640,594</b>

## (11) Trade and other payables

(in GBP)		
As at	March 31, 2015	March 31, 2014
Accrued Expenses	42,710	26,618
Auditor's remuneration	11,000	12,000
<b>Total</b>	<b>53,710</b>	<b>38,618</b>

The Directors consider that the carries amount of trade and other receivables is approximately equal to their fair value.

## (12) Share capital

<b>As at</b>	<b>March 31, 2015</b>	(in GBP) March 31, 2014
Issued and fully paid:		
400,001 shares ordinary shares of 1 GBP each	<b>400,001</b>	400,001

The Company has one class of ordinary shares which carries no right to fixed income and is held by IL&FS Financial Services Ltd (Parent).

The Liability of the Parent entity in the Company is limited to the extent of its Share Capital held by it.

## (13) Related party transactions

Details of transactions entered with related parties are provided below:

<b>Related Entity</b>	<b>Relationship with related entity</b>	<b>For the year end March 31, 2015</b>	(in GBP) For the year end March 31, 2014
<b>Income</b>			
Elsamex SA	Fellow Subsidiary	<b>468,978</b>	-
ITNL International Pte Ltd	Fellow Subsidiary	<b>45,800</b>	76,800
IL&FS Transportation Networks Ltd	Fellow Subsidiary	<b>210,748</b>	-
Rapid Metrorail Gurgaon South Ltd	Fellow Subsidiary	<b>1,000</b>	390,430
IL&FS Global Financial Services ME Ltd	Fellow Subsidiary	-	78,313
ITNL Offshore Two Pte Ltd	Fellow Subsidiary	<b>1,000</b>	-
<b>Expenses</b>			
IL&FS Financial Services Ltd	Holding Company	<b>20,362</b>	16,166
IL&FS Technologies Ltd	Fellow Subsidiary	<b>6,248</b>	5,000
Livia India Ltd	Fellow Subsidiary	<b>4,618</b>	-
<b>Assets</b>			
<b>Debtors</b>			
IL&FS Global Financial Services ME Ltd	Fellow Subsidiary	-	78,313
ITNL International Pte Ltd	Fellow Subsidiary	-	37,020
Rapid Metrorail Gurgaon South Ltd	Fellow Subsidiary	-	485
IL&FS Transportation Networks Ltd	Fellow Subsidiary	<b>210,748</b>	-
ITNL Offshore Two Pte Ltd	Fellow Subsidiary	<b>1,000</b>	-
Elsamex SA	Fellow Subsidiary	<b>492,913</b>	-
<b>Liability</b>			
<b>Creditors and Other Payables</b>			
IL&FS Financial Services Ltd	Holding Company	<b>16,471</b>	7,421
IL&FS Technologies Ltd	Fellow Subsidiary	<b>6,248</b>	5,000
Livia India Ltd	Fellow Subsidiary	<b>4,618</b>	-

Details of Directors' remuneration are stated in Note 5

## (14) Tax

	(in GBP)	
For the year/period ended	March 31, 2015	March 31, 2014
<b>Corporation Tax</b>		
- Current year	<b>43,315</b>	5,006
- Adjustment in respect of Previous year	-	-
Deferred Tax	<b>(1,217)</b>	(1,297)
<b>Tax expense reported in the Statement of Comprehensive Income</b>	<b>42,098</b>	3,709

The Finance Act 2013 enacted reductions in the rate of UK corporation tax to 21% with effect from April 2014 and 20% with effect from April 2015. The rate reduction to 21% has been reflected in the Company's deferred tax balance as indicated above.

### Factors affecting tax charge for period

The charge for the period can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	(in GBP)			
For the year/period ended March 31,	2015 GBP	2015 %	2014 GBP	2014 %
Profit before tax from continuing operations	<b>197,920</b>		14,803	
Tax at the UK corporation tax rate of 21% (2014: 23%)	<b>41,563</b>		3,405	
Effect of tax rate change	<b>(204)</b>		(504)	
Effect of disallowance of Capital Allowance	<b>738</b>		808	
Prior period adjustment				
<b>Tax Expense and effective tax rate for the year</b>	<b>42,098</b>	<b>21.27%</b>	3,709	25.06%

Finance Act 2013 enacted further reductions in the rate of UK corporation tax to 21% with effect from April 1, 2014 and 20% with effect from April 1, 2015. This overall rate reduction has had an impact on the Company's deferred tax balance as indicated above.

## (15) Deferred Tax

(in GBP)

<b>For the year ended</b>	March 31, 2014	<b>Created /(used) during the year</b>	<b>March 31, 2015</b>
Difference between Capital Allowance and Depreciation	5,292	<b>(1,217)</b>	<b>4,075</b>
<b>Deferred Tax Liability</b>	5,292	<b>(1,217)</b>	<b>4,075</b>

The tax rate for the purpose of deferred tax liability is considered to be the enacted tax rate of 21% (previous year 23%). During the year GBP 1,217 of deferred tax liability (previous year: GBP 1,297) is used.

## (16) Retained Earnings

(in GBP)

<b>For the year ended</b>	<b>2015</b>	2014
Balance as at 1 April	<b>447,871</b>	436,777
Profit for the year	<b>155,822</b>	11,094
<b>Balance as at 31 March</b>	<b>603,693</b>	447,871

## (17) Events after Balance sheet date

There have been no significant events between the period end and the date of approval of the accounts, which would require a change or additional disclosure in the financial statements.

## (18) Commitments

The Company has entered into a lease agreement in respect of office premises for a non-cancellable period of five years. The Company has recognised an expense of GBP 31,921 (Previous year: GBP 31,921) for the year ended March 31, 2015

(in GBP)

<b>As at</b>	<b>March 31, 2015</b>	March 31, 2014
Within one year	<b>8,396</b>	31,921
One to five years	-	8,396
More than five years	-	-

## (19) Ultimate Controlling Party

The Company is a wholly-owned subsidiary of IL&FS Financial Services Ltd, incorporated in India. The ultimate holding Company and controlling party is Infrastructure Leasing & Financial Services Limited ("IL&FS"), also incorporated in India.

The ultimate holding Company and the holding Company each prepare consolidated financial statements which include the Company. Copies of these financial statements can be obtained from Infrastructure Leasing & Financial Services Limited, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051, India.



## Conversion into Indian Rupees

In accordance with the provisions of the Companies Act, 1956, the financial statements of the Subsidiary Company incorporated at United Kingdom are converted into Indian Rupees. All income and expenses items are converted at the rate of exchange applicable on the date of transaction. All Assets (except Investment) and liabilities (except Share Capital) are translated at the closing rate (1 GBP = INR 92.55) as on the Balance Sheet Date. The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevalent at the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve Account and the said account is being treated as "Reserve and Surplus Account". Amounts in Indian Rupees given in the Financial Statements are stated only for the purpose of conversion. The notes to the Audited Financial Statements could be used as reference to these financial statements

## Balance Sheet as at March 31, 2015

Particulars	NOTE	GBP £	INR ₹
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	8	21,837	2,020,972
<b>Current asset</b>			
Trade and Other receivables	9	772,899	71,265,774
Cash and Cash equivalents	10	310,058	28,695,911
		<b>1,082,957</b>	<b>99,961,685</b>
<b>Total assets</b>		<b>1,104,794</b>	<b>101,982,657</b>
<b>LIABILITIES AND NET EQUITY</b>			
<b>Current liabilities</b>			
Trade and & Other payables	11	53,710	4,970,868
Current tax liabilities	14	<b>43,315</b>	<b>3,742,740</b>
		<b>97,025</b>	<b>8,713,608</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	15	4,075	377,103
<b>Capital &amp; Reserve</b>			
Share capital	12	400,001	30,245,325
Reserve & Surplus	16	603,694	47,384,812
Translation reserve account			15,261,809
<b>Total Equity</b>		<b>1,003,695</b>	<b>92,891,946</b>
<b>Total liability and equity</b>		<b>1,104,794</b>	<b>101,982,657</b>

## PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2015

Particulars	NOTE	GBP £	INR ₹
Revenue	3	758,861	72,246,904
Administrative expenses	5,6	(349,151)	(34,346,042)
Other Administrative expenses	4	(202,907)	(19,828,548)
Depreciation		(8,883)	(875,482)
<b>Profit before Income tax</b>	<b>7</b>	<b>197,920</b>	<b>17,196,832</b>
Income Tax	14,15	(42,098)	(3,896,116)
<b>Profit for the year</b>		<b>155,822</b>	<b>13,300,716</b>

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2015

Particulars	Share Capital	Retained earnings	Total	Total
	GBP £	GBP £	GBP £	INR ₹
Balance as at March 31, 2014	400,001	447,871	847,872	84,813,760
Issued during the year	-	-	-	-
Exchange difference arising on transaction of Operations	-	-	-	(5,222,530)
Comprehensive Profit during the year	-	155,822	155,822	13,300,716
<b>Balance at March 31, 2015</b>	<b>400,001</b>	<b>603,693</b>	<b>1,003,694</b>	<b>92,891,946</b>

# CASH FLOW STATEMENT

for the year ended March 31, 2015

Particulars	NOTE	GBP £	INR ₹
Profit for the year		155,822	13,300,716
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		8,883	875,482
Income Tax Expenses		43,315	4,008,774
Deferred Tax Expenses		(1,217)	(112,657)
<b>Operating cash flow before movements in working capital</b>		<b>206,803</b>	<b>18,072,315</b>
(Increase)/Decrease in Trade Receivables and other receivable		(546,883)	(51,730,503)
Increase/(Decrease) in Trade Payables and other payables		15,091	1,169,686
Payment of Taxes		(5,006)	(479,281)
<b>Net Cash from operating activities</b>		<b>(329,995)</b>	<b>(32,967,783)</b>
<b>Cash flow from Investing activities</b>			
Purchase of property, plant and equipment		(542)	(50,783)
<b>Net Cash used in investing activities</b>		<b>(542)</b>	<b>(50,783)</b>
Net increase in cash and cash equivalent		(330,536)	(33,018,566)
Cash and cash equivalents at the beginning of year		640,594	64,078,659
Effect of Change in Exchange rate on cash and cash equivalent		-	(2,364,182)
<b>Cash and cash equivalents at end of year</b>		<b>310,058</b>	<b>28,695,911</b>



# NOTES

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## **Corporate and Registered Office**

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