

N. M. RAIJI & CO.
Chartered Accountants
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IL&FS INFRA ASSET MANAGEMENT LIMITED**

1. Report on the Financial Statements

We have audited the accompanying financial statements of **IL&FS INFRA ASSET MANAGEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 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.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 policies generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

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

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

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

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

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

4. Opinion

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

5. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the Annexure a statement of the matters specified in paragraphs 3 and 4 of the said Order.
- (ii) Further to our comments in the Annexure referred to in Paragraph 5(i) above, 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 appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified, as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts as at 31st March, 2015 which needs to be transferred to the Investor Education and Protection Fund by the Company.

For N. M. RAIJI & CO.
Chartered Accountants
Firm's Registration No. 108296W



VINAY D BALSE
Partner
Membership No. 39434

Place: Mumbai
Date: April 24, 2015

Annexure to the Auditor's Report


Referred to in paragraph 5 (i) of the Auditors Report of even date of IL&FS INFRA ASSET MANAGEMENT LIMITED.

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- b) According to the information and explanations given to us, the Company has verified fixed assets during the period, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and nature of its operations;
- ii. The nature of the Company's activities is such that, the provisions relating to inventories as mentioned in clause ii of the said Order are not applicable;
- iii. According to the information and explanations given to us, the Company has neither granted nor taken loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, provisions as mentioned in clause iii of the said Order are not applicable;
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services;
- v. The Company has not accepted any deposits from the public;
- vi. The nature of the Company's activities is such that, the provisions relating to sub-section (1) of section 148 of the Companies Act, 2013 is not applicable;
- vii. a) According to the records and the information and explanations provided to us, the Company is regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable. No undisputed amounts payable were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable;
- b) As at the Balance Sheet date, the Company does not have any unpaid disputed dues of sales tax, income tax, service tax, excise duty, custom duty, wealth tax, value added tax, cess;



- c) According to the records of the Company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Company's accumulated losses at the end of the current financial year are less than fifty percent of its net worth. The Company has not incurred any cash losses during the current financial year, but had incurred cash losses in the immediately preceding financial period.
- ix. The Company has not taken any loans from financial institutions or banks or debenture holders and hence there is no question of default in repayment;
- x. On the basis of information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions;
- xi. Based on the information and explanations given to us, the Company has not borrowed any funds; hence clause xi of the Order is not applicable;
- xii. Based on the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported.

For N. M. RAIJI & CO.
Chartered Accountants
Firm's Registration No. 108296W


VINAY D BALSE
Partner
Membership No. 39434

Place: Mumbai
Date: April 24, 2015

IL&FS INFRA ASSET MANAGEMENT LIMITED					
BALANCE SHEET					
Particulars	Notes	Amount ₹			
		As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	3	193,980,000		183,000,000	
Reserves and Surplus	4	(15,125,244)	178,854,756	(52,094,310)	130,905,690
NON CURRENT LIABILITIES					
Long-term Provisions	5	1,621,362	1,621,362	878,791	878,791
CURRENT LIABILITIES					
Trade Payables	6	43,596,621		5,955,366	
Other Current Liabilities	7	2,264,181		1,720,251	
Short-term Provisions	8	2,446,571	48,307,373	2,853,304	10,528,921
TOTAL			228,783,491		142,313,402
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	9				
Tangible Assets		524,413		432,916	
Intangible Assets		291,948		393,275	
Deferred Tax Assets	10	11,129,166		-	
Long-Term Loans and Advances	11	44,144,378	56,089,905	2,456,498	3,282,689
CURRENT ASSETS					
Trade Receivables	12	17,002,276		17,805,053	
Cash and Cash Equivalents	13	142,604,769		112,623,926	
Short-Term Loans and Advances	14	9,046,705		5,241,508	
Other Current Assets	15	4,039,836	172,693,586	3,360,226	139,030,713
TOTAL			228,783,491		142,313,402
Notes 1 to 24 annexed hereto forms integrated part of Financial Statements					
As per our report of even date attached For N M RAIJI & Co. Chartered Accountants Firm Registration No. 108296W			For and on Behalf of the Board		
 Vinay D Balse Partner Membership No 39434 Mumbai, April 24, 2015			 Ramesh C Bawa Chairman & Director DIN: 00040523		
			 Amit Mainkar Chief Financial Officer		
			 Rajesh Kotian Director DIN: 02283475		
			 Hemanti Wadhwa Company Secretary		

IL&FS INFRA ASSET MANAGEMENT LIMITED			
STATEMENT OF PROFIT AND LOSS			
		Amount ₹	
		For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
REVENUE			
Revenue from Operations	16	95,433,134	14,042,359
Other Income	17	11,863,368	9,789,192
TOTAL		107,296,502	23,831,551
EXPENSES			
Employees Benefit Expenses	18	46,125,306	41,070,358
Operating Expenses	19	31,126,258	34,162,597
Depreciation and Amortization	9	692,460	692,906
TOTAL		77,944,024	75,925,861
PROFIT/(LOSS) BEFORE TAX		29,352,478	(52,094,310)
TAX EXPENSES			
Current Tax		5,734,136	-
Mat Credit		(2,221,558)	-
Deferred Tax		(11,129,166)	-
		(7,616,588)	
PROFIT/(LOSS) FOR THE YEAR/PERIOD		36,969,066	(52,094,310)
EARNINGS PER SHARE (Face Value ₹ 10 per share)			
Basic and Diluted	20	1.95	(3.66)

Notes 1 to 24 annexed hereto forms integrated part of Financial Statements

As per our report of even date attached
For N M RAIJI & Co.
Chartered Accountants
Firm Registration No. 108296W



Vinay D Balse
Partner
Membership No 39434
Mumbai, April 24, 2015

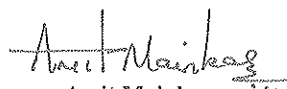
For and on Behalf of the Board



Ramesh C Bawa
Chairman & Director
DIN: 00040523



Rajesh Kottian
Director
DIN: 02283475



Amit Mainkar
Chief Financial Officer



Hemanti Wadhwa
Company Secretary

Amount ₹

Particulars		For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) for the period		29,352,478	(52,094,310)
Adjustments for:			
Depreciation		692,460	692,906
Interest Income		(11,492,221)	(9,789,192)
Profit from Sale of Fixed Assets		(147)	-
Provision for Employee Benefits		335,838	1,042,747
Operating Profit/(Loss) before Working Capital Changes		18,888,408	(60,147,849)
Adjustments for changes in:			
Decrease/(Increase) in Trade Receivables		802,777	(17,805,053)
(Decrease)/Increase in Trade Payables		37,641,255	5,955,366
Decrease/(Increase) in Other Current and Non-Current Assets		(37,907,140)	(2,556,795)
Increase in Long Term and Other Current Liabilities		543,930	1,720,251
		19,969,230	(72,834,080)
Advance payment of Tax		(11,098,515)	(2,451,863)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	A	8,870,715	(75,285,943)
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(682,630)	(1,519,097)
Proceeds from Sale of Fixed Assets		147	-
Interest Income received		10,812,611	6,428,966
NET CASH GENERATED FROM INVESTING ACTIVITIES	B	10,130,128	4,909,869
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares		10,980,000	183,000,000
CASH GENERATED FROM FINANCING ACTIVITIES	C	10,980,000	183,000,000
(D) NET INCREASE IN CASH AND CASH EQUIVALENT	(A+B+C)	29,980,843	112,623,926
Cash and Cash Equivalent at the beginning of the period		112,623,926	-
Cash and Cash Equivalent at the end of the period		142,604,769	112,623,926
(Refer Note 13)			

Notes 1 to 24 annexed hereto forms integrated part of Financial Statements

As per our report of even date attached
For N M RAJJI & Co.
Chartered Accountants
Firm Registration No. 108296W

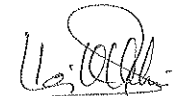


Vinay D Balse
Partner
Membership No 39434
Mumbai, April 24, 2015

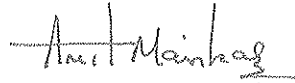
For and on Behalf of the Board




Ramesh C Bawa
Chairman & Director
DIN: 00040523



Rajesh Kotian
Director
DIN: 02283475



Amit Mainkar
Chief Financial Officer



Hemanti Wadhwa
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(1) BACKGROUND

IL&FS Infra Asset Management Limited (the "Company") was incorporated on January 8, 2013, and is a direct subsidiary of IL&FS Financial Services Limited. The Company is registered as an investment manager with the Securities and Exchange Board of India (SEBI) under SEBI (Mutual Funds) Regulations, 1996. The principal business of the Company is to provide management advisory and administrative services to IL&FS Mutual Fund (IDF) (the "Fund") in accordance with the Investment Management Agreement between IL&FS AMC Trustee Limited and the Company, dated January 21, 2013 and amended on September 5, 2013

(2) SIGNIFICANT ACCOUNTING POLICIES**(a) Basis for preparation of Financial Statements**

The Financial Statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India including the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs). All income and expenditure, having a material bearing on the Financial Statements, are recognized on an accrual basis

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 on the date of the Financial Statements and the reported Income and Expenses during the reporting period. The 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 changes in such estimates are recognized prospectively

(b) Fixed Assets, Depreciation and Impairment

- (i) Fixed Assets, including intangible assets, have been capitalised at the cost of acquisition and other incidental expenses
- (ii) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any

- (iii) As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II "Useful Lives to compute Depreciation" of the Companies Act, 2013 came into effect from April 1, 2014, which prescribes the useful lives for determining the depreciation charge for the tangible assets. Accordingly, with effect from April 1, 2014, the Company has modified the useful lives of certain tangible assets, in line with Schedule II of the Companies Act, 2013. The Company has decided to use the Straight Line Depreciation Method (SLM) in place of Written Down value Depreciation Method (WDV) for all the tangible assets.
- (iv) Fixed Assets are depreciated on the Straight Line Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013, except in the case of certain assets, which are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013, based on the Management's estimate of useful life based on their usage:

Asset Type	Useful Life
<u>Tangible Fixed Assets</u>	
Data Processing Equipments -- Server and Networking Equipment	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees (other than Vehicles)	3 years
Vehicles Provided to Employees	5 years
Mobile Phones, Tablets and Soft Furnishing	In the year of capitalisation
Lease Improvements	Over the lease period
<u>Intangible Assets</u>	
Licensed Software	Over the license year not exceeding 4 years
Web-site and Portals	4 years

- (v) Assets costing Rs 5,000 or less, are fully depreciated in the year of purchase
- (vi) The carrying values of assets of the cash-generating unit, at each balance sheet date, are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised if carrying value of those assets is higher than the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to its present value by using a discount factor

(c) **Revenue Recognition**

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

Investment management and advisory fee is recognised at specific rates agreed with the relevant schemes, applied on the average daily net assets of each scheme (excluding inter-scheme investments, where applicable, and investments made by the Company in the respective scheme), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996, as amended.

Interest income is recorded on an accrual basis.

(d) **Employee benefits**

(i) Contributions to Provident Fund are charged to the Statement of Profit and Loss as per applicable law/ rules

(ii) The Company has taken Group Gratuity Scheme for gratuity payable to the eligible employees. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. Actuarial gain or losses are also recognized in the Statement of Profit and Loss

(iii) The leave balance has been classified as Short-term and Long-term, based on the best estimates after considering the past trends. The Short-term leave encashment liability for the expected leave to be encashed, has been measured by an actuary on the actual component eligible for leave encashment and the expected Short-term leave to be availed is valued at total cost to the Company. Long-term leave is valued on actuarial basis, determined on the basis of Projected Unit Cost method

(e) **Taxation**

Tax expense comprises of Current Tax and net changes in Deferred Tax Assets or Liabilities during the period. 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 the future tax consequences of timing differences arising from differences in accounting policies as per the accounts drawn up under the Companies Act and the Income Tax Act. Deferred Tax Assets in the event of non existence of carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. With regard to carry forward losses and unabsorbed depreciation, Deferred Tax Assets are recognized only when it is virtually certain that there will be future taxable profits. Deferred tax assets and liabilities are measured using substantively enacted tax rates

(f) **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 the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimates at the balance sheet date required to settle the obligation. Provisions are reviewed at each balance sheet date and are 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

(g) **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 and Cash Equivalents comprises of Balance in Bank Current Accounts

(h) **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

Exchange differences on foreign currency short-term monetary items are recognised as income or as expenses, as the case may be, in the period in which they arise

(i) **Earnings Per Share**

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

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

(j) **Preliminary expenses**

Preliminary expenses are written off in the year in which they are incurred.

(k) **Fund Expenses**

Annual recurring expenses related to the schemes of IL&FS Mutual Fund (IDF), which are in excess of internal expense limits, are borne by the Company

The Company also absorbs the expenses relating to the launch of the schemes of IL&FS Mutual Fund (IDF)

(l) **Distribution Commission**

Distribution Commission on closed ended schemes is expensed out over the tenure of the respective schemes, commencing from the month in which units are allotted

(3) **SHARE CAPITAL**

(a) The details of the Authorised, Issued, Subscribed and Paid up Share Capital are as below:

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
Authorised 25,000,000 Equity shares of ₹ 10 per share	250,000,000	250,000,000
Issued, Subscribed and Paid up 19,380,000 (Previous Year 183,000,000) Equity shares of ₹ 10 per share fully paid-up	193,980,000	183,000,000

- (b) 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 Shareholders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the Equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding
- (c) Details of Equity shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of shares held	% of holding	Number of shares held	% of holding
IL&FS Financial Services Limited	16,800,000	86.61%	16,800,000	91.80%
Life Insurance Corporation of India	1,500,000	7.72%	1,500,000	8.20%
Total	18,300,000	94.33%	18,300,000	100.00%

(4) RESERVES AND SURPLUS

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

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the Year/Period	(52,094,310)	-
Profit/ (Loss) for the Year/Period	36,969,066	(52,094,310)
Total	(15,125,244)	(52,094,310)

(5) LONG TERM PROVISION

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
For Employee Benefits	1,621,362	878,791
Total	1,621,362	878,791

(6) TRADE PAYABLES

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payable	43,596,621	5,955,366
Total	43,596,621	5,955,366

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According to the records available with the Company, there were no dues to Micro Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end, together with the interest paid / payable as required under the said Act have not been given.

(7) OTHER CURRENT LIABILITIES

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
Statutory Dues	1,119,548	1,187,196
Other payables	1,144,633	533,055
Total	2,264,181	1,720,251

(8) SHORT TERM PROVISION

Particulars	(Amount ₹)	
	As at March 31, 2015	As at March 31, 2014
For Employee Benefits	2,446,571	2,853,304
Total	2,446,571	2,853,304

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

- (i) The Company has recognized ₹ 853,670/- (Previous period ₹ 1,123,003/-) in the Statement of Profit and Loss, towards defined contribution plans in respect of the Company’s Contribution to Provident Fund
- (ii) The Actuarial valuation of the present value of defined benefit obligations was carried out at March 31, 2015. The present value of defined benefit obligations and related service cost were measured using the projected unit credit method

The Company operates funded post retirement defined benefit plans for gratuity, details for which are as follows:

I. Assumption	For the year ended March 31, 2015	For the period ended March 31, 2014
Discount Rate	8.00%	9.33%
Salary Escalation	6.50%	6.50%



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(Amount ₹)

Reconciliation of Defined Benefit obligation	For the year ended March 31, 2015	For the period ended March 31, 2014
Opening Defined Benefit obligation	1,672,868	-
Interest Cost	156,079	-
Current Service Cost	431,382	1,672,868
Actuarial loss on obligations	393,731	(1,650,436)
Liability transferred In /(transferred out)	(120,510)	1,650,436
Closing Defined Benefit obligation	2,533,550	1,672,868

(Amount ₹)

Recognition of Actuarial Gains/Losses	For the year ended March 31, 2015	For the period ended March 31, 2014
Actuarial gain/(loss) on obligation for the year/period	(393,731)	(1,650,436)
Actuarial gain/(loss) recognized in Statement of Profit and Loss	(393,731)	(1,650,436)

(Amount ₹)

Table of Fair Value of Plan Assets	For the year ended March 31, 2015	For the period ended March 31, 2014
Fair value of Plan Assets at the start of the year/period	-	-
Contributions	1,368,319	-
Actuarial Gains / (Losses) on Plan Assets	8,610	-
Fair value of Plan Assets at the end of the period/year	1,376,929	-

(Amount ₹)

Amount Recognized in the Balance Sheet	As at March 31, 2015	As at March 31, 2014
Present value of benefit/obligations as at the end of the year/period	25,33,550	1,672,868
Fair value of Plan Assets at the end of the year/period	1,376,929	-
Shortfall/ (Excess)	1,156,621	-
Amount Recognised in Balance Sheet*	1,156,621	1,672,868

*Amount includes transfer out of ₹ 120,510/- (previous period transfer in of ₹1,650,436/-) from Group Companies on account of transfer of employees

(Amount ₹)

Expenses Recognized in the Statement of Profit and Loss	For the year ended March 31, 2015	For the period ended March 31, 2014
Current Service Cost	431,382	1,672,868
Net Interest Cost	156,079	-
Actuarial (gain) / loss	385,121	(1,650,436)
Expense Recognized in the Statement of Profit and Loss	972,582	22,432

(9) FIXED ASSETS

Particulars	Gross Block (at Cost)				Accumulated Depreciation			Amount ₹	
	As at March 31, 2014	Additions	Deductions	March 31, 2015	As at March 31, 2014	for the period	Deduction	March 31, 2015	Net Block As at March 31, 2014
TANGIBLE ASSETS									
Data Processing Equipments	909,295	578,234	-	1,487,529	556,367	454,303	-	476,859	352,928
Office Equipments	155,270	88,337	983	242,624	86,623	120,409	983	36,575	68,647
Furniture and Fixtures	19,131	-	-	19,131	7,790	362	-	10,979	11,341
Total (A)	1,083,696	666,571	983	1,749,284	650,780	575,074	983	524,413	432,916
INTANGIBLE ASSETS									
Licensed Software	435,401	16,059	-	451,460	42,126	117,386	-	291,948	393,275
Total (B)	435,401	16,059	-	451,460	42,126	117,386	-	291,948	393,275
Total (A+B)	1,519,097	682,630	983	2,200,744	692,906	692,460	983	816,361	826,191
As at March 31, 2014	-	1,519,097	-	1,519,097	-	692,906	-	826,191	-

Note:-

- 1) During the year the Company has changed its accounting estimate in respect of useful life of Data Processing Equipment from 4 years to 3 years, Licensed Software from 5 years to 4 years. Had the Company followed earlier policy, depreciation would have been lower by Rs. 128,667 and current year profit before tax would have been higher by Rs. 128,667/-.
- 2) During the year the Company has changed method of depreciation from written down value to SLM for Furniture and Fixtures. Impact for earlier years of Rs. 994 has been provided in current year profit and loss



(10) CURRENT AND DEFERRED TAX

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

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014*
Difference between book and tax depreciation	15,251	-
Carry forward losses	9,543,842	-
Others (43B payments and preliminary expenses)	1,570,073	-
Total	11,129,166	-

*No provision for income tax has been made in view of the taxable loss for the previous period. In the absence of virtual certainty of earning taxable income in the subsequent years, the Company has not recognized a Deferred Tax Asset on its carry forward losses and unabsorbed depreciation in the previous period.

(11) LONG-TERM LOANS AND ADVANCES

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Unsecured, considered good</u>		
Advance Payment of Tax	7,816,242	2,451,863
Mat Credit Entitlement	2,221,558	-
Security Deposit	5,500	500
Prepaid Expense	12,670	4,135
Others Assets (Refer Note below)	34,088,408	-
Total	44,144,378	2,456,498

Other Assets includes distribution commission payable on closed ended schemes which are expensed out over the tenure of the schemes from the month in which units are allotted. The unamortized portion to be expensed out in the next year has been disclosed under short-term loans and advances

(12) TRADE RECEIVABLE

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Unsecured, Considered good</u>		
Outstanding for less than 6 Months	17,002,276	17,805,053
Total	17,002,276	17,805,053

(13) CASH AND CASH EQUIVALENTS

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Balance with Banks</u>		
Balance with Banks In Current Accounts	7,663,868	5,723,926
<u>Other Bank Balance</u>		
Term deposits		
-with less than 12 months maturity	134,940,901	106,900,000
Total	142,604,769	112,623,926

(14) SHORT-TERM LOANS AND ADVANCES

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Unsecured Advances, considered good</u>		
CENVAT Input credits	354,693	2,155,513
Prepaid Expenses	2,039,669	945,055
Other Assets (Refer Note 11)	5,911,592	-
<u>Other Advances</u>		
-With Related Party	-	369,053
-With Others	740,751	1,771,887
Total	9,046,705	5,241,508

(15) OTHER CURRENT ASSETS

(Amount ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Income Accrued but not due on Fixed Deposit	4,039,836	3,360,226
Total	4,039,836	3,360,226

(16) REVENUE FROM OPERATIONS

(Amount ₹)

Particulars	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2015
Investment Management Fees – Gross	107,228,669	15,777,995
Less: Service Tax	11,795,535	1,735,636
Total	95,433,134	14,042,359

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(17) OTHER INCOME

Particulars	(Amount ₹)	
	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
Interest Income on Fixed Deposits	11,492,221	9,789,192
Profit on sale of Fixed Assets	147	-
Miscellaneous Income	371,000	-
Total	11,863,368	9,789,192

(18) EMPLOYEES BENEFIT EXPENSE

Particulars	(Amount ₹)	
	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
Salaries and Allowances	42,072,634	39,028,333
Contribution to Provident and Other Funds	2,632,746	1,212,391
Staff Training and Welfare Expenses	1,419,926	829,634
Total	46,125,306	41,070,358

(19) OPERATING AND ADMINISTRATIVE EXPENSES

Operating and Administrative Expenses consists of:

Particulars	(Amount ₹)	
	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
Rent	6,140,821	6,390,260
Electricity Charges	190,659	182,512
Rates & Taxes	1,158,958	5,540,204
Travelling & Conveyance	4,726,483	3,507,091
Legal & Professional Charges	7,113,249	8,170,983
Scheme Administration Expenses	1,690,405	997,943
Insurance Expenses	800,918	6,85,762
Brand Subscription Charges	1,000,000	161,644
Service Charges	4,654,038	3,418,780
Director Sitting Fees	835,000	735,000
Business Promotion Expenses	1,338,085	3,164,770
Communication Expenses	468,207	253,007
Printing and Stationery	513,677	608,000
Auditors Remuneration	330,323	250,000
Miscellaneous Expenses	165,435	96,641
Total	31,126,258	34,162,597




(20) EARNINGS PER SHARE (EPS)

In accordance with the Accounting Standard 20 on 'Earning per Share', the Basic Earnings per Share and Diluted Earnings per Share have been computed by dividing the profit/(loss) for the year/period by the weighted average number of equity shares as under:

Particulars	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
Profit/(Loss) attributable for Equity Shareholders (₹)	36,969,066	(52,094,310)
Weighted Average Number of Equity Shares in calculating Basic EPS	189,58,800	14,221,317
Weighted Average Number of Equity Shares in calculating Diluted EPS	189,58,800	14,221,317
Nominal Value per share (₹)	10	10
Basic and Diluted Earnings per share (₹)	1.95	(3.66)

(21) RELATED PARTY TRANSACTIONS

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

(i) Ultimate Holding Company:

Infrastructure Leasing & Financial Services Ltd.

(ii) Holding Company:

IL&FS Financial Services Ltd.

(iii) Mutual Fund Managed by The Company:

IL&FS Mutual Fund (IDF)

(iv) Fellow Subsidiaries

(Entities where the Company has transactions during the period)

IL&FS Energy Development Co Ltd

IL&FS Securities Services Limited

IL&FS Trust Company Limited

Livia India Limited (w.e.f. January 30, 2015)




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

(Amount ₹)

Name of the Related Party	Nature of Transactions	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
IL&FS Financial Services Limited	Rent Expenses	6,140,821	6,367,398
	Service Charges-Expenses	716,308	513,075
	Issue of Equity Shares	-	168,000,000
	Service Charges-Income	371,000	-
	Distribution Commission	40,000,000	-
Infrastructure Leasing and Financial Services Limited	Brand Subscription Fees	1,000,000	161,644
	Service Charges-Expenses	74,000	-
IL&FS Mutual Fund (IDF)	Management Fees	95,433,134	14,042,359
	Scheme Administration Expenses	1,690,405	997,943
IL&FS Securities Services Limited	Legal and Professional fees	2,878,457	486,612
IL&FS Trust Company Limited	Legal and Professional fees	210,000	200,000
IL&FS Energy Development Company Limited	Legal and Professional fees	-	2,500,000
Livia India Limited	Service Charges	1,555,427	-

Amount Receivable/Payable at the year-end / period-end is as follows:-

(Amount ₹)

Name of the Related Party	Nature of Transaction	As at March 31, 2015	As at March 31, 2014
IL&FS Mutual Fund (IDF)	Trade Receivable	16,785,273	14,305,053
	Trade Payable	1,306,469	997,943
Infrastructure Leasing and Financial Services Limited	Current Account Receivable	-	17,991
	Trade Payable	2,069	126,794
IL&FS Financial Services Limited	Current Account Receivable	-	351,062
	Trade Receivable	217,003	-
	Trade Payable	40,142,122	4,253,207
IL&FS Securities Services Limited	Trade Payable	262,896	285,997




(22) FOREIGN CURRENCY EXPENDITURE

(Amount ₹)

Particulars	For the year ended March 31, 2015	For the period from January 8, 2013 to March 31, 2014
Travelling Expenses	212,205	267,410
Total	212,205	267,410

(23) SEGMENT REPORTING

The Company acts as the Asset Manager for the schemes of IL&FS Mutual Fund (IDF). As the Company is engaged in one business segment and no geographical segments, the Balance Sheet at March 31, 2014, and the Statement of Profit and Loss for the year ended March 31, 2014 pertain to one business segment

(24) Since the figures for the previous period are for period from January 8, 2013, being the date of incorporation of the Company till March 31, 2014, these are not comparable with the figures for the current year. Previous period figures have been regrouped and / or rearranged wherever necessary, to correspond to figures of the current year

As per our report of even date attached
For N M RAIJI & Co.
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the Board



Vinay D Balse
Partner
Membership No. 39434
Mumbai, April 24, 2015



Ramesh C Bawa
Chairman & Director
DIN: 00040523



Rajesh Kotian
Director
DIN: 02283475



Amit Mainkar
Chief Financial Officer



Hemanti Wadhwa
Company Secretary