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Corporate Identification No - L65999MH1986PLC147981

September 10, 2019

The Manager
The Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

NSE Symbol: IVC
BSE Scrip Code: 511208
ISIN: INE050B01023

Re : Annual Report for the year ended March 31, 2019

Dear Sir :

Pursuant to Regulation 34 of the SEBI LODR Regulations, 2015, we send herewith copy of the Annual Report of the Company for the year ended March 31, 2019

Kindly acknowledge receipt of the same

Thanking you,

Yours sincerely,



Sanjay Mitra
Company Secretary



Encl: as above

annual report

2019



Private Equity

IL&FS Investment Managers Limited

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr S M Datta Chairman	Mr Sunil Mehta
	Mr Chitranjan Singh Kahlon	Mr Nand Kishore
	Mr Kaushik Modak	
CHIEF EXECUTIVE OFFICER	Mr Krishna Kumar Gangadharan	
CHIEF FINANCIAL OFFICER	Mr Manoj Borkar	
COMPANY SECRETARY	Mr Sanjay Mitra	
BANKERS	HDFC Bank Limited	
STATUTORY AUDITORS	M/s Khimji Kunverji & Co. LLP Chartered Accountants	
SECRETARIAL AUDITORS	M/s Mehta & Mehta Company Secretaries	
REGISTRARS & SHARE TRANSFER AGENTS	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, India Tel : + 91 22 4918 6270 Fax : +91 22 4918 6060	
REGISTERED OFFICE	The IL&FS Financial Centre, Plot No C-22, G Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India Tel : +91 22 2653 3333 Fax : +91 22 2653 3056	
CIN	L65999MH1986PLC147981	

DIRECTORS' REPORT

To The Shareholders of IL&FS Investment Managers Limited

Your Directors have pleasure in presenting for your consideration and approval the Thirty-third Annual Report with the Audited Financials of the Company for the year ended March 31, 2019

FINANCIAL ACHIEVEMENTS AND DIVIDEND

Particulars	For the year ended March 31, 2019 (₹ mn)	For the year ended March 31, 2018 (₹ mn)	For the year ended March 31, 2019 (₹ mn)	For the year ended March 31, 2018 (₹ mn)
	Standalone	Standalone	Consolidated	Consolidated
Total Income	490.28	553.65	1028.32	1189.16
Profit before Taxation	147.13	106.16	(78.39)#	265.79
Provision for Taxation	45.33	53.08	58.39	89.16
Net Profit after Taxation	101.80	53.08	(136.77)	176.63
Total Comprehensive income/(loss) for the period	107.66	59.11	(84.33)*	158.64*
Dividend (inclusive of dividend tax)	197.05	195.25	197.05	195.25

* after Minority Interest

After exceptional item of ₹ 294.7 mn due to one time provision on the Inter Corporate Deposits lent by subsidiary companies to IL&FS and its group entities

The Company does not propose to transfer any amount to the General Reserves

DIVIDEND

During the year, your Company achieved a Total Comprehensive Income after tax of ₹ 107.66 mn. Your Directors recommend a Dividend of ₹ 0.30 per share of the Face Value of ₹ 2/- each. The total amount of Dividend is ₹ 197.05 mn (inclusive of dividend tax of ₹ 4.96 mn)

REVIEW OF OPERATIONS

The global economic activity is reflecting slowdown in trade and manufacturing. Barring US, the economic activity has remained weak world over. The US economy has been relatively strong on account of higher government spending, increase in private investment and a lower trade deficit. In UK, the outlook is clouded by uncertainty relating to Brexit. The economic activity has slowed in many emerging market economies like China, South Africa and Brazil. The Brazilian economy contracted for the first time since 2016, and there are fears that it could return to recession

Crude oil prices have been volatile and the Financial markets have also been driven by uncertainties surrounding the US-China trade negotiations and Brexit. Equity markets in most emerging markets have lost steam and the bond yields have been falling globally, with central banks adopting an accommodative monetary policy to boost economic growth

In India, GDP growth for 2018-19 has been estimated at 6.8%, lower than previously expected. The growth in economy decelerated sharply to 5.8% Q4FY2019, compared to 6.6% in the previous quarter and 8.1% in the comparable quarter of the previous financial year. Gross fixed capital formation (GFCF) growth declined sharply to 3.6%. Weak global demand due to escalation in trade wars may further impact India's exports and investment activity. In light of these developments, the Reserve Bank of India has revised downward the GDP growth projection for FY2020 from 7.2% to 7.0%

The growth slowdown in the economy has been reflected in the cautiousness of Private Equity (PE) investors. The first quarter of 2019 recorded the lowest number of PE deals in the last 5 years. Furthermore, the deal activity has been falling every quarter for the last 5 quarters

At IIML, the team has primarily focussed on divestments and has been able to achieve divestments aggregating ₹ 19 bn during the year. This has been the most successful year for the team in respect of quantum of divestments achieved during a financial year. Similarly, on the investment front, IIML had been deploying capital through its fourth generation private equity Fund (Tara India Fund IV). Between April 2018 and early August 2018, the team undertook 4 new investments and 2 follow-on investments. With a robust deal pipeline in place, the Fund team was on track to utilize all the unfunded commitment before the end of the Fund's Commitment Period

On the debt side, IIML, through its subsidiary which operates in the Infrastructure Debt Fund (IDF) space, increased its AUM from ₹ 20 bn as on March 31, 2018 to ₹ 23 bn as on March 31, 2019. Likewise, activity level at IIML's joint venture with Government of Andhra Pradesh also gained traction during the year. The joint venture company seeks to develop urban infrastructure projects in Andhra Pradesh and towards this end is now working on multiple projects

DIRECTORS' REPORT

While satisfactory progress was being made by IIML in its business activities, certain entities of the IL&FS Group began to default on their debt obligations during the second quarter of FY2019. Considering the impact, the Government of India petitioned the National Company Law Tribunal (NCLT) to replace the IL&FS Board of Directors. In its order on October 1, 2018, NCLT superseded the Board of IL&FS with a new Board, with members nominated by Government of India. The Government of India also initiated an investigation into the affairs of IL&FS through the Serious Fraud Investigation Office and the Enforcement Directorate

The developments at the IL&FS Group has had a negative impact on IIML and its brand equity. These developments severely impacted the ongoing fund raising efforts. More importantly, IIML had expended significant effort in nurturing two key new initiatives. These were the Africa focused Infrastructure Debt Fund in partnership with Islamic Corporation for the Development of the Private Sector (ICD) and the stressed asset initiative with Lone Star, a US based global private equity firm, which sought to invest into stressed thermal power and road assets in India. In case of the Africa Debt Fund, consequent to the developments at IL&FS, ICD put on hold further Fund raising activities. Likewise, in case of the Lonestar initiative the team was working on an active pipeline of thermal power and road assets. Given that IL&FS was to infuse 10% of the investment, the crisis at IL&FS led Lonestar to suspend the activities of the stressed asset facility. Furthermore, new Fund initiatives, specifically in the infrastructure space, were beginning to gain traction during the first half of FY2019 which have stalled

On a consolidated basis, the Income from Operations of the Company for FY2019 was ₹ 886.90 mn, Income from Investment and Other Income was ₹ 141.42 mn. Accordingly, the Total Income on a consolidated basis for FY2019 was ₹ 1028.32 mn. The resultant Loss after Tax on a consolidated basis for FY2019 was ₹ 136.77 mn, after exceptional item of ₹ 294.7 mn due to one time provision on the Inter Corporate Deposits lent by subsidiary companies to IL&FS and its group entities

On a standalone basis, the Total Income of the Company for FY2019 was ₹ 490.28 mn and the Total Expenses for the year were ₹ 343.15 mn and the resultant Profit after Tax before other comprehensive income for FY2019 was ₹ 101.80 mn

FUTURE OUTLOOK

As regards IIML, the adverse developments at the IL&FS Group have significantly impinged on IIML's business plans for revenue growth. The newly constituted IL&FS Board has initiated the process to sell its holding in IIML. The outcome of this sale process is uncertain as the sale by IL&FS is contingent on approval from investors of some of the IIML managed Funds

In the above context, it is important to leverage IIML's extensive investment experience across sectors and strategies, as also IIML's relationship with key global investors, to rebuild the Company's business model. For the immediate future, IIML would need to focus on delivering new initiatives, largely in the form of non-Fund format based products. Such initiatives could include providing advisory services potentially in areas such as managing orderly liquidation of tail end portfolios of third party offshore funds. In the event IIML is able to successfully embark on these initiatives, the same would enable the Company to ride over the current challenges and, over time, rebuild the Company on a better footing

This period of business realignment is expected to take 12-18 months, during which period the Company would have to deal with a large degree of uncertainties. However, IIML has the ability to undergo this metamorphosis. IIML and its subsidiaries are debt free and have no outstanding creditors. The cash reserves of the IIML Group has gone up from ₹ 1,252 mn as of March 31, 2018 to ₹ 2,090 mn as of March 31, 2019. The past year has been a challenging one, and more challenges lie ahead. The aforementioned strengths are expected to stand IIML in good stead as it endeavours to overcome the setbacks and once again rebuild its business model

MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR

The Auditors of the Company, M/s B S R & Associates LLP, resigned as the auditors of the Company with effect from June 20, 2019

M/s. Khimji Kunverji & Co. LLP has been appointed as the auditors of the Company in casual vacancy on July 31, 2019 and shall hold office until the conclusion of the ensuing Annual General Meeting

There have been no other material changes and commitments affecting the financial position of the Company, which have occurred from the end of the financial year for the Company to which the financial statement relates and till the date of the Directors' Report

SUBSIDIARIES AND JOINT VENTURES

Your Company has Six Domestic Subsidiaries viz. IL&FS Asian Infrastructure Managers Limited, IL&FS Urban Infrastructure Managers Limited, IIML Asset Advisors Limited, Andhra Pradesh Urban Infrastructure Asset Management Limited, IL&FS Infra Asset Management Limited and IL&FS AMC Trustee Limited and two Offshore Subsidiaries viz. IL&FS Investment Advisors LLC, Mauritius and IIML Fund Managers (Singapore) Pte Ltd, Singapore

Your Company also has two Joint Venture Companies viz. Standard Chartered IL&FS Management (Singapore) Pte Limited, Singapore and IL&FS Milestone Realty Advisors Private Limited

As per Section 129(3) of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR] the consolidated financial statements of the Company with its Subsidiaries forms part of the Annual Report

DIRECTORS' REPORT

The copies of the Audited Annual Accounts and other related documents of the Company's Subsidiaries can be sought by any shareholder of the Company or its Subsidiaries on making a written request to the Company Secretary in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection by any shareholder at the Company's Registered Office and are also uploaded on the company's website at http://www.iimlindia.com/financials_Sub subsidiaryCompanies.aspx

A separate statement pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 containing the salient features of the Financial Statements of the Company's Subsidiaries and Joint Ventures in Form AOC 1 is given as an Annexure to the Standalone Financial Statements

Performance and Financial position of the Subsidiaries and the Joint Venture Companies :

IL&FS Asian Infrastructure Managers Limited :

IL&FS Asian Infrastructure Managers Limited (IAIML) had been set up to manage the Pan Asia Project Development Fund, India (the Fund). The Fund, having a corpus of ₹ 1125 mn, invested across seven investments. Six of these investments have been divested and the balance one investment is partially divested. IAIML is working actively to fully divest from the residual investment of the Fund

The Total Income for FY2019 was ₹ 4.84 mn. The Total Expenses of IAIML for the year were ₹ 0.56 mn (excluding exceptional item of ₹ 20.92 mn) and the resultant total comprehensive income was a loss of ₹ 17.75 mn

IL&FS Urban Infrastructure Managers Limited :

IL&FS Urban Infrastructure Managers Limited (IUIML) functions as the Asset Manager for the Pooled Municipal Debt Obligations (PMDO) Facility. The objective of the PMDO Facility is to provide long tenure term loans to meet the debt requirements of urban infrastructure projects across cities in India. The Company's role as an asset manager is to identify and appraise the eligible projects and obtain sanctions from the lenders and thereafter facilitate the borrowers to seek disbursement from the lenders, monitor and administer the project assets until entire repayment of the loan

The amount outstanding under the PMDO Facility as on March 31, 2019 was at ₹ 13.54 bn

The Total Income for FY2019 was ₹ 36.87 mn inclusive of Other Income of ₹ 13.29 mn. The Total Expenses of IUIML for the year were ₹ 77.42 mn (excluding exceptional item of ₹ 21.30 mn) and the resultant total comprehensive income was a loss of ₹ 74.95 mn

IIML Asset Advisors Limited :

IIML Asset Advisors Limited (IAAL) acts as India Advisor to two Offshore Real Estate Funds

The Total Income of IAAL for FY2019 was ₹ 28.46 mn inclusive of Income from Investments and Other Income of ₹ 13.04 mn. The Total Expenses of IAAL for the year were ₹ 15.16 mn (excluding exceptional item of ₹ 13.30 mn) and the resultant total comprehensive income was at a loss of ₹ 41.99 mn

IL&FS Investment Advisors LLC :

IL&FS Investment Advisors LLC, Mauritius (IIAL) acts as the Investment Manager to IL&FS India Realty Fund LLC, IL&FS India Realty Fund II LLC, Tara India Fund III LLC, K2 Property Limited and Saffron India Real Estate Fund

The Total Income of IIAL for FY2019 was US\$ 5.47 mn. The Total Expenses of IIAL for the year were US\$ 6.1 mn and the resultant loss for the year was US\$ 0.63 mn

IIML Fund Managers (Singapore) Pte Ltd :

IIML Fund Managers (Singapore) Pte Ltd (IFMPL) was incorporated for the purposes of managing funds from Singapore. The Company surrendered its Capital Market Service License to the Monetary Authority of Singapore in FY2019

The Total Income of IFMPL for FY2019 was US\$ 0.06 mn. The Total Expenses of IFMPL for the year were US\$ 0.19 mn and the resultant loss for the year was US\$ 0.13 mn

Andhra Pradesh Urban Infrastructure Asset Management Limited :

The Company has set up a subsidiary namely, 'Andhra Pradesh Urban Infrastructure Asset Management Limited' (APUIAML) along with the Government of Andhra Pradesh. The Company and the Government of Andhra Pradesh hold 51% : 49% equity stake, respectively in APUIAML

APUIAML has been formed with an objective of acting as the Fund Manager for the Andhra Pradesh Urban Development Fund (APUDF). APUDF has been registered with SEBI as an AIF Category – II fund

APUDF had been created with the objective to finance the Urban Local Bodies in the State of Andhra Pradesh. APUIAML will also be involved in integrated urban infrastructure project development and program management for the Urban Local Bodies and provide end to end solutions to them

DIRECTORS' REPORT

APUIAML will help the State Government of Andhra Pradesh to manage APUDF by mobilizing resources from different sources like banks and financial institutions, including private sector arms of multilateral and bilateral agencies and by leveraging Government and other financial assistance. These funds would be deployed in the urban areas on various infrastructure projects including public private partnership projects

APUIAML Projects to the extent of ₹ 1,347.45 Crores are under implementation and projects of about ₹293.91 Cr are in the tendering stage

The Total Income for FY2019 was ₹ 205 mn inclusive of Other Income of ₹ 5 mn. The Total Expenses for the year were ₹ 147.07 mn and the resultant total comprehensive income for the year was ₹ 42.02 mn

IL&FS Infra Asset Management Limited :

IL&FS Infra Asset Management Limited (IIAML) is the asset manager of the IL&FS Mutual Fund which is an Infrastructure Debt Fund (IDF) as per SEBI Mutual Fund Regulations

The IDF has closed ended schemes with a commitment of ₹ 16,180 mn and ₹ 1,725 mn is yet to be drawn down as of March 31, 2019. The Fund has made 14 investments as on March 31, 2019 and AUM as of March 31, 2019 was ₹ 20,903 mn

The Total Income for FY2019 was ₹ 260.44 mn inclusive of Other Income of ₹ 10.16 mn. The Total Expenses for the year were ₹ 315.66 mn (including exceptional item of ₹ 200.20 mn) and the resultant total comprehensive income was a loss of ₹ 54.48 mn

IL&FS AMC Trustee Limited :

IL&FS AMC Trustee Limited (IATL) acts as the Trustee of the IDF

The Total Income for FY2019 was ₹ 2.10 mn inclusive of Other Income of ₹ 0.03 mn. The Total Expenses for the year were ₹ 1.11 mn and the resultant total comprehensive income for the year was ₹ 0.81 mn

Standard Chartered IL&FS Management (Singapore) Pte Limited :

Standard Chartered IL&FS Management (Singapore) Pte Limited (SCIMPL), is a 50:50 Joint Venture Company established with the Standard Chartered Bank to manage the Standard Chartered IL&FS Asia Infrastructure Growth Fund. The Manager is playing an active role in managing and monitoring the investments made by the Fund

The Total Income of SCIMPL for FY2019 was US\$ 1.32 mn. The Total Expenses of SCIMPL for the year were US\$ 0.66 mn and the resultant Profit after Tax for the year was US\$ 0.57 mn

IL&FS Milestone Realty Advisors Private Limited :

IL&FS Milestone Realty Advisors Private Limited (IMRAPL), is a Joint Venture (JV) Company established with the objective of raising funds that would invest in income yielding assets. Since inception, the JV raised three funds and the Company has been able to successfully divest from all the investments of these three funds

The Total Income of IMRAPL for FY2019 was ₹ 0.89 mn. The Total Expenses of IMRAPL for the year were ₹ 2.77 mn and the resultant loss for the year was ₹ 1.88 mn

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr Nand Kishore and Mr Kaushik Modak were appointed as the Non-Executive Directors of the Company with effect from December 6, 2018 and Mr Chitranjan Kahlon was appointed as Non-Executive Independent Director with effect from August 28, 2018 subject to the approval of the shareholders

The Board of Directors on March 28, 2019 approved the re-appointment of Mr Datta as an Independent Non-Executive Director for a second term of five consecutive years from April 1, 2019 to March 31, 2024, subject to the approval of the shareholders. On the even date, the Board also approved the re-appointment of Mr Datta as an Independent Non-Executive Chairman of the Company for a second term of five years from April 1, 2019 to March 31, 2024, subject to the approval of the shareholders

The Board recommends the appointment of Mr Nand Kishore and Mr Kaushik Modak as Non-Executive Directors of the Company, appointment of Mr Chitranjan Kahlon as Non-Executive Independent Director, re-appointment of Mr S M Datta as an Independent Non-Executive Director for a second term of five consecutive years and re-appointment of Mr Datta as an Independent Non-Executive Chairman of the Company for a term of five years

Mr Banshi Mehta and Ms Shubhalakshmi Panse resigned as a Non-Executive Independent Directors of the Company with effect from June 5, 2018 and April 30, 2019, respectively. Mr Ravi Parthasarathy and Mr Vibhav Kapoor resigned as Non- Executive Directors of the Company with effect from July 21, 2018 and October 19, 2018, respectively. Mr Ramesh Bawa resigned as the Managing Director of the Company with effect from September 22, 2018

DIRECTORS' REPORT

Mr Hari Sankaran ceased to be a Director of the Company pursuant to the Order passed by the National Company Law Tribunal (NCLT) with effect from October 1, 2018

None of the Directors retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 149, Section 152 and Section 162 of the Companies Act, 2013

There have been no changes in the Directors and Key Managerial Personnel of the Company other than the above

BOARD INDEPENDENCE

The Company has received Declarations of Independence pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) and Regulation 25(1) of the LODR from all the Independent Directors

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met six times during the Financial Year ended March 31, 2019 and the gap between two meetings did not exceed 120 days. The meetings were held during the year on May 4, 2018, two meetings on August 28, 2018, October 4, 2018, December 14, 2018 and February 6, 2019. The details of the composition of the Board Committees and attendance of the Directors at the Board meetings/Committee meetings are given in the Corporate Governance Report

SELECTION CRITERIA FOR APPOINTMENT OF DIRECTORS

The Board has framed a selection criteria for determining the necessary qualifications and attributes for appointment of Directors and also to ensure Board diversity. The details of the same are provided in the Corporate Governance Report

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the LODR, the Board has carried out an annual performance evaluation of the Board and Committees thereof. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- (b) that such accounting policies as mentioned in Note 2 of the Notes to the Annual Accounts have been selected and applied consistently and judgments and estimates have been made 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 March 31, 2019 and of the Profit of the Company for the year ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Annual Accounts are prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively; and
- (f) that proper systems were devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively

RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS

Risk Management forms an integral part of the business of the Company. The Company has a Risk Management Framework, which not only ensures timely identification of risks, analysis of the reasons for such risk, assessment of its materiality, assessment of its impact but also adequate risk mitigation processes. The Risk Management Framework encompasses all areas of the Company's business including the Funds under its management. The Risk Management Framework ensures that all risks which could potentially threaten the existence of the Company are identified and risk mitigation is initiated in due time

The Company has an adequate system of internal controls including financial controls with reference to Financial Statements, commensurate with the nature of its business and complexity of its operations to ensure accuracy of accounting records, compliance with all laws and regulations and compliance with all rules, processes and guidelines prescribed by the management

An extensive internal audit is carried out by an independent firm of Chartered Accountants. Post audit reviews are also carried out to ensure follow up on the observations made. The scope of the internal audit is determined by the Audit Committee and the Internal Audit Reports are reviewed by the Audit Committee on a regular basis

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. No new Material Related Party Transactions were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act, 2013 in Form AOC 2 is not applicable. The disclosure of transactions with Related Parties is set out in Note No. 25 of the Standalone Financial Statements, forming part of the Annual Report.

The Company has developed a Related Party Transactions Framework for the purpose of identification and approval of such transactions. The Policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website and is available at the link <http://www.iimlindia.com/Policies.aspx>

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note No. 7 of the Standalone Financial Statements.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Company has designated Mr Krishna Kumar Gangadharan, Chief Executive Officer, Mr Manoj Borkar, Chief Financial Officer and Mr Sanjay Mitra, Company Secretary as the Key Managerial Personnel of the Company.

PARTICULARS OF EMPLOYEES

The particulars of the employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Directors' Report for the year ended March 31, 2019 and are annexed as Annexure 1 and Annexure 2, respectively.

DETAILS OF EMPLOYEE STOCK OPTION PLANS

The Shareholders of the Company had approved the Employee Stock Option Scheme 2003 ("ESOP 2003") and the Employee Stock Option Scheme 2004 ("ESOP 2004") for granting Options to the Directors and Employees of the Company and the Employee Stock Option Scheme 2006 ("ESOP 2006") for granting Options to the Directors and Employees of the Company and the Holding and Subsidiary Companies of the Company.

During FY2019, the Nomination & Remuneration Committee of the Company did not grant any Options under the above schemes. Further, please note that there are no options vested/ exercised/lapsed during FY2019.

The Nomination & Remuneration Committee of the Company thereafter approved and closed the ESOP 2003, ESOP 2004 and ESOP 2006 with effect from May 29, 2019. The following number of options available for grant in future under ESOP 2003, ESOP 2004 and ESOP 2006 were considered as lapsed :

ESOP 2003 – 37,815 Options

ESOP 2004 – 130,928 Options

ESOP 2006 – 1,935,000 Options

All the options granted till date under ESOP 2003, ESOP 2004 and ESOP 2006 have either vested or lapsed on or before March 31, 2019 and accordingly there is no employee compensation cost for the year ended March 31, 2019.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The remuneration paid to the Directors and the Senior Management is as per the Managerial Remuneration Policy of the Company. The Management Remuneration Policy is posted on the company's website at <http://www.iimlindia.com/Policies.aspx> and the brief details thereof are given in the Corporate Governance Report.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has always been committed to provide a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Company has also constituted an Internal Complaints Committee (ICC) to redress the complaints received under this policy. During the year, no complaints were received by the ICC.

DIRECTORS' REPORT

STATUTORY AUDITORS

M/s B S R & Associates LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the 31st Annual General Meeting held on September 6, 2017. The Statutory Auditors resigned as the Auditors of the Company with effect from June 20, 2019 on account of their firm's policies and re-evaluation of the Company done by them considering recent development, including actions and investigations initiated by various regulatory authorities in relation to Infrastructure Leasing & Financial Services Limited and its affiliated companies

Post the resignation of M/s B S R & Associates LLP the Board at its meeting held on July 31, 2019 on the recommendation of the Audit Committee and subject to the approval of the shareholders appointed M/s Khimji Kunverji & Co. LLP, as the Statutory Auditor of the Company in a Casual Vacancy pursuant to Section 139(8) of the Companies Act, 2013, to hold office till the conclusion of the ensuing Annual General Meeting

The Board at its meeting held on July 31, 2019 on the recommendation of the Audit Committee and subject to the approval of the shareholders also recommended the appointment of M/s Khimji Kunverji & Co. LLP, as the Statutory Auditor of the Company for a term of five years from the conclusion of 33rd Annual General meeting upto the conclusion of 38th Annual General Meeting

Accordingly, at the ensuing Annual General Meeting an ordinary resolution is proposed for the appointment of M/s Khimji Kunverji & Co. LLP as the Statutory Auditor of the Company in casual vacancy to hold office till the conclusion of the ensuing Annual General Meeting and an ordinary resolution is also proposed to appoint them as the Statutory Auditor of the Company for a term of five years from the conclusion of 33rd Annual General meeting upto the conclusion of 38th Annual General Meeting

SECRETARIAL AUDIT

The Company has appointed M/s Mehta & Mehta, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith as an Annexure 3(I)

According to Regulation 24A of the LODR effective from April 1, 2019 every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019. Accordingly, Secretarial Audit report of Andhra Pradesh Urban Infrastructure Asset Management Limited and IL&FS Infra Asset Management Limited is attached as Annexure 3(II) and 3(III), respectively

QUALIFICATIONS IN THE AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT AND ITS EXPLANATIONS

The Statutory auditors M/s B S R & Associates LLP have qualified the Standalone and Consolidated Financials of the Company in their Statutory Audit report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review

Further, the Secretarial Auditor, M/s Mehta & Mehta, Company Secretaries in Practice have made an observation in the Secretarial Audit Report

The explanations or comments by the Board on the Statutory Audit qualification and Secretarial Audit observation pursuant to Section 134(3)(f) of the Companies Act and LODR are as follows :

Statutory Auditor's qualification and its explanation :

Qualification 1:

In view of the investigation by Serious Fraud Investigation Officer (SFIO) against the Infrastructure Leasing & Financial Services Limited (IL&FS), the Holding Company and its subsidiaries (including the Company) and the NCLT order for re-opening of past books of Accounts of IL&FS and its fellow subsidiaries- IL&FS Financial Services Limited ('IFIN') and IL&FS Transportation Networks Limited ('ITNL'), the Auditors qualified that they were unable to comment on the consequential impact thereof on these standalone annual financial results

Explanation 1:

The Company, based on its current understanding, believes that the above would not have a material impact on the financial results, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage

Qualification 2:

The Company has not been able to determine the accurate and complete list of related parties for the period April 1, 2017 to March 31, 2019 as defined under Ind As 24, Related Party Disclosures and as per Companies Act, 2013. The Auditors qualified that they were unable to obtain sufficient appropriate audit evidence with regard to completeness and accuracy of related party disclosures made in the financial statements and on the Company's compliance with the provisions of the Companies Act, 2013 with regard to related party transactions

DIRECTORS' REPORT

Explanation 2 :

In absence of list of receipt of Related Parties as on March 31, 2019 from the Holding Company, the Company has identified its related party's relationship on the basis of information made available in the past by the Holding Company. Accordingly, the related parties may not be complete and accurate. However, the Company believes that unavailability of the required information from the Holding Company may not have a material impact on the financial results

Secretarial Auditors' observation and its explanation :

Observation 1:

The outcome of the Board Meeting dated May 4, 2018, was disclosed to the stock exchanges beyond the stipulated time as per Regulation 30 and Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Explanation 1:

The Company started filing both the standalone and consolidated Financials on both the Bombay Stock Exchange and National Stock Exchange soon after the Board meeting and managed to file the same within the statutory timeline of 30 minutes post the conclusion of the Board meeting. However, on account of a technical hitch there has been delay of few minutes in filing the outcome of the Board meeting on the stock exchanges

INCREASE IN SHARE CAPITAL

No new shares were allotted during the year and there has been no change in the share capital of the Company

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards have been duly followed by the Company during the year

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and 53(f) of the LODR, Related Party Disclosures, Management Discussion and Analysis, Disclosure of Accounting treatment, Report on Corporate Governance have been included in this Annual Report as separate sections. The Certificate on Compliance with the Corporate Governance requirement from M/s. Mehta & Mehta, Practicing Company Secretaries is annexed to the Corporate Governance Report

CORPORATE SOCIAL RESPONSIBILITY

The Company has adopted a Corporate Social Responsibility (CSR) Policy, which aims at nurturing socio-economic development schemes for capacity building, livelihood creation, quality education, empowerment of people, etc., with the primary goal of ensuring that benefits reach the targeted beneficiaries

The Company undertakes specific CSR projects that are in conformity with Schedule VII of the Companies Act, 2013. Given that the Company is in the private equity fund management business and invests across India and in all sectors, the Company undertakes CSR activities in Mumbai and also across the country

The Annual Plan for CSR is approved at the start of each financial year. Reviews and/or modifications to the projects and allocations are undertaken periodically. The CSR Policy is posted on the Company's website at the link <http://iimlindia.com/Policies.aspx>

The Composition of the CSR Committee is given in the Corporate Governance Report. The Annual Report on the CSR activities is annexed herewith as Annexure 4

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy/Vigil Mechanism for Employees and Directors to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. During the year, no personnel has been denied access to the Audit Committee

The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the Company's website at the link <http://iimlindia.com/Policies.aspx>

DEPOSITS

Your Company has not accepted any deposits from the public for the year under consideration

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company does not own any manufacturing facility, the Energy Conservation and Technology Absorption particulars in the Companies (Accounts) Rules, 2014, are not applicable

The particulars regarding foreign earnings and expenditure appear as Note Nos. 19(c) and 19(d) of the Notes to Accounts of the Standalone Financial Statements respectively

DIRECTORS' REPORT

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows :

	USD	INR
Outflow	15,200	1,011,575
Inflow	5,850,000	405,034,580

COST RECORDS

Maintenance of cost records as specified by the Central Government under section 148 (1) of the Companies Act, 2013 are not required to be maintained by the Company and accordingly such accounts and records are not maintained for the FY 2018-19

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT 9 are annexed herewith as Annexure 5

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The National Company Law Tribunal (NCLT) passed an Order on October 1, 2018 under the provisions of Sections 241 and 242 of the Companies Act, 2013 for suspending the existing Board of Directors of Infrastructure Leasing and Financial Services Limited (IL&FS), the Holding Company and new members were inducted on the Board of IL&FS

The NCLT based on a petition by IL&FS vide its Order dated April 26, 2019, granted its exemption to IL&FS and its group Companies from appointing Independent Directors and Woman Directors on the Board of IL&FS and its group companies

The NCLT by an Order passed on February 11, 2019 has categorized '169 IL&FS Group Entities' incorporated within the territorial jurisdiction of India into (a) "Green Entities" (b) "Amber Entities" (c) "Red Entities". Our Company and its subsidiaries have been categorised as Green entities - meaning one which can continue to meet all its payment obligation (both financial and operational) as and when they become due

ACKNOWLEDGEMENT

The Board of Directors take this opportunity to thank the Investors of the Funds under management, shareholders, employees, bankers, Reserve Bank of India, Securities and Exchange Board of India, other Regulatory authorities for their co-operation and continued support to the Company. We look forward to their continued patronage and encouragement in all our future endeavours

For and on behalf of the Board

S M DATTA
Chairman

Place : Mumbai

Date : July 31, 2019

Annexure 1 to the Directors' Report

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

Sr. No.	Requirements	Disclosure	
(1)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director (MD) #	1.12%
		Whole-time Director (WTD)	NA
(2)	The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary in the financial year	MD	–
		CEO	(13.56%)
		CFO	(14.60%)
		CS	(1.70%)
(3)	The percentage increase in the median remuneration of employees in the financial year	(21.40%)	
(4)	The number of permanent employees on the rolls of the Company	34	
(5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	% increase in remuneration other than MD & WTD	(9.04%)
		% increase in remuneration of MD & WTD	Nil
(6)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

Mr Ramesh Bawa resigned as the Managing Director with effect from September 22, 2018 and hence, the ratio of his remuneration to the median remuneration of the other employees has not been provided

Note :

- 1) Sitting fees and Commission paid to the Non-Executive Directors are not considered for the purpose of the above disclosure
- 2) The salary cost does not include leave encashment paid
- 3) Policy with Life Insurance Corporation of India has been taken to cover the liability of payment of Gratuity to employees. The gratuity including differential payment on account of salary revision is excluded in calculating above details

For and on behalf of the Board

S M DATTA
Chairman

Place : Mumbai

Date : July 31, 2019

Annexure 2 to the Directors' Report

Information as per Section 197(12) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the Financial Year 2018-2019

SL	Name	Age (Yrs)	Designation	Remuneration Received (₹)	Qualification	Experience (Yrs)	Date of Commencement of employment	Last Employed
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Employees employed throughout the Financial Year and in receipt of remuneration of not less than ₹ 1,02,00,000 for the Financial Year 2018-2019								
1	Manoj Borkar	54	Chief Financial Officer	19,742,395	B.Com, ACA	31	01.04.2000	Infrastructure Leasing & Financial Services Limited
2	Krishna Kumar	47	Chief Operating Officer	12,691,232	B.Com, MFM	27	01.04.2002	Infrastructure Leasing & Financial Services Limited
3	Saleh Afimiwalla	49	Chief Operating Officer	15,829,365	BE (Electronics), MMS (Finance)	25	18.06.2007	Barclays Bank Plc
Employed for part of the year and in receipt of remuneration of not less than ₹ 8,50,000/- p.m. for the Financial Year 2018-2019								
4	Amit Saraf *	41	Senior Vice President	9,562,370	Bcom, ACA,DBF	20	16.07.2012	JM Financial Investment Mangers Limited
5	Rajesh Adhikari *	49	Vice President	7,147,729	CFA, PGDBA, BE(Civil)	23	01.11.2006	Bennett Coleman & Co. Limited
6	V Chandrasekhar *	55	Vice President	2,468,084	MFM, LLB, BE	33	01.06.2009	Concrete Ideas
Employees employed throughout the Financial Year and in receipt of remuneration								
7	Sanjay Mitra	46	Chief Operating Officer	10,020,186	M.Com, ACS, ICWA	21	01.05.2001	Larsen & Toubro Limited
8	Vinod Thomas	48	Senior Vice President	10,126,541	MBA(Finance), IIT (Civil)	26	19.06.2006	Government of India
9	Kamalesh Sarangi	47	Senior Vice President	9,296,065	PGDM (Finance and Marketing) BE	23	19.06.2006	ICICI Bank Ltd.
10	Parag Baduni	45	Senior Vice President	9,233,710	MBA(Finance), Bsc (Hons)	22	08.10.1999	IL&FS Education & Technology Services Ltd.

* Resigned during F.Y.2018-2019

Note :

- All employees are in the permanent employment of the Company
- None of the employee is a relative of any Director or Manager of the Company
- Remuneration includes Salary, Company's contribution to Provident Fund and Superannuation Fund, Performance Related Pay, House Rent Allowance, Other Allowances,
- Medical Allowance, Leave Travel Assistance, Leave Encashment paid and other perquisites as valued for Income Tax Rules, 1962
- Policy with Life Insurance Corporation of India has been taken to cover the liability of payment of Gratuity to employees. The same is excluded in table above
- None of the employees holds by himself/ herself or along with his/her spouse and dependent children hold not more than two percent of the equity shares of the Company

For and on behalf of the Board

Place : Mumbai
Date : July 31, 2019

S M DATTA
Chairman

Annexure 3(I) to the Directors' Report

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

Members

IL&FS Investment Managers Limited,

The IL&FS Financial Centre,

Plot no. C-22 G Block,

Bandra Kurla Complex,

Bandra, Mumbai- 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IL&FS Investment Managers Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized 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 March 31, 2019, 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 on March 31, 2019 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;
- (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 there under to the extent of Foreign Direct Investment;
- (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;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);
 - f) The Securities and Exchange Board of India (Registrars 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 (during the period under review not applicable to the Company); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
 - i) Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012
 - j) Securities Exchange Board of India (Portfolio Managers) Regulations, 1993;
 - k) Securities Exchange Board of India (Venture Capital Funds) Regulations, 1996

Annexure 3(I) to the Directors' Report

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above, except the following observations:

The outcome of Board Meeting dated May 04, 2018 was disclosed to the stock exchanges beyond the stipulated time as per Regulation 30 and Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2018;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the 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 while the dissenting members' views are captured and 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 had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- 1) Members at the Annual General Meeting held on approved final dividend of Rs. 0.60 per share on 31,40,32,740 equity shares of Rs. 2 each.
- 2) On October 1, 2018, the Government of India filed a petition with National Company Law Tribunal (NCLT) to take control of the Board of Infrastructure Leasing & Financial Services Limited (IL&FS), the holding company. Consequent to those proceedings on October 1, 2018, the NCLT had passed orders to change the IL&FS Board and appointed new nominees on the Board of IL&FS.
- 3) The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by the Serious Fraud Investigation Office (SFIO) for IL&FS and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation SFIO has been seeking information from the Company on an ongoing basis.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No: 5782
CP No.:2486

Place : Mumbai
Date : July 31, 2019

Note: 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 3(I) to the Directors' Report

Annexure A

To,

IL&FS Investment Managers Limited,

The IL&FS Financial Centre,
Plot no. C-22 G Block,
Bandra Kurla Complex,
Bandra, Mumbai- 400051

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 the 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 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 **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No: 5782
CP No.:2486

Place : Mumbai
Date : July 31, 2019

Note: 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 3(II) to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

Andhra Pradesh Urban Infrastructure Asset Management Limited

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Andhra Pradesh Urban Infrastructure Asset Management Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my/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 authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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:

I/We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- (iv) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iv) Other applicable laws like:
 - (a) The Payment of Wages Act, 1936;
 - (b) The Minimum Wages Act, 1948;
 - (c) Employees' State Insurance Act, 1948;
 - (d) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
 - (e) Airports Authority of India (Amendment) Act, 2003;
 - (f) The Payment of Bonus Act, 1965;
 - (g) The Payment of Gratuity Act, 1972;
 - (h) The Contract Labour (Regulation & Abolition) Act, 1970;
 - (i) The Maternity Benefit Act, 1961;
 - (j) The Child Labour (Prohibition & Regulation) Act, 1986;
 - (k) The Industrial Employment (Standing Order) Act, 1946;
 - (l) The Employees' Compensation Act, 1923;
 - (m) Equal Remuneration Act, 1923; and
 - (n) Other applicable laws;

I/We have observed that the Company is not a listed company and hence, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable.

Annexure 3(II) to the Directors' Report

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

I/we further report that

Adequate notices were 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 recorded as part of the minutes. Observations or comments of the members of the Board were appropriately recorded in the minutes.

I/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.

For **GVR and Associates**
Company Secretaries in Practice

B. Venka Reddy
Partner
M.No. 17439
C.P. No: 15277

Place:Hyderabad
Date : 29-04-2019

Annexure 3(III) to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

IL&FS INFRA ASSET MANAGEMENT LIMITED,

CIN: U65191MH2013PLC239438

The IL&FS Financial Centre, 1st Floor,

Plot C-22, G Block, Bandra Kurla Complex,

Bandra (East), Mumbai – 400051 MH

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IL&FS INFRA ASSET MANAGEMENT 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, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized 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, 2019 ("Audit period") 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 on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The company does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year;
- (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 (Prohibition of Insider Trading) Regulations, 2015;
- (vi) The list of Acts, Laws and Regulations specifically applicable to the Company are given below:
 - (a) The Securities and Exchange Board of India (Mutual Funds) Regulations, 2016 as amended;
 - (b) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the company has not commenced the business of Alternative Investment Funds).
- (vii) We have also examined compliances with the applicable clauses of the following:
 - (a) Secretarial Standards issued by the Institute of Company Secretaries of India ;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable. We further report the following observations:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors at the beginning of the Financial Year. However, at the end of the Financial Year as on March 31, 2019,

Annexure 3(III) to the Directors' Report

there were no Independent Directors on the Board of the Company, since there were changes in the composition of the Board of Directors during the period under review, which are as under:-

Sr. No.	Name of the Director	DIN	Action
1	Mr. Ramesh Bawa	00040523	Resigned as Director w.e.f. September 21, 2018
2	Mr. Rajesh Kotian	02283475	Resigned as Director w.e.f. July 3, 2018
3	Mr. Rajasekhara Reddy	02339668	Resigned as Independent Director of the Company w.e.f. November 3, 2018
4	Mr. Pradip Roy	00026457	Resigned as Independent Director of the Company w.e.f. November 2, 2018
5	Mr. Kartik Ganapathy	00011959	Resigned as Independent Director of the Company w.e.f. November 5, 2018
6	Mr. K N Prithviraj	00115317	Resigned as Independent Director of the Company w.e.f. November 3, 2018
7	Mr. Nand Kishore	08267502	Appointed as Additional Director w.e.f. October 25, 2018
8	Mr. Jignesh Shah	01587849	Appointed as Managing Director & CEO of the Company w.e.f. September 24, 2018
9	Mr. Milind Patel	00058358	Resigned as Director w.e.f. March 31, 2018
10	Mrs. Nalini M Ratnam	07884044	Additional Director appointed as Director of the Company at the AGM held on July 20, 2018

As at March 31, 2019, the Board of the Company consists of 3 (Three) Directors as under -

1	Mr. Nand Kishore	08267502	Chairman
2	Mr. Jignesh Shah	01587849	Managing Director & CEO
3	Mrs. Nalini M Ratnam*	07884044	Nominee Director - LIC

- *Mrs Nalini M Ratnam had forwarded her resignation as Director of the Company vide her letter dated March 6, 2019 (Effective Date of tendering of resignation). As on March 31, 2019, the Board of the Company was yet to take note of the same. The Board at their meeting held on April 15, 2019, took note of her resignation as Director of the Company. Requisite Form DIR-12 needs to be filed with Registrar of Companies, Ministry of Corporate Affairs, New Delhi, as on date of signing of this Report. Being a Public Company, constitution of the Board of Directors has to be minimum 3 (Three) Directors and with the resignation of Mrs Nalini M Ratnam, now the Company is in non-compliant with the said provision
- As on March 31, 2019, Audit Committee, Nomination & Remuneration Committee and CSR Committee of the Board of Directors were yet to be constituted, since, after resignation of all the Independent Directors in the month of November 2018, the required number of Independent Directors are yet to be appointed to constitute the foregoing 3 (three) Committees of the Board of Directors of the Company.
- Previous Meeting of Independent Directors of the Company was held on February 1, 2018. Thereafter, in November, 2018, all the 4 (four) Independent Directors resigned as Directors of the Company. Therefore, Independent Directors Meeting for the Financial Year 2018-19 could not be convened by the Board.
- The Company had given an Inter Corporate Deposit (ICD) of ₹200,000,000 to IL&FS Financial Services Limited (IFIN) (IL&FS Group Company) on March 27, 2018, when IFIN had a AAA rating. The ICD was unsecured. During the year credit rating of IFIN has been downgraded to 'D'. Since the substantial part of IFIN lending have become NPA, the Company has during the year, written off an amount of ₹ 150,203,425 (₹ 203,425 is interest accrued) and made a provision for the balance ₹ 50,000,000. Further the Company has not accrued interest income on the said amount of ₹ 50,000,000 (i.e. ₹ 4,068,493 for the current year) for which provision has been made in full.
- Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.
- The Board at their meeting held on September 24, 2018, appointed Mr Jignesh Shah as Additional Director of the Company to hold office up to next Annual General Meeting. In the same Board Meeting, he was appointed as Managing Director & Chief Executive Officer of the Company. The Board decided to pay him same remuneration, which he was drawing as Chief Executive Officer of the Company as on September 24, 2018. Shareholders of the Company at the ensuing Annual General Meeting of the Company, shall confirm and approve his appointment as a Director as well as Managing Director and Chief Executive Officer of the Company respectively and also approve the remuneration payable to him by passing Special Resolution in accordance with provisions contained under section 198, 199, 203 read with Schedule V to the Companies Act, 2013.

Annexure 3(III) to the Directors' Report

- Mr Dinesh Suryakant Ladwa, Company Secretary (CS) has resigned as CS of the Company vide his letter dated 18.01.2019. The Board at their meeting held on 05.02.2019 approved his resignation and the effective date of his resignation will be April 17, 2019.
- During the period under review, decisions were carried through unanimously.
- In accordance with provisions contained under SEBI (Mutual Funds) Regulations, 1996;
 - **As per regulation 21(d)** - The Company is required to appoint 2 (Two) Independent Directors on the Board of the Company as on date of Signing of this Report.
 - **As per regulation 49P(5A)** - The overall investments by IL&FS Mutual Fund (IDF) in debt instruments or assets of infrastructure companies or projects or special purpose vehicles, which are created for the purpose of facilitating or promoting investment in infrastructure or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles, which are rated below investment grade or are unrated, shall not exceed 30% of the net assets of the scheme.

Provided that the overall investment limit may increase up to 50% of the net assets of the scheme with the prior approval of the trustees and the board of the asset management company – The Board of Asset Management Company and Trustee Company accorded their separate approvals to increase overall investment limit up to 50% by passing circular resolutions on September 3, 2018. The AMC and TC Board at their separate Board Meetings held on September 12, 2018 took note of the above approvals for increase in overall investment limit up to 50%.

At the time of making investments in Non-Convertible Debentures (NCDs) of IL&FS Wind Energy Limited (IWEL) and IL&FS Solar Power Limited (ISPL), necessary compliances were made, however, due to unprecedented situation occurred in IL&FS Group Companies, Ratings of NCDs of IWEL and ISPL were downgraded, which has leads to a situation of consequential breach of the foregoing SEBI regulation.

- The Company has informed SEBI through Bi-Monthly Compliance Test – Exception Report vide letter dated October 5, 2018 about breach of the above limits and directions of SEBI are awaited for the same. The above Exception Report also contains details about the requirement of Independent Directors on the Board of the Company as well as on the Board of Trustee Company as on the date of that Exception Report.
- As on March 31, 2019, NAV of IL&FS Infrastructure Debt Scheme – Series 1C, 2A, 2B, 2C, 3A and 3B was declared. Process of declaring NAV of Series 1A and 1B was delayed due to issues pertaining to requirement of Board approval of Asset Management Company and Trustee Company for valuation of NCDs issued by IL&FS Wind Energy Limited (IWEL). NAV of Series 1A and 1B were actually declared on 9th April, 2019. Consequently, Reports to be forwarded to SEBI on Monthly basis were delayed.
- 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 has not undertaken any event or action which requires approval of the members, except Ordinary Businesses transacted and appointment of Additional Director as a Director of the Company at the Annual General Meeting held on July 20, 2018.

For **R Lohia & Co.**
Company Secretaries

Rajesh Lohia
(Proprietor)
FCS:4548
CP:2694

Place : Indore
Date : 15/04/2019

Note: 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 3(III) to the Directors' Report

'Annexure A' to the Secretarial Audit Report

To

The Members,

IL&FS INFRA ASSET MANAGEMENT COMPANY LIMITED,

CIN: U65191MH2013PLC239438

The IL&FS Financial Centre, 1st Floor,

Plot C-22, G Block, Bandra Kurla Complex,

Bandra (East), Mumbai – 400051 MH

Our Secretarial Audit Report for the Financial Year ended on March 31, 2019 of even date is to be read along with this letter-

- 1) Maintenance of secretarial records 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 the Secretarial records. The verification was done on test check 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 **R Lohia & Co.**
Company Secretaries

Rajesh Lohia
(Proprietor)
FCS:4548
CP:2694

Place : Indore

Date : 15/04/2019

Annexure 4 to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014)

- 1 **A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes :**

Kindly refer to the Corporate Social Responsibility Policy section of the Directors' Report and the Company's website <http://imlindia.com/Policies.aspx>

- 2 **Composition of the CSR Committee :**

The Company has a CSR Committee of Directors comprising of Mr S M Datta (Chairman of the Committee & Non-Executive Independent Director), Mr Chitranjan S Kahlon (Non-Executive Independent Director) and Mr Kaushik Modak (Non-Executive Director)

- 3 **Average Net Profit of the Company for the last three financial years (FY 2016-2018) :** ₹ **386,259,360**

- 4 **Prescribed CSR expenditure (two percent of the amount as in item 3 above) :** ₹ **7,725,187**

- 5 **Details of CSR spend during the financial year :**

(a) Total amount to be spent for the financial year : ₹ 7,725,187

(b) Amount unspent, if any : ₹ NIL

(c) Manner in which the amount spent during the financial year is detailed below :

CSR Project/Activity Identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State or District where projects or programs were undertaken	Amount outlay (budget) programs or project wise (₹)	Amount spent on the projects or programs. Sub-heads (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent direct or through implementing agency (₹)
(a) CSR Skills Scholarship Programme	(ii), Livelihood Enhancement/ Skills	1. Local Area 2. Pan India	3,500,000	3,250,000	16,562,523	Through Implementation Agency (Nalanda Foundation)
(b) Savali Charitable Trust (Introduction to Basic Training - IBT)	(ii), Promoting Education	1. Local Area 2. Jawhar, Kudal, Murbad, Pune and Sindhudurg - Maharashtra	1,300,000	1,100,000	4,355,875	Through Implementation Agency (Nalanda Foundation)
(c) Promoting Community Health through Savali Trust	(ii), Promoting Education	1. Local Area 2. Palghar, Maharashtra	2,200,000	2,000,000	4,000,000	Through Implementation Agency (Nalanda Foundation)
(d) Masoom (Night School Education)	(ii), Promoting Education	1. Local Area 2. Mumbai, Maharashtra	1,134,450	1,134,450	5,893,594	Through Implementation Agency (Masoom)
Overheads				650,000	2,718,738	
Total			8,134,450	8,134,450	33,530,730	

- 6 In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report :

Not Applicable

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

For IL&FS Investment Managers Limited

For Corporate Social Responsibility Committee

Place : Mumbai
Date : July 31, 2019

KRISHNA KUMAR
Chief Executive Officer

S M DATTA
Chairman

Annexure 5 to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2019

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L65999MH1986PLC147981
2.	Registration Date	10th February, 1986
3.	Name of the Company	IL&FS Investment Managers Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered Office and contact details	The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Tel. No.: 2653 3333 Fax No.: 2653 3056
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any	Link Intime India Pvt Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel. No. : +91 22 49186270 Fax No. : +91 22 49186060 Email ID : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sr. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Fund Management	66309	74.12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of shares held	Applicable Section
1.	Infrastructure Leasing & Financial Services Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	L65990MH1987PLC044571	Holding	50.42%	2(46)
2.	IL&FS Asian Infrastructure Managers Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	U66020MH2006PLC161439	Subsidiary	100.00%	2(87)
3.	IL&FS Urban Infrastructure Managers Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	U67190MH2006PLC162433	Subsidiary	100.00%	2(87)
4.	IIML Asset Advisors Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	U74140MH2005PLC158416	Subsidiary	100.00%	2(87)
5.	IL&FS Infra Asset Management Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	U65191MH2013PLC239438	Subsidiary	86.60%	2(87)

Annexure 5 to the Directors' Report

Sr. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of shares held	Applicable Section
6.	IL&FS AMC Trustee Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	U67190MH2012PLC238473	Subsidiary	100.00%	2(87)
7.	Andhra Pradesh Urban Infrastructure Asset Management Company Limited 40-3-8, 1st Floor, Kaushalya, Gummadi Gopalarao Street, Labbipet Vijayawada Krishna AP 520010 IN	U65999AP2016PLC103663	Subsidiary	51.00%	2(87)
8.	IL&FS Investment Advisors LLC IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene, Mauritius	60696 C1/GBL	Subsidiary	100.00%	2(87)
9.	IIML Fund Managers (Singapore) Pte. Limited One Marina Boulevard, #28-00 Singapore 018989	201135429E	Subsidiary	100.00%	2(87)
10.	IL&FS Milestone Realty Advisors Private Limited Co-Works Worli, PS56, 3rd Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai - 400030	U74140MH2007PTC172569	Associate	40.00%	2(6)
11.	Standard Chartered IL&FS Management (Singapore) Pte. Limited 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Tower 1, Singapore 018981	200709238E	Associate	50.00%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i). Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
[1]	Indian									
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government	0	0	0	0	0	0	0	0	0
(c)	State Government(s)									
(d)	Bodies Corporate	158,333,152	0	158,333,152	50.42	158,333,152	0	158,333,152	50.42	0
(e)	Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
(f)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total (A)(1)	158,333,152	0	158,333,152	50.42	158,333,152	0	158,333,152	50.42	0
[2]	Foreign									
(a)	Non-Resident Individuals	0	0	0	0	0	0	0	0	0
(b)	Other - Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	158,333,152	0	158,333,152	50.42	158,333,152	0	158,333,152	50.42	0

Annexure 5 to the Directors' Report

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds	4,215	0	4,215	0.00	4,215	0	4,215	0.00	0
(b)	Banks/Financial Institutions	825,112	6,052	831,164	0.26	228,714	6,052	234,766	0.07	-0.19
(c)	Central Government.	0	0	0	0	0	0	0	0	0
(d)	State Government(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Others (Specify)									
	Foreign Portfolio Investor	451,881	0	451,881	0.14	15,000	0	15,000	0.00	-0.14
	Sub Total (B)(1)	1,281,208	6,052	1,287,260	0.41	247,929	6,052	253,981	0.08	-0.33
[2]	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	14,141,352	75,809	14,217,161	4.53	10,369,775	68,782	10,438,557	3.32	-1.21
(ii)	Overseas	0	0	0	0	0	0	0	0	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	72,072,104	7,981,104	80,053,208	25.49	77,536,248	7,207,648	84,743,896	26.99	1.50
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	34,212,390	0	34,212,390	10.89	40,243,753	0	40,243,753	12.82	1.93
(c)	Others (Specify)									
	Investor Education and Protection Fund	1,249,358	0	1,249,358	0.40	1,382,824	0	1,382,824	0.44	0.04
	Non Resident Indians	6,417,713	840	6,418,553	2.04	8,008,910	840	8,009,750	2.55	0.51
	Directors or Director's Relative	9,593,750	0	9,593,750	3.06	3,400,000	0	3,400,000	1.08	-1.98
	Hindu Undivided Family	6,185,651	0	6,185,651	1.97	5,506,250	0	5,506,250	1.75	-0.22
	Trusts	56,000	0	56,000	0.02	56,000	0	56,000	0.02	0
	Govt. Nominees	0	187	187	0	0	187	187	0	0
	NBFCs registered with RBI	0	0	0	0	91,038	0	91,038	0.03	0.03
	Clearing Member	2,352,193	0	2,352,193	0.75	1,423,020	0	1,423,020	0.45	-0.30
	Market Maker	73,877	0	73,877	0.02	150,332	0	150,332	0.05	0.03
	Sub Total (B)(2)	146,354,388	8,057,940	154,412,328	49.18	148,168,150	7,277,457	155,445,607	49.50	0.32
	Total Public Shareholding (B)=(B)(1)+(B)(2)	147,635,596	8,063,992	155,699,588	49.58	148,416,079	7,283,509	155,699,588	49.58	0.00
(C)	Shares held by Custodian for GDRs & ADRs									
	None	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	305,968,748	8,063,992	314,032,740	100	306,749,231	7,283,509	314,032,740	100.00	0.00

Annexure 5 to the Directors' Report

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	
1	Infrastructure Leasing & Financial Services Limited	158,333,152	50.42	100	158,333,152	50.42	100.00	0
2	Total	158,333,152	50.42	100	158,333,152	50.42	100.00	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year (As on March 31, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	At the beginning of the year				
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	No Changes During the Year			
3	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year (As on March 31, 2018)		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year		Shareholding at the end of the year (As on March 31, 2019)
		No. of Shares	% of Total Shares of the Company	Date	Reason	Increase/Decrease in shares	No. of Shares	% of Total Shares of the Company	
1.	C.M. Sen	3,424,800	1.09	13.04.2018	Sale	-10,000	3,414,800	1.09	3,284,800
				27.04.2018	Sale	-50,000	3,364,800	1.07	
				04.05.2018	Sale	-10,000	3,354,800	1.07	
				18.05.2018	Sale	-20,000	3,334,800	1.06	
				01.06.2018	Sale	-10,000	3,324,800	1.06	
				30.06.2018	Sale	-10,000	3,314,800	1.06	
				06.07.2018	Sale	-30,000	3,284,800	1.04	
2.	Dr Sanjeev Arora	1,919,912	0.61	-	-	-	1,919,912	0.61	1,919,912
3.	Gautam Rajendra Trivedi	1,627,750	0.51	21.09.2018	Sale	-1,000	1,626,750	0.52	1,626,750
				02.11.2018	Sale	-2,368	1,624,382	0.52	
				16.11.2018	Buy	2368	1,626,750	0.52	
4.	Kamlesh Sen	1,464,000	0.47	-	-	-	1,464,000	0.47	1,464,000

Annexure 5 to the Directors' Report

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year (As on March 31, 2018)		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year		Shareholding at the end of the year (As on March 31, 2019)
		No. of Shares	% of Total Shares of the Company	Date	Reason	Increase/Decrease in shares	No. of Shares	% of Total Shares of the Company	
5.	Investor Education And Protection Fund Authority Ministry of Corporate Affairs	1,252,058	0.40	06.04.2018	IEPF Transfer	-2,700	1,249,358	0.40	
				26.10.2018	Transfer to IEPF A/c	133,466	1,382,824	0.44	1,382,824
6.	Ravi Parthasarthy#	1,350,000	0.43	-	-	-	1,350,000	0.43	1,350,000
7.	Mamta Himanshu Trivedi	1,273,000	0.41	-	-	-	1,273,000	0.41	1,273,000
8.	Rahul Dinesh Shah	1,000,522	0.32	-	-	-	1,000,522	0.32	1,000,522
9.	Yashodhan Sadashiv Sathe	1,641,840	0.52	06.04.2018	Sale	-292,274	1,349,566	0.43	
				13.04.2018	Sale	-292,329	1,057,237	0.34	
				20.04.2018	Sale	-144,011	913,226	0.29	913,226
10.	Angel Broking Limited	1,486,465	0.47	06.04.2018	Sale	-124,794	1,361,671	0.43	
				13.04.2018	Sale	-26,964	1,334,707	0.43	
				20.04.2018	Sale	-50,961	1,283,746	0.41	
				27.04.2018	Sale	-186,985	1,096,761	0.35	
				04.05.2018	Sale	-32,897	1,063,864	0.34	
				11.05.2018	Buy	17,200	1,081,064	0.34	
				18.05.2018	Buy	111,711	1,192,775	0.38	
				25.05.2018	Sale	-35,011	1,157,764	0.37	
				01.06.2018	Sale	-61,905	1,095,859	0.35	
				08.06.2018	Sale	-125,874	969,985	0.31	
				15.06.2018	Buy	16,667	986,652	0.31	
				22.06.2018	Sale	-54,216	932,436	0.30	
				30.06.2018	Buy	1,459	933,895	0.30	
				06.07.2018	Buy	22,291	956,186	0.30	
				13.07.2018	Buy	17,576	973,762	0.31	
				20.07.2018	Buy	27,274	1,001,036	0.32	
				27.07.2018	Buy	82,675	1,083,711	0.35	
				03.08.2018	Buy	158,582	1,242,293	0.40	
				10.08.2018	Buy	55,301	1,297,594	0.41	
				17.08.2018	Sale	-235,042	1,062,552	0.34	
				24.08.2018	Sale	-219,317	843,235	0.27	
				31.08.2018	Buy	43,427	886,662	0.28	
				07.09.2018	Sale	-80,278	806,384	0.26	

Annexure 5 to the Directors' Report

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year (As on March 31, 2018)		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year		Shareholding at the end of the year (As on March 31, 2019)
		No. of Shares	% of Total Shares of the Company	Date	Reason	Increase/Decrease in shares	No. of Shares	% of Total Shares of the Company	
				14.09.2018	Sale	-7,174	799,210	0.25	
				21.09.2018	Buy	121,710	920,920	0.29	
				29.09.2018	Buy	137,032	1,057,952	0.34	
				05.10.2018	Buy	186,855	1,244,807	0.40	
				12.10.2018	Sale	-368,432	876,375	0.28	
				19.10.2018	Sale	-88,230	788,145	0.25	
				26.10.2018	Buy	41,018	829,163	0.26	
				02.11.2018	Sale	-84,905	744,258	0.23	
				09.11.2018	Sale	-35,396	708,862	0.22	
				16.11.2018	Sale	-77,535	631,327	0.20	
				23.11.2018	Buy	44,528	675,855	0.22	
				30.11.2018	Buy	67,613	743,468	0.24	
				07.12.2018	Sale	-15,216	728,252	0.23	
				14.12.2018	Buy	47,472	775,724	0.24	
				21.12.2018	Buy	20,746	796,470	0.25	
				28.12.2018	Sale	-29,063	767,407	0.24	
				31.12.2018	Buy	6,619	774,026	0.25	
				04.01.2019	Buy	18,815	792,841	0.25	
				11.01.2019	Buy	29,303	822,144	0.26	
				18.01.2019	Sale	-112,985	709,159	0.23	
				25.01.2019	Buy	24,721	733,880	0.23	
				01.02.2019	Sale	-42,046	691,834	0.22	
				08.02.2019	Sale	-22,762	669,072	0.21	
				15.02.2019	Sale	-14,494	654,578	0.21	
				22.02.2019	Buy	1,165	655,743	0.21	
				01.03.2019	Sale	-3,489	652,254	0.21	
				08.03.2019	Buy	15,020	667,274	0.21	
				15.03.2019	Buy	19,835	687,109	0.22	
				22.03.2019	Sale	-10,006	677,103	0.21	
				29.03.2019	Buy	58,816	735,919	0.23	
				30.03.2019	Sale	-1,000	734,919	0.23	734,919

* The above Shareholding is consolidated shareholding based on Permanent Account Number of the shareholder

Mr Ravi Parthasarthy vacated his position as the Director of the Company w.e.f July 21, 2018

Annexure 5 to the Directors' Report

v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No.	Name of Director / KMP	Shareholding at the beginning of the year (As on March 31, 2018)		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)			Cumulative Shareholding during the year		End of the year
		No. of Shares	% of Total Shares of the Company	Date	Reason	Increase/Decrease in shares	No. of Shares	% of Total Shares of the Company	
1	Mr S M Datta	4,750,000	1.51	20.07.2018	Sale	-29,319	4,720,681	1.50	
				27.07.2018	Sale	-913,681	3,807,000	1.21	
				03.08.2018	Sale	-57,000	3,750,000	1.19	
				10.08.2018	Sale	-250,000	3,500,000	1.11	
				17.08.2018	Sale	-100,000	3,400,000	1.08	34,00,000
2	Mr Ravi Parthasarathy+	1,350,000	0.43	-	-	-	1,350,000	0.43	1,350,000
3	Mr Bansi Mehta++	3,493,750	1.11	-	-	-	3,493,750	1.11	3,493,750
4	Mr Sunil Mehta	0	0	-	-	-	0	0	0
5	Mr Hari Sankaran*	0	0	-	-	-	0	0	0
6	Mr Ramesh Bawa@	0	0	-	-	-	0	0	0
7	Mr Vibhav Kapoor#	0	0	-	-	-	0	0	0
9	Ms Shubhalakshmi Panse~	0	0	-	-	-	0	0	0
10	Mr Krishnakumar Gangadharan	0	0	-	-	-	0	0	0
11	Mr Manoj Borkar	174,985	0.06	-	-	-	174,985	0.06	174,985
12	Mr Sanjay Mitra	285,282	0.09	-	-	-	285,282	0.09	285,282
13	Chitranjan Singh Kahlon\$	0	0	-	-	-	0	0	0
14	Kaushik Modak^	0	0	-	-	-	0	0	0
15	Nand Kishore^	0	0	-	-	-	0	0	0

+ Mr Ravi Parthasarathy resigned with effect from July 21, 2018

++ Mr Bansi Mehta resigned with effect from June 5, 2018

* Mr Hari Sankaran vacated from his directorship with effect from October 1, 2018

@ Mr Ramesh Bawa resigned with effect from September 22, 2018

Mr Vibhav Kapoor resigned with effect from October 19, 2018

~ Ms Shubhalakshmi Panse resigned with effect from April 30, 2019

\$ Mr Chitranjan Singh Kahlon appointed with effect from August 28, 2018

^ Mr Kaushik Modak & Mr Nand Kishore appointed with effect from December 12, 2018

V. INDEBTEDNESS

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

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

Annexure 5 to the Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sr. No.	Particulars of Remuneration	Mr Ramesh Bawa Managing Director (upto September 22, 2018) (1)
		Total Amount (₹)
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,388,891
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission – as % of profit – others, specify	–
5	Others, please specify - Contribution to Provident Fund and Superannuation	–
	Total	2,388,891
	Grand Total	2,388,891
	Ceiling as per the Act ((being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)	16,695,625

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹)
		Mr S M Datta	Mr Bansi Mehta	Mr. Chitranjan Kahlon*	Mr Sunil Mehta	Ms Shubhalakshmi Panse	
1	Independent Directors						
	Fee for attending Board and Committee Meetings (₹)	259,000	40,000	125,000	115,000	115,000	654,000
	Commission (₹)	0	0		0	0	0
	Others, please specify (₹)						
	Total (1)						654,000
2	Other Non-Executive Directors	Mr Ravi Parthasarathy@	Mr Hari Sankaran ^	Mr Vibhav Kapoor@	Mr. Nand Kishore#	Mr Kaushik Modak#	
	Fee for attending Board and Committee Meetings	20,000	100,000	44,000	65,000	25,000	254,000
	Commission	0	0	0	0	0	0
	Others, please specify						
	Total (2)						254,000
		Total (B)=(1+2)					908,000
		Total Managerial Remuneration (A+B)					3,296,891
	Overall Ceiling as per the Act (being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)						18,365,188
	Note: As per Section 197(2) sitting fees paid to Directors is to be excluded while calculating the overall ceiling on Managerial Remuneration						

* Mr Chitranjan Kahlon was appointed as Non-Executive Independent Director with effect from August 8, 2018

Mr Nand Kishore and Mr Kaushik Modak was appointed as Non Executive Directors with effect from December 6, 2018

@ Mr Ravi Parthasarathy and Mr Vibhav Kapoor resigned as Non-Executive Directors with effect from July 21, 2018 and October 19, 2018 respectively

^ Mr Hari Sankaran vacated his position of Non Executive Director with effect from October 1, 2018

Note : No Commission is proposed to be paid to the Directors for FY 2019

Annexure 5 to the Directors' Report

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total (₹)
		CEO (Mr Krishna Kumar Gangadharan)	Company Secretary (Mr Sanjay Mitra)	CFO (Mr Manoj Borkar)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11,360,671	8,552,209	8,473,994	28,386,874
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	594,657	954,697	26,82,526	4,231,880
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify - Contribution to Provident Fund and Superannuation	735,904	513,280	85,85,875	9,835,059
	Total	12,691,232	10,020,186	19,742,395	42,453,813

Note : Policy with Life Insurance Corporation of India has been taken to cover the liability of payment of Gratuity to Employees. The same is excluded in table above

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

The Company has not been subjected to any penalty or punishment or compounding of offences during FY 2018-19

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. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place : Mumbai
Date : July 31, 2019

S M DATTA
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Business Overview

Global Economy : Weak Growth Profile

The global economic activity has been losing pace in the recent past, reflecting slowdown in trade and manufacturing. While the economic activity in the US has been relatively strong, supported by higher government spending, increase in private investment and a lower trade deficit, the economic activity in the Euro region remained weak. In UK, the outlook is clouded by uncertainty relating to Brexit. Likewise, economic activity has slowed in many emerging market economies. In China, growth is weakening, while the South African economy contracted, as did the Brazilian economy, which contracted for the first time since 2016, and there are fears that it could return to recession

Crude oil prices have been volatile, reflecting rising shale output, weakening global demand and geo-political concerns. Financial markets have also been driven by uncertainties surrounding the US-China trade negotiations and Brexit. Equity markets in most emerging markets have lost steam due to the waning risk appetite on rising geo-political uncertainties and weakening global trade prospects. Globally, bond yields have been falling, with central banks adopting an accommodative monetary policy to boost economic growth

India : A Challenging Growth Environment

In India, GDP growth for 2018-19 has been estimated at 6.8%, lower than previously expected. The growth in economy decelerated sharply to 5.8% Q4FY2019, compared to 6.6% in the previous quarter and 8.1% in the comparable quarter of the previous financial year. Gross fixed capital formation (GFCF) growth declined sharply to 3.6%, after remaining in double digits in the previous five quarters. Private consumption growth, exports and manufacturing activity also moderated. The slowdown in growth was cushioned by a large increase in government expenditure

Worryingly, high frequency indicators of economic activity suggest continued moderation in economic activity. Sales of commercial vehicles, tractors, passenger cars, and three & two wheelers contracted and railway freight traffic growth decelerated. Weakening of domestic and external demand conditions has had a potential impact on inflation, which has declined and is expected to have a downward bias for the rest of the year

The Reserve Bank of India had, in April 2019, projected the GDP growth for FY2020 at 7.2%. However, incoming data seems to suggest that investment activity and private consumption, especially in rural areas, has weakened. Overall demand has also been weighed down partly by slowing exports. Weak global demand due to escalation in trade wars may further impact India's exports and investment activity. In light of these developments, the Reserve Bank of India has revised downward the GDP growth projection for FY2020 from 7.2% to 7.0%

Private Equity : Investor Cautiousness & Preference for Size

The growth slowdown in the economy has been reflected in the cautiousness of Private Equity (PE) investors. The first quarter of 2019 recorded the lowest number of PE deals in the last 5 years. Furthermore, the deal activity has been falling every quarter for the last 5 quarters. On an annual basis, the average deal activity level has been falling every year since 2015; 209 deals in first quarter of 2019 compared to an average of 289 deals in 2018 and 481 deals in 2015; thus the current deal activity levels are down ~56% compared to the average deal activity levels in 2015

On the other hand, value of PE deals has been increasing. PE deals aggregating US\$ 21.4 bn were executed in 2015, which increased to US\$ 27.9 bn in 2018. During the first quarter of 2019, PE deals aggregating to US\$ 8.4 bn were executed, up 20% on a year on year basis. Increasing deal value on declining deal numbers indicates a clear trend and bias for larger investments into established businesses. Average deal size increased from US\$ 13.1 mn in 2015 to US\$ 32.0 mn in 2018 and US\$ 55.5 mn in the first quarter of 2019

From a fund raising perspective, the number of funds raised has been relatively steady, with 50-60 funds raised every year since 2015. However, the first quarter of 2019 witnessed just 2 fund being raised, the lowest level in the last 17 quarters

In terms of PE exits/divestment, the first quarter of 2019 witnessed 35 exits, compared to an average of 55 exits per quarter in 2018 and 79 exits per quarter in 2015

(II) Analysis of Performance for the year ended March 2019

Business Review :

As in the past, the Fund team continued to focus on undertaking portfolio divestments, thereby enabling return of capital to Fund investors. In this regard, FY2019 was a productive year, during which divestments aggregating to ₹ 19.0 bn were undertaken, which was nearly twice the amount of divestments concluded in the previous year. With these divestments, a substantial part of the

MANAGEMENT DISCUSSION AND ANALYSIS

portfolio of a majority of the Funds under management has been divested, with as many as 5 Funds having only one investment each pending. The Fund teams also successfully furthered the various litigations, paving the path to further divestments. The divestments undertaken during FY2019 have been achieved despite a challenging business environment and uncertainties at IL&FS

On the investment front, IIML had been deploying capital through its fourth generation private equity Fund (Tara India Fund IV). Between April 2018 and early August 2018, the team undertook 4 new investments and 2 follow-on investments. With a robust deal pipeline in place, the Fund team was on track to disburse all the unfunded commitment before the end of the Fund's Commitment Period in January 2019

On the debt side, IIML, through its subsidiary which operates in the Infrastructure Debt Fund (IDF) space, is now invested across 14 investments aggregating ₹ 20.9 bn. IDF's AUM increased from ₹ 18.17 bn as on March 31, 2018 to ₹ 20.9 bn as on March 31, 2019. Likewise, activity level at IIML's joint venture with Government of Andhra Pradesh also gained traction during the year. The joint venture company seeks to develop urban infrastructure projects in Andhra Pradesh and towards this end is now working on projects aggregating ₹ 27.7 bn, which are under implementation and projects aggregating ₹ 2.9 bn, which are at the tendering stage

Developments at IL&FS :

While satisfactory progress was being made by IIML in its business activities, certain entities of the IL&FS Group began to default on their debt obligations during the second quarter of FY2019. Considering the impact IL&FS defaults were having on the financial system in India, the Government of India petitioned the National Company Law Tribunal (NCLT) to replace the IL&FS Board of Directors. In its order on October 1, 2018, NCLT superseded the Board of IL&FS with a new Board, with members nominated by Government of India. Further, the Government of India also initiated an investigation into the affairs of IL&FS through the Serious Fraud Investigation Office and Enforcement Directorate

The developments at the IL&FS Group has had an adverse impact on IIML. The immediate and direct impact was a default in drawdown by IL&FS Financial Services, a key contributor to Tara India Fund IV. Consequently, further investments could not be effected by the Fund team. In addition, the infrastructure private equity Fund co-managed by IIML as also IDF had equity investment and lending exposure respectively to IL&FS Group entities. The default by the IL&FS Group has led to these investments being marked down

More importantly, IIML had expended significant effort in the past in nurturing two new initiatives. These were the Africa focused infrastructure debt Fund in partnership with the Islamic Corporation for the Development of the Private Sector (ICD) and the stressed asset initiative with Lone Star, a US based global private equity firm, which sought to invest into stressed thermal power and road assets in India. In case of the Africa Debt Fund, commitments aggregating US\$ 205 mn had been received from international investors. The Fund team had, in preparation of an impending First Close, built a strong deal pipeline. However, consequent to the developments at IL&FS, ICD put on hold further activities. Likewise, in case of the Lonestar initiative the team had identified an actionable pipeline of 12 thermal power and 30 road assets. Given that IL&FS was to infuse 10% of the investment, the crisis at IL&FS led Lonestar to suspend the activities of the stressed asset facility. Furthermore, new Fund initiatives, specifically in the infrastructure space, were beginning to gain traction during the first half of FY2019. However, developments at IL&FS have led to these new initiatives getting stalled

Financial Performance :

The fee earning assets under management (AUM) in relation to existing Funds managed by IIML has been consistently reducing on account of divestments undertaken. This reduction in fee income was to be offset by a combination of additional investments being made by Tara India Fund IV and through fresh revenue streams getting activated on account of joint venture partnerships with ICD and Lonestar for the Africa Debt Fund and the stressed asset facility respectively. However, developments at IL&FS have led to suspension of investments and all new initiatives getting suspended. This has led to a significant pressure on revenue budgets for the private equity business of IIML. And while the revenue attainment of IDF and the subsidiary which manages the urban infrastructure initiative with the Government of Andhra Pradesh has not been significantly impacted for FY2019, the developments at IL&FS also impact the revenue visibility of these initiatives going forward

In order to contain the adverse impact, IIML effected stringent cost rationalisation measures. These measures included manpower rationalization and salary cuts for the senior management. The Singapore office was closed and one of the two licenses surrendered in Dubai. Office space is also being shared with its subsidiary, thereby reducing rent outgo

On a consolidated basis, the Income from Operations of the Company for FY2019 was ₹ 886.90 mn, Income from Investment was ₹ 35.05 mn and Other Income was ₹ 106.37 mn. Accordingly, the Total Income on a consolidated basis for FY2019 was ₹ 1028.32 mn. The resultant Profit before Tax and Exceptional Items on a consolidated basis for FY2019 was ₹ 216 mn

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Outlook for the Financial Year 2019-2020 : Opportunities and Concerns

The growth slowdown in the country is broad based; private consumption, investment, exports, agriculture and manufacturing growth have all been impacted. The crisis being faced by the banking sector and more particularly by the non-banking finance companies brings additional challenges. Amidst these concerns, the high degree of political stability brought about through the recently concluded General Elections provides optimism. The strength of the political mandate provided to the current Government enables it to effectively take on and address the present growth challenges facing the country. Increase in consumption and investment activity is key to reviving business confidence and growth. In this regard, the accommodative stance to monetary policy adopted by the Reserve Bank of India is expected to be positive

As regards IIML, the adverse developments at the IL&FS Group have significantly impinged on IIML's business plans for revenue growth. The newly constituted Board has been working on a resolution plan for IL&FS Group. This plan calls for selling identified assets of IL&FS Group. In this regard, in December 2018, IL&FS initiated the process to sell its holding in IIML. The outcome of this sale process is uncertain as the sale by IL&FS is, at the onset, contingent on approval from investors of some IIML managed Funds

Given the above developments, it is imperative to realign and rebuild the Company's business model. In the near term, this would require the Company to focus on developing and delivering new initiatives, potentially and largely in the form of non-Fund format based products. Such initiatives could include providing advisory services in areas such as managing orderly liquidation of tail end portfolios of third party offshore funds and over a period of time be able to secure mandates for managed accounts of large institutional investors in India. In the event IIML is able to successfully embark on these initiatives, the same would enable the Company to ride over the current challenging external and internal environment which it faces and, over time, rebuild the Company on a better footing. In developing and delivering such new business initiatives, the Company will leverage its extensive investment experience of having deployed ~₹ 100 bn across sectors and strategies, as also its relationship with key global investors comprising Pension Funds, Sovereign Wealth Funds, Endowments and Insurance Companies

This period of business realignment is expected to take 12-18 months, during which period the Company would have to deal with a large degree of uncertainties. However, IIML has the ability to undergo this metamorphosis. IIML and its subsidiaries are debt free and have no outstanding creditors. Consequently, IIML and all its subsidiaries have been categorised in the 'Green Category' by the NCLT. Having successfully delivered on its Fund portfolio divestments during FY2019, the cash reserves of the IIML Group has gone up from ₹ 1,252 mn as of March 31, 2018 to ₹ 2,090 mn as of March 31, 2019. IIML is possibly one of the only company within the IL&FS Group to have declared a dividend for FY2019 (a dividend of 15% has been recommended for Shareholder's approval). Further, IIML has been fully compliant with all its statutory obligations

It has been a challenging year, and more challenges lie ahead. The aforementioned strengths are expected to stand IIML in good stead as it endeavours to overcome the setbacks and once again rebuild its business model

(IV) Business Segment and Human Resources

The Company presently operates in one business segment – fund management and related services

The adverse developments at IL&FS have had an adverse impact on employee morale, and the Company has witnessed significant number of employee departures since October 2018. IIML is in the fiduciary business of managing third party money and therefore human capital is key to monitoring and continuing the business model and further its sustainability. In this regard, it is imperative that the Company takes all steps to retain its team

The Company presently has 31 employees, including 6 sub-staff

(V) Internal Control Systems

The Company has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws and regulations and compliance with all rules, processes and guidelines prescribed by the management

An extensive internal audit is carried out by an independent firm of Chartered Accountants. Post audit reviews are also carried out to ensure follow up on the observations made. The scope of the internal audit is determined by the Audit Committee and the internal audit reports are reviewed by the Audit Committee on a regular basis

The Internal Auditors also review all Related Party transactions and the Corporate Social Responsibility activities of the Company

MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Significant Changes

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, is as follows :

	March 31, 2019 (₹ in lakhs)	March 31, 2018 (₹ in lakhs)	Explanation
(i) Debtors Turnover			
Trade Receivables	0	1,563.78	Management has been taking proactive steps in following up with the debtors to pay the amount on timely basis in the current year resulting in reduction of receivables.
Turnover	4,902.83	5,536.46	
Ratio	0.00%	28.25%	
(ii) Inventory Turnover	NA	NA	
(iii) Interest Coverage Ratio	NA	NA	
(iv) Current Ratio			
Current Asset	12,545.13	13,023.68	
Non Current Asset	876.39	1,095.85	
Ratio	14.31%	11.88%	
(v) Debt Equity Ratio	NA	NA	
(vi) Operating Profit Margin (%)			
PBT	1,471.32	1,061.63	
Turnover	4,902.83	5,536.46	
Ratio	30.01%	19.18%	
(vii) Net Profit Margin (%)			
PAT	1,018.00	530.84	Profitability has increased due to lower expenses
Turnover	4,902.83	5,536.46	
Ratio	20.76%	9.59%	
(viii) Return on Net Worth (%)			
Net worth	12,137.09	13,031.04	Return on Net Worth is higher for the year ended 31st March, 2019 due to higher rate of growth in Profit After Tax
PAT	1,018.00	530.84	
Ratio	8.39%	4.07%	

CORPORATE GOVERNANCE REPORT

(A) COMPANY PHILOSOPHY

The Company practises highest level of ethics, observes principles of transparency and fairness in all its dealings. The Company is committed to operating in a regulated manner and maximising shareholders' value

(B) BOARD OF DIRECTORS

(1) Composition :

- (a) As at March 31, 2019 the Board of Directors of the Company had six Directors comprising of a Non-Executive Independent Chairman, three Independent Non-Executive Directors including one Independent Women Director and two Non-Executive Promoter Nominee Directors. Ms Shubhalakshmi Panse, Non-Executive Independent Women Director resigned as Director of the Company with effect from April 30, 2019
- (b) None of the directors of the Company are directors of more than ten Indian public companies and more than twenty Indian companies
- (c) None of the directors serve as directors of more than eight listed entities and serve as independent director in more than seven listed entities. None of the directors who are serving as a whole-time director/managing director in any listed entity serve as an independent director in more than three listed entities
- (d) None of the directors hold chairmanship in more than five committees or membership in more than ten committees of public limited companies and the directors are compliant with the requirements of Regulation 26 of the Listing (Obligations & Disclosure Requirements) Regulations (LODR)
- (e) All the Independent Directors of the Company have furnished a declaration that they satisfy the conditions of being independent as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the LODR
- (f) None of the Directors are related to each other except Mr Nand Kishore and Mr Kaushik Modak being nominee Directors of Infrastructure Leasing and Financial Services Limited

(2) The category of Directors, their attendance record at the Board Meetings held during the Financial Year ended March 31, 2019 and at the previous Annual General Meeting :

Name of the Director	Category of Director @	No. of Board Meetings attended	Attendance at the last AGM held on August 28, 2018
Mr S M Datta (Chairman) DIN 00032812	NEID	6	Yes
Mr Sunil Mehta DIN 00065343	NEID	5	Yes
Mr Chitranjan Kahlon\$ DIN 02823501	NEID	4	NA
Mr Nand Kishore\$ DIN 08267502	NED	2	NA
Mr Kaushik Modak\$ DIN 01266560	NED	1	NA
Ms Shubhalakshmi Panse+ DIN 02599310	NEID	6	Yes
Mr Bansi Mehta+ DIN 00035019	NEID	0	NA
Mr Vibhav Kapoor+ DIN 00027271	NED	1	No
Mr Ravi Parthasarathy+ DIN 00002392	NED	1	NA
Mr Ramesh Bawa+ DIN 00040523	MD	3	Yes
Mr Hari Sankaran& DIN 00002386	NED	2	Yes

@ MD - Managing Director, NED - Non-Executive Director, NEID - Non-Executive Independent Director

CORPORATE GOVERNANCE REPORT

- \$ Mr Chitranjan Kahlon was appointed as a Non-Executive Independent Director with effect from August 28, 2018 subject to the approval of the shareholders. Mr Nand Kishore and Mr Kaushik Modak were appointed as the Non-Executive Directors of the Company with effect from December 6, 2018
- + Mr Bansi Mehta and Ms Shubhalakshmi Panse resigned as a Non-Executive Independent Directors of the Company with effect from June 5, 2018 and April 30, 2019, respectively. Mr Ravi Parthasarathy and Mr Vibhav Kapoor resigned as Non- Executive Directors of the Company with effect from July 21, 2018 and October 19, 2018, respectively. Mr Ramesh Bawa resigned as the Managing Director of the Company with effect from September 22, 2018
- & Mr Hari Sankaran ceased to be a Director of the Company pursuant to the Order passed by the National Company Law Tribunal (NCLT) with effect from October 1, 2018
- (a) The Memberships/Chairmanships of the Board of Directors on the Board Committees of companies as on March 31, 2019 are as follows :

Name of the Director	No. of Directorships *	Committee Memberships #	Committee Chairmanships #
Mr S M Datta	9	6	3
Mr Sunil Mehta	5	3	1
Mr Chitranjan Kahlon	3	2	–
Mr Nand Kishore	9	7	2
Mr Kaushik Modak	5	1	1
Ms Shubhalakshmi Panse	6	1	1

* The number of Directorships excludes Directorships of Foreign Companies, if any

The Committee Memberships & Committee Chairmanships comprise of only two Committees i.e. Audit Committee and Stakeholder's Relationship Committee of Public Limited Companies as required under Regulation 26 of LODR

(3) **Directorship of Directors in other listed companies as on March 31, 2019 :**

Name of the Director	Name of the Listed Company	Category of Directorship
Mr S M Datta	Castrol India Limited	Independent Director
	Atul Limited	Independent Director
Mr Sunil Mehta	Punjab National Bank	Independent Director
	ACC Limited	Independent Director
Mr Chitranjan Kahlon	–	–
Mr Nand Kishore	IL&FS Transportation Networks Limited	Non-Executive Director
Mr Kaushik Modak	–	–
Ms Shubhalakshmi Panse	Atul Limited	Independent Director
	The Federal Bank Limited	Independent Director
	Sudarshan Chemicals Industries Limited	Independent Director
	Cholamandalam Financial Holdings Limited	Independent Director
	PNB Housing Finance Limited	Independent Director

- (4) **Meetings of the Board of Directors :** The Board of Directors met six times during the Financial Year ended March 31, 2019 and the gap between two meetings did not exceed 120 days. The meetings were held during the year on May 4, 2018, two meetings on August 28, 2018, October 4, 2018, December 14, 2018 and February 6, 2019
- (5) **Relationship between Directors inter-se :** None of the Directors of the Company are related to each other, other than Mr Nand Kishore and Mr Kaushik Modak being nominee Directors of Infrastructure Leasing & Financial Services Limited

CORPORATE GOVERNANCE REPORT

(6) **Number of shares held by Non-Executive Directors as on March 31, 2019 :**

Name of the Director	No. of Equity Shares
Mr S M Datta	34,00,000

(7) **Familiarisation Programme for Independent Directors :** Familiarisation is an ongoing process and the existing Independent Directors are briefed on the developments in the industry and the Company in detail at all Board Meetings. The Independent Directors are also briefed on the regulatory and legal developments impacting the Company and also on their role as Independent Directors as and when the need arises. Further details of the Familiarisation Programme for Independent Directors are available on the Company's website at the link <http://iiimlindia.com/Policies.aspx>

(8) **Competence of the Board of Directors :** The list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board :

- (a) Must have been a CEO of a medium – large conglomerate in the past or an organisation
- (b) Must have expertise in a specific area like Legal, HR, Marketing etc.
- (c) Business Head role or General Management role for last 5-10 years in the financial services space
- (d) An independent, eminent specialist or Professional

(9) **Selection Criteria for appointment of Board of Directors :**

(a) The Board has adopted a Selection Criteria for hiring of Members of the Board. The candidate is expected to meet one of the following criteria :

- (i) Must have been a Chief Executive Officer or a Business Head of an organisation in the past
- (ii) Must have expertise in a specific area like Legal, Tax, HR, Marketing etc.
- (iii) Business Head role or General Management role in the financial services space
- (iv) An independent, eminent specialist or professional

(b) Board Diversity :

- (i) The Company is sensitive to the need for a robust Board process that enables different views to be expressed, heard and considered. The Company believes that Board members armed with divergent skills, expertise, experience and knowledge will make the Company's Board more effective. A Board comprising of members from divergent backgrounds helps combat common limitations
- (ii) The Company is desirous of having suitable Board Diversity in terms of skills, educational and professional background, industry experience and the Company's selection criteria of new Directors shall be guided by these principles

(10) **Terms of Appointment of Independent Directors :** The terms of appointment of Independent Directors are posted on the website of the Company and are available at the link http://www.iiimlindia.com/Independent_Director.aspx

(11) **Independent Directors' Confirmation :** The Board of Directors confirm that in the opinion of the Board, the Independent Directors are independent and fulfil the conditions specified in LODR and are independent of the management

(12) **Resignation of Independent Director :**

Mr Banshi Mehta resigned as Director of the Company with effect from June 5, 2018. Mr Banshi Mehta has confirmed that he has resigned from the Company to reduce his independent directorships as a consequence to the LODR amendment restricting the number of independent directorships to 7. There are no material reasons for Mr Banshi Mehta's resignation other than to reduce his independent directorships

Ms Shubhalakshmi Panse resigned as Director of the Company with effect from April 30, 2019 on account of personal reasons. There are no other material reasons for the resignation of Ms Shubhalakshmi Panse

(13) **Independent Directors' Meeting :** The Independent Directors met on May 29, 2019, *inter alia* :

- (a) To review the performance of the Non-Independent Directors and the Board as a whole

CORPORATE GOVERNANCE REPORT

- (b) To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- (c) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

(C) AUDIT COMMITTEE

- (1) **Terms of Reference** : Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the LODR, the terms of reference of the Audit Committee, include the following :
 - (a) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible
 - (b) Recommend to the Board, the appointment, remuneration and terms of appointment of the Auditors of the Company
 - (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
 - (d) Review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to :
 - (i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by the Management
 - (iv) Significant adjustments made in the Financial Statements arising out of audit findings
 - (v) Compliance with the listing and other legal requirements relating to the Financial Statements
 - (vi) Disclosure of any related party transactions
 - (vii) Modified opinion(s) in the draft audit report
 - (e) Review with the Management, the quarterly financial statements before submission to the Board for approval
 - (f) Review the financial statements, in particular, the investments made by the unlisted subsidiary
 - (g) Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
 - (h) Review and monitor the Auditor's independence and performance, and effectiveness of the audit process
 - (i) Approval or any subsequent modification of transactions of the Company with related parties
 - (j) Scrutiny of inter-corporate loans and investments
 - (k) Valuation of undertakings or assets of the Company, wherever it is necessary
 - (l) Evaluation of internal financial controls and risk management systems
 - (m) Review with the Management, performance of statutory and internal auditors and adequacy of the internal control systems
 - (n) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 - (o) Discussion with Internal Auditors of any significant findings and follow up there on
 - (p) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
 - (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
 - (r) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

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- (s) Review the functioning of the Whistle Blower Policy/Vigil Mechanism
 - (t) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
 - (u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
 - (v) Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on April 1, 2019
 - (w) Committee shall mandatorily review the following information :
 - (i) Management discussion and analysis of financial condition and results of operations
 - (ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management
 - (iii) Management letters/letters of internal control weaknesses issued by the statutory auditors
 - (iv) Internal Audit Reports relating to internal control weaknesses; and
 - (v) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee
 - (x) Statement of deviations :
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
 - (ii) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7)
- (2) **Audit Committee Meetings** : The Audit Committee met four times during the Financial Year ended March 31, 2019 on May 4, 2018, August 28, 2018, December 14, 2018 and February 6, 2019

(3) **Composition of the Audit Committee :**

The Committee presently comprises of two Non-Executive Independent Directors and one Non-Executive Director. The Chairman of the Committee is a Non-Executive Independent Director. All the members of the Audit Committee are financially literate. Mr S M Datta, the Chairman of the Committee has immense experience and expertise in commerce and industry

The composition and attendance record of the members at the Audit Committee Meetings are as follows :

Name of the Director	Designation	Number of Meetings Attended
Mr S M Datta	Chairman	4
Mr Chitranjan Kahlon+	Member	3
Mr Nand Kishore*	Member	2
Ms Shubhalakshmi Panse#	Member	NA
Mr Bansi Mehta\$	Member	NA

+ Mr Chitranjan Kahlon was appointed as a member of the Committee on August 28, 2018

* Mr Nand Kishore was appointed as a member of the Committee on December 11, 2018

Ms Shubhalakshmi Panse was appointed as member of the Committee on February 6, 2019, Ms Panse resigned as a member of the Board of Directors with effect from April 30, 2019

\$ Mr Bansi Mehta resigned as a Member of the Board of Directors with effect from June 5, 2018

- (4) **Attendees** : The Statutory Auditors, the Internal Auditors, the Managing Director, the Chief Executive Officer and the Chief Financial Officer are invitees and the Company Secretary is an attendee at the meetings. The Audit Committee also invites such other senior executives as it considers appropriate to be present at its meetings

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(D) NOMINATION & REMUNERATION COMMITTEE

- (1) **Terms of Reference** : The terms of the Nomination & Remuneration Committee be revised with effect from April 1, 2019 include as follows :
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
 - Formulation of criteria for evaluation of Independent Directors and the Board
 - Devise a Policy on Board Diversity
 - Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
 - Approve criteria and quantum of compensation for Whole-time Directors
 - Recruitment of key management employees and their compensation
 - Determination of the annual increments and performance related pay of the employees
 - Administration of the various Employee Stock Option Plans of the Company
 - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
 - To recommend to the Board, all remuneration, in whatever form, payable to senior management
 - Such other matters as the Board may from time to time request the Committee to examine, recommend and approve
- (2) **Nomination & Remuneration Committee Meetings** : The Nomination & Remuneration Committee met twice during the Financial Year ended March 31, 2019 on May 2, 2018 and August 28, 2018
- (3) **Composition** : The Committee presently comprises of two Non-Executive Independent Directors and one Non-Executive Director. The Chairman of the Committee is a Non-Executive Independent Director. The composition and attendance record of the members at the Nomination & Remuneration Committee Meeting are as follows :

Name of the Director	Designation	Number of Meetings Attended
Mr Sunil Mehta	Chairman	1
Mr S M Datta	Member	2
Mr Shubhalakshmi Panse#	Member	NA
Mr Kaushik Modak*	Member	NA
Mr Bansil Mehta\$	Member	1

Ms Shubhalakshmi Panse was appointed as the member of the Committee on November 30, 2018 and she resigned as a member of the Board of Directors with effect from April 30, 2019

* Mr Kaushik Modak was appointed as the member of the Committee on February 6, 2019

\$ Mr Bansil Mehta resigned as the member of the Board of Directors with effect from June 5, 2018

- (4) **Performance evaluation criteria for Independent Directors** : The Independent Directors of the Company are evaluated on following parameters :
- Contribution/Guidance on business strategy
 - Well informed about the Company and external environment in which it operates
 - Exercising independent Judgement
 - Scrutinizes the performance of management in meeting agreed goals and objectives
 - Upholding of the statutory compliance/corporate governance
 - Fulfillment of the independence criteria as specified LODR Regulations
 - Independence from the management

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- (h) Availability and Attendance
- (i) Contribution at committees (of which he/ she is member)

(E) REMUNERATION OF DIRECTORS

(1) There are no pecuniary relationships or transactions of the Non-Executive Directors and the Company other than the receipt of sitting fees for attending the meetings of the Board and Board Committees and the payment of Commission to Directors

(2) Disclosures with respect to remuneration :

The remuneration is paid to the Directors as per the terms of the Managerial Remuneration Policy of the company. The salient features of the policy as enumerated below :

(a) Elements of Remuneration Package :

(i) Remuneration structure of the Whole-time Directors :

- Fixed Remuneration : Monthly base salary based on seniority and experience
- Performance linked incentives : Variable component determined by the Nomination & Remuneration Committee based on performance
- Issue of ESOPs from time to time : At the discretion of the Nomination & Remuneration Committee
- Retiral Benefit : Paid post separation from the Company as per the Rules of the Company and the relevant statutory provisions
- Perquisites and Benefits : All other benefits including perquisites are as per the Rules of the Company

(ii) Remuneration structure of the Key Management Personnel :

- Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay, Special Allowance, Other Allowances and Perquisites as per the Rules of the Company
- Variable Remuneration : This is based on the Company's and the individual's performance
- Retiral Benefits : This includes contribution to the Provident Fund, Gratuity and Superannuation Fund

(iii) Remuneration structure of the Senior Management :

- Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay, Special Allowance, Other Allowances and Perquisites as per the Rules of the Company
- Variable Remuneration : This is based on the Company's and the individual's performance
- Retirals Benefits : This includes contribution to the Provident Fund, Gratuity and Superannuation Fund

(3) Details of Remuneration :

(a) Remuneration to the Whole-time Directors :

(i) The salary paid to Mr Ramesh Bawa during FY2019 :

Particulars	Mr Ramesh Bawa
Salary	23,88,891
Perquisites	0
Total	23,88,891

* Mr Ramesh Bawa resigned as the Managing Director of the Company with effect from September 22, 2018

- (ii) The Remuneration paid to the Whole-time Director consists of a fixed salary and a variable bonus depending on the individual's and the Company's performance. The annual increments and variable bonus are decided by the Nomination & Remuneration Committee
- (iii) Performance of the Whole-time Director is evaluated on the basis of individual performance and the performance of the Company
- (iv) During FY2019, the Company did not grant any stock options
- (v) Services of the Managing Director may be terminated by giving one month's notice. There is no separate provision for payment of severance fees

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(b) Remuneration to the Non-Executive Directors :

- (i) The Company does not pay any remuneration to the Non-Executive Directors of the Company except commission and sitting fees for attending the Board Meetings and the Committee Meetings of the Company. The Non-Executive Directors are also granted Stock Options based on their tenure and their contribution to the Company
- (ii) Performance criteria for making payment to the Non-Executive Directors : The criteria considered for making payment of commission to Non-Executive Directors are level of involvement of the Director in the affairs of the Company, tenor of the Director in the Company and number of Committees membership/chairmanship held by the Director in the Company
- (iii) The Non-Executive Directors were paid sitting fees of ₹ 20,000/- each for attending the Board Meetings and all Committee Meetings except ₹ 2,000/- each for attending the Stakeholders' Relationship Committee Meetings

However, by the Board resolution dated December 14, 2018, the sitting fees paid to the Directors for attending the Meetings of the Board and Board Committees have been revised for future meetings as follows :

Meeting	Sitting Fees (₹)
Board Meeting	15,000
Audit Committee Meeting	10,000
Nomination & Remuneration Committee Meeting	5,000
Corporate Social Responsibility Committee Meeting	5,000
Stakeholders Relationship Committee Meeting	5,000

(iv) Details of Sitting Fees to the Non-Executive Directors for FY2019 are as below :

Name of the Non-Executive Director	Sitting Fees (₹)
Mr S M Datta	259,000
Mr Sunil Mehta	115,000
Mr Chitranjan Kahlon	125,000
Mr Nand Kishore	65,000
Mr Kaushik Modak	25,000
Ms Shubhalakshmi Panse	115,000
Mr Ravi Parthasarathy	20,000
Mr Bansi Mehta	40,000
Mr Vibhav Kapoor	44,000
Mr Hari Sankaran	100,000
Total	908,000

(v) No Options were granted by the Company during the year to the Non-Executive Directors

(F) STAKEHOLDERS' RELATIONSHIP COMMITTEE/STAKEHOLDERS' GRIEVANCE COMMITTEE

- (1) **Terms of Reference** : The terms of the Stakeholders' Relationship Committee were revised with effect from April 1, 2019 to include as follows :
 - (a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
 - (b) Review of measures taken for effective exercise of voting rights by shareholders
 - (c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent

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- (d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company
 - (e) Allotment of shares upon exercise of options under Employee Stock Option Schemes
 - (f) Such other matters as the Board may from time to time request the Committee to examine, recommend and approve
- (2) **Composition** : The Stakeholders Relationship Committee presently comprises of two Non-Executive Independent Directors and two Non-Executive Director. The Chairman of the Committee is a Non-Executive Director. The Committee met four times during the Financial Year ended March 31, 2019 on May 4, 2018, August 28, 2018, December 21, 2018 and February 6, 2019

The composition and attendance record of the members at the Stakeholders Relationship Committee Meetings are as follows :

Name of the Director	Designation	Number of Meetings Attended
Mr Kaushik Modak*	Chairman	2
Mr S M Datta	Member	4
Mr Chitranjan Kahlon*	Member	NA
Mr Nand Kishore*	Member	NA
Mr Vibhav Kapoor#	Chairman	2

* Mr Kaushik Modak was appointed as the member of the Committee with effect from December 11, 2018 and Mr Nand Kishore and Mr Chitranjan Kahlon were appointed as the members of the Committee with effect from April 1, 2019

Mr Vibhav Kapoor resigned as the member of the Board with effect from October 19, 2018

- (3) Mr Sanjay Mitra, Company Secretary, has been designated as the Compliance Officer
- (4) During FY2019 the Company received 18 complaints from shareholders. All the complaints received during the year FY2019 were solved satisfactorily and no complaints were pending at the end of the year
- (5) The Share Transfer Committee consists of officers of the Company as its members' for issuance of duplicate certificates and rematerialisation of shares, approving transfer, transmission and transposition of shares and deletion of name in the Register of shareholders. The Committee presently comprises of Mr Manoj Borkar (Chairman) and Mr Sanjay Mitra (Member)

The attendance at the meetings held during the year are given below :

Name of the Member	Number of Meetings held	Number of Meetings Attended
Mr Manoj Borkar – Chairman	32	32
Mr Sanjay Mitra	32	32

(G) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- (1) The Company has constituted a Corporate Social Responsibility Committee pursuant to the provisions of the Companies Act, 2013. The Committee has been constituted to :
 - (a) Formulate and recommend to the Board of the Company the Corporate Social Responsibility (CSR) Policy which shall indicate the CSR activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013
 - (b) Identify the focus areas for the CSR activities on a yearly basis and review the same on a periodic basis
 - (c) Recommend the amount of expenditure to be incurred on the CSR activities
 - (d) Monitor the CSR Policy of the Company from time to time
 - (e) Institute a transparent monitoring mechanism for the implementation of the CSR Agenda
- (2) The CSR Committee met once during the Financial Year on May 2, 2018
- (3) **Composition** : The CSR Committee presently comprises of two Non-Executive Independent Directors and one Non-Executive Director. The Chairman of the Committee is a Non-Executive Independent Director. The composition and attendance record of the members of the CSR Committee are as follows :

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Name of the Member	Number of Meetings held	Number of Meetings Attended
Mr S M Datta – Chairman	1	1
Mr Chitranjan Kahlon*	NA	NA
Mr Kaushik Modak*	NA	NA
Mr Banshi Mehta#	1	1
Mr Hari Sankaran#	1	1

* Mr Chitranjan Kahlon and Mr Kaushik Modak were appointed as the members of the Committee with effect from December 11, 2018

Mr Banshi Mehta resigned as a member of the Board of Directors with effect from June 5, 2018 and Mr Hari Sankaran ceased to be Director of the Company with effect from October 1, 2018

(H) BOARD EVALUATION

- (1) The Company had adopted the Policy on the Performance Evaluation of the Board of Directors pursuant to the provisions of the Companies Act, 2013. The Performance Evaluation is done at three levels, namely by the Independent Directors, by the Nomination & Remuneration Committee and finally by the Board of Directors. The Policy on Performance Evaluation of the Board of Directors is available on the Company website at <http://www.iimlindia.com/Policies.aspx>
- (2) Based on the same, the Performance Evaluation is undertaken by Independent Directors at their meeting and the Nomination & Remuneration Committee and the Board every year
- (3) The evaluation is undertaken by the way of filling up of forms
- (4) The process for performance evaluation at different forums is as follows :
 - (a) Independent Directors' Meeting :
 - (i) Scope : The Independent Directors at their meeting review the performance of the Non Independent Directors, Chairman and the performance of the Board as a whole
 - (ii) Process : The evaluation forms for the Non Independent Directors and the Chairman are circulated to the Independent Directors prior to the meeting and are filled up and signed by each Independent Director prior to the Independent Directors meeting and the performance is discussed at the meeting
 - (iii) Board as a Whole : The Independent Directors are required to evaluate the performance of the Board as a whole. The Independent Directors are requested to evaluate the performance of the Board as a whole on the basis of the certain parameters referred in the SEBI Guidance Note on Board Evaluation at their meeting
 - (b) Nomination & Remuneration Committee Meeting :
 - (i) Scope : To review the performance of all the Directors
 - (ii) Process : The relevant forms are circulated to the members of the Nomination & Remuneration Committee to be filled up and signed either before or at the Committee Meeting. The Committee thereafter discusses the performance of all Directors
 - (c) Board Meeting :
 - (i) Scope : The Board is required to evaluate the performance of Independent Directors, Non-Independent Directors and Board Committees provided that in the said evaluation, the Directors who are subject to evaluation do not participate
 - (ii) Process :
 - The relevant forms are circulated to the Board members and are filled up and signed by the Directors either before or at the Board Meeting
 - The Chairman of the Nomination & Remuneration Committee briefs the Board on the Performance Evaluation findings and requests the views of the Board Members on the same

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- To avoid duplication the relevant forms for the evaluation of the Independent Directors and Non-Independent Directors are circulated to the Board Members who are not the members of the Nomination & Remuneration Committee
- The Chairman of the Meeting collates the findings of Board and Nomination & Remuneration Committee and requests the views of the Board Members
- Board Committees : The Board also evaluates the Board Committees on basis of certain parameters referred in the SEBI Guidance Note on Board Evaluation for evaluation of Board Committees

(I) GENERAL BODY MEETINGS

- (1) The details of the last three Annual General Meetings are as follows :

Date	Time	Location/Venue	Special Resolutions passed
August 28, 2018	11.00 a.m.	The Walchand Hirachand Hall	1) Payment of Commission to Non-Executive Directors 2) To charge delivery charges from shareholders requesting for delivery of documents from the Company
September 6, 2017	11.00 a.m.	The Walchand Hirachand Hall	No Special Resolution was passed
August 8, 2016	1.30 p.m.	Rangaswar Hall, Y B Chavan Centre	1) Appointment of Dr Archana Hingorani as the Chief Executive Officer & Executive Director of the Company for a term of five years 2) Amendment to the Articles of Association

- (2) Special Resolutions passed through Postal Ballot :

- (a) None of the resolutions approved at the last Annual General Meeting required postal ballot approval
- (b) During the year the Company has not passed any Special Resolution through postal ballot
- (c) There is no immediate proposal for passing any resolution through Postal Ballot

(J) MEANS OF COMMUNICATION

- (1) Financial Results : The Company's quarterly/half-yearly/annual financial results are sent to the Stock Exchanges and normally published in the Economic Times, Maharashtra Times, Financial Express and Navshakti. Simultaneously, they are also put on the Company's website and can be accessed at <http://www.iimlindia.com/financials.aspx>
- (2) Website : The Company's website www.iimlindia.com contains a separate section 'Shareholders' which provides the information on Financials, Annual Reports, Notices & Updates, Shareholding Pattern, Press Releases, Analyst Interaction & Presentation, Policies adopted by the Company, etc. Official News releases are posted under Notices and Updates page of the Company's website
- (3) Press Releases and Presentations : Press Releases are sent to the Stock Exchanges and are uploaded on the Company's website at http://iimlindia.com/Press_release.aspx. Analyst Interaction & Presentation are uploaded on the Company's website at <http://iimlindia.com/Presentations.aspx>
- (4) Reminder to Investors : Reminders for unclaimed shares and unpaid dividend are sent every year to the shareholders whose dividend has remained unpaid or unclaimed as per the records of the Company
- (5) Designated email-ID : The Company has designated email ID : investor.relations@iifindia.com exclusively for servicing to the investors

(K) GENERAL SHAREHOLDERS' INFORMATION

- (1) **Annual General Meeting Day, Date and Time** : Monday, September 30, 2019 at 10.30 a.m.
- (2) **Annual General Meeting Venue** : The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai 400 020
- (3) **Financial Year** : The Company follows April-March as its Financial Year

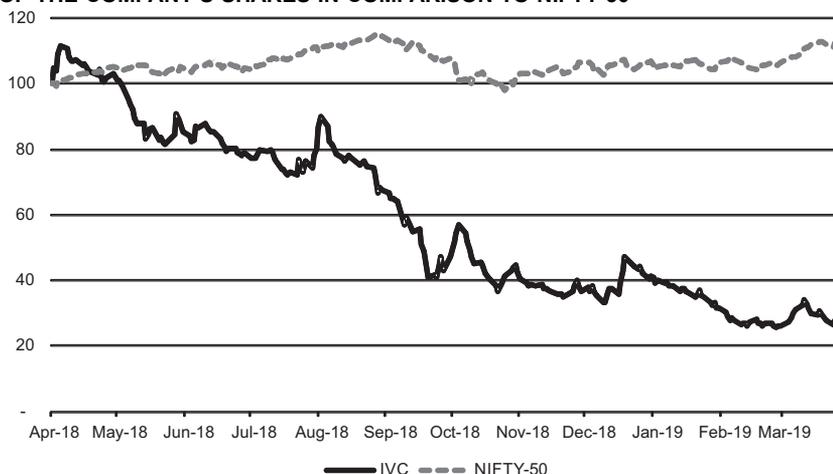
CORPORATE GOVERNANCE REPORT

- (4) **Dividend Payment** : The dividend, if declared, by the Shareholders at the AGM shall be paid/credited on or after September 30, 2019
- (5) **Book Closure** : Wednesday, September 25, 2019 to Monday, September 30, 2019 (both days inclusive)
- (6) **Listing on Stock Exchanges** : The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and the National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
- The Company has already paid the annual listing fees for the Financial Year 2019-20 to BSE and NSE as well as custodian fees to the depositories, National Securities Depository Ltd and Central Depository Services India Ltd within the prescribed time
- (7) **Security Identification Number (ISIN)** : INE050B01023
- (8) **Scrip Code/Symbol** : BSE : 511208, NSE : IVC
- (9) **Corporate Identification Number (CIN)** : L65999MH1986PLC147981
- (10) **Outstanding warrants/ADRs/GDRs/ Convertible instruments** : Not Applicable
- (11) **Board Meeting to be held for approving financial statements for the quarter ending :**
- June 30, 2019 : To be decided in consultation with the new auditors, M/s Khimji Kunverji & Co. LLP
- September 30, 2019 : On or before November 14, 2019
- December 31, 2019 : On or before February 14, 2020
- March 31, 2020 : On or before May 30, 2020
- (12) **The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited along with the volumes during FY 2019 are as follows :**

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-2018	20.70	17.05	3,166,418	20.50	17.05	12,103,733
May-2018	18.80	14.35	3,555,218	18.95	14.50	10,887,796
Jun-2018	16.25	13.90	1,872,339	16.25	13.90	6,109,719
Jul-2018	14.80	12.85	2,331,339	14.70	12.80	10,799,069
Aug-2018	16.45	11.74	4,014,261	16.45	11.70	15,794,278
Sep-2018	12.25	6.76	7,521,943	12.30	6.75	31,492,401
Oct-2018	10.70	6.22	6,535,836	10.60	6.30	18,023,834
Nov-2018	8.00	6.06	1,783,030	8.10	6.25	6,429,056
Dec-2018	8.91	5.71	5,103,959	8.90	5.70	17,434,076
Jan-2019	7.61	5.64	2,186,325	7.60	5.70	8,292,204
Feb-2019	5.91	4.55	1,303,832	5.90	4.55	6,437,395
Mar-2019	6.52	4.60	1,147,573	6.40	4.65	4,716,435

CORPORATE GOVERNANCE REPORT

(L) PERFORMANCE OF THE COMPANY'S SHARES IN COMPARISON TO NIFTY 50



(M) REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
 C-101, 247 Park, L B S Marg,
 Vikhroli (West), Mumbai 400 083
 Tel. No. : +91 22 49186270
 Fax No. : +91 22 49186060
 E-mail id : rnt.helpdesk@linkintime.co.in
 Website : www.linkintime.co.in

(N) SHARE TRANSFER SYSTEM

According to the SEBI directive securities of listed companies can be transferred only in the dematerialised form, with effect from April 1, 2019. Accordingly, the shareholders holding shares in physical form are requested to dematerialise their shareholding and thereafter update their bank account with their respective Depository Participants

Shares held in the dematerialised form are electronically transferred on the Depositories. The RTA of the Company periodically receives the beneficiary holdings from the Depositories which enables the RTA to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed within a period of 21 days from the date of receipt, provided they are in order in every respect

(O) CATEGORY WISE SHAREHOLDING AS AT MARCH 31, 2019

Sr. No.	Category	No. of Shares held	Percentage
1.	Promoter	158,333,152	50.42
2.	Mutual Funds	4,215	0.00
3.	Banks/Financial Institutions	234,766	0.08
4.	Foreign Portfolio Investors	15,000	0.00
5.	Individuals	124,987,649	39.81
6.	Investor Education and Protection Fund	1,382,824	0.44
7.	Non Resident Indians	8,009,750	2.55
8.	Hindu Undivided Family	5,506,250	1.75
9.	Directors	34,00,000	1.08
10.	Bodies Corporate	10,438,557	3.32
11.	Others	1,720,577	0.55
	Total	314,032,740	100.00

CORPORATE GOVERNANCE REPORT

(P) DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2019

No. of Equity Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
1 – 500	23,919	45.31	5,400,724	1.72
501 – 1000	11,308	21.42	9,450,002	3.01
1001 – 2000	7,562	14.32	12,098,654	3.85
2001 – 3000	3,304	6.26	83,59,640	2.66
3001 – 4000	1,342	2.54	4,833,532	1.54
4001 – 5000	1,415	2.68	6,736,781	2.15
5001 – 10000	2,078	3.94	15,739,991	5.01
10001 – above	1,866	3.53	251,413,416	80.06
Total	52,794	100.00	314,032,740	100.00

(Q) DEMATERIALISATION OF SHARES

As on March 31, 2019, the Share Capital of the Company was held in dematerialised form with NSDL 255,807,927 (81.45%) and CDSL 50,941,304 (16.22%) totaling to 306,749,231 (97.67%) and only 7,283,509 (2.32%) shares were being held in physical form

(R) LIQUIDITY

The Company's Equity Shares are traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Relevant Data for the average daily Turnover for FY2019 are given below :

Particulars	BSE	NSE	Total
Shares	163,395	598,871	762,266
Value (₹)	1,770,371	6,398,184	8,168,555

(S) **COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVATES** : The Company engages in hedging activities to adequately safeguard against foreign exchange risks

(T) **PLANT LOCATION** : The Company does have any plant or facility

(U) ADDRESS FOR CORRESPONDENCE :

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares :

Link Intime India Private Limited

C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai 400 083
Tel. No. : +91 22 49186270
Fax No. : +91 22 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

For general correspondence :

IL&FS Investment Managers Limited

The IL&FS Financial Centre, Plot No. C-22, G Block
Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
Tel. No. : +91 22 2653 3333 Fax No. : +91 22 2653 3056
Email : investor.relations@ilfsindia.com
Website : www.iimindia.com

(V) The Company does not have any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad and accordingly no credit ratings are obtained by the Company

CORPORATE GOVERNANCE REPORT

(W) DISCLOSURES

- (1) The Management Discussion & Analysis forms part of this Annual Report
- (2) There were no materially significant related party transactions entered during the year by the Company that may have potential conflict with the interest of the Company
- (3) The Company has complied with various rules and regulations prescribed by the Stock Exchanges, SEBI relating to the capital markets during the last three years. No penalties and/or strictures were imposed by the Stock Exchange or SEBI or any statutory authority on the Company
- (4) The Company has adopted Whistle Blower Policy/Vigil Mechanism, which aims to provide an avenue for Employees and Directors of the Company to raise serious and sensitive concerns that could have an adverse impact on the operations and performance of the Company. The Audit Committee is entrusted with implementing and monitoring the Whistle Blower Policy/ Vigil Mechanism of the Company. It is affirmed that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy/ Vigil Mechanism details the procedure for inquiry and investigation of complaints, provides for adequate safeguard for protection of the whistle blower against adverse personal action and calls for disciplinary action against those who abuse the policy. The Policy is posted on the website of the Company at <http://www.iimlindia.com/Policies.aspx>
- (5) The Company has complied with the all the mandatory requirements of Corporate Governance and has adopted most of the non-mandatory requirements of Corporate Governance as stipulated in the LODR
- (6) As per amended LODR effective from April 1, 2019, the Company has three materials subsidiaries, namely, IL&FS Investment Advisors LLC, Andhra Pradesh Urban Infrastructure Asset Management Limited and IL&FS Infra Asset Management Limited. The Company has adopted a policy on Material Subsidiaries and the same is available on the Company's website at <http://www.iimlindia.com/Policies.aspx>
- (7) The Company has adopted a Policy on dealing with related party transactions and the said policy is available on the website of the Company at the link <http://www.iimlindia.com/Policies.aspx>
- (8) The Company has not raised any funds through preferential allotment or qualified institutions placement and accordingly the disclosure under Regulation 32 (7A) is not applicable
- (9) A certificate from a M/s Kaushal Dalal & Associates, practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority is attached as Annexure 3
- (10) The Board has accepted all the recommendations of all the mandatory Board Committees in the FY 2019
- (11) None of the Directors of the Company are related to each other except the Directors nominated by Infrastructure Leasing & Financial Services Limited
- (12) The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is as below :

Particulars	₹
Statutory Audit	5,857,870
Limited review of quarterly results	1,400,831
OPE	120,320
For other services, certification etc.	1,720,810
Total	9,099,831

- (13) The Company has always been committed to provide a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Company has also constituted an Internal Complaints Committee (ICC) to redress the complaints received under this policy. During the year, no complaints were received by the ICC
- (14) The Company has complied with all the requirements of LODR Schedule V C sub-paras (2) to (10) relating to the of the corporate governance report

CORPORATE GOVERNANCE REPORT

- (15) The Company has adopted the following discretionary requirements as specified in Part E of Schedule II of LODR
- (1) The Board : The Company maintains the Chairman's office at the expense of the Company and reimburses expenses incurred by the Chairman in performance of his duties
 - (2) Shareholder Rights : The Company does not send any half-yearly report on financial Performance of the Company to the Shareholders
 - (3) Modified opinion(s) in audit report : The Company endeavours to obtain financial statements with unmodified audit opinion
 - (4) Reporting of Internal Auditor : The Internal Auditor reports directly to the Audit Committee
- (16) The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 as on March 31, 2019
- (17) The Company has followed all relevant Accounting Standards while preparing the Financial Statements
- (18) Code of Conduct : The Board has laid down a Code of Conduct for all its Board members and the Senior Management of the Company. The Code of Conduct includes the Code for the Independent Directors pursuant to Schedule IV to the Companies Act, 2013. The Code of Conduct as laid down by the Board has already been posted on the Company's website. The Company has obtained the confirmation of the compliance with the Code from all members of the Board and Senior Management of the Company for FY2019. As required by LODR, the declaration on compliance of the Company's Code of Conduct signed by the Chief Executive Officer is attached as Annexure 1
- (19) The Chief Executive Officer and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of the LODR
- (20) The Compliance certificate from M/s Mehta & Mehta, Company Secretaries in Practice regarding compliance of conditions of corporate governance shall be annexed with the Directors' report as Annexure 2
- (21) The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans

(X) DISCLOSURE UNDER SCHEDULE V(F) OF THE LODR IN RESPECT OF UNCLAIMED SHARES

In compliance with the said regulation, and in order to avoid transfer of unclaimed shares to the "Unclaimed Suspense Account", the Company had sent Reminder Letters to such shareholders whose share certificates have remained undelivered and hence unclaimed, requesting them to update their correct details viz. postal addresses, PAN details etc. registered with the Company. The Company has also initiated the process of transferring the Unclaimed Shares to the Unclaimed Suspense Account

The details of the unclaimed shares are as follows :

Particulars	No. of Shareholders	No. of Shares
Balance as on April 1, 2018	2,727	1,700,972
Shareholders who approached the RTA and Shares were transferred to them during the year	27	21,098
Shares transferred to IEPF Authority during the year	754	342,128
Shares allocated as Unclaimed Shares during the year	7	2,617
Balance as on March 31, 2019	1,953	1,340,363

Annexure 1 to Corporate Governance Report

CODE OF CONDUCT CERTIFICATE

I, Krishnakumar Gangadharan, Chief Executive Officer of the Company, hereby declare that the Board of Directors have laid down a Code of Conduct for the Board Members and Senior Management of the Company and the Board Members and Senior Management have affirmed compliance with the said Code of Conduct

For IL&FS Investment Managers Limited

Krishnakumar Gangadharan
Chief Executive Officer

Place : Mumbai

Date : July 31, 2019

Annexure 2 to Corporate Governance Report

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

IL&FS Investment Managers Limited

We have examined the compliance of conditions of Corporate Governance by **IL&FS Investment Managers Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2019 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta

Partner

FCS No : 5782

CP No. : 2486

Place : Mumbai

Date : 22/07/2019

Annexure 3 to Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
IL & FS Investment Managers Limited
The IL& FS Financial Centre, Plot No C-22 G Block,
Bandra Kurla Complex, Bandra, Mumbai-400051.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IL & FS Investment Managers Limited (hereinafter called "the Company") having CIN: L65999MH1986PLC147981 and registered office at The IL& FS Financial Centre, Plot No C-22 G Block, Bandra Kurla Complex Bandra, Mumbai-400051, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kaushal Dalal & Associates**
Company Secretaries

Date: 20th May, 2019
Place: Mumbai

KAUSHAL DALAL
Proprietor
M. No: 7141 CP No: 7512

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IL&FS INVESTMENT MANAGERS LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of IL&FS Investment Managers Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to Note 32 of the standalone financial statements which describes the situation facing the Company in view of the investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Holding Company'), and its subsidiaries (including the Company). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years referred in the note. However, the Supreme Court of India has stayed NCLT order to reopen past books of IL&FS and its above referred two subsidiaries. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company) by the SFIO and re-opening of books of accounts of the Holding Company and its above referred two subsidiaries by the NCLT, we are unable to comment on the consequential impact thereof on these standalone financial statements.

Attention is invited to Note 25 of the standalone financial statements which describes that the Company has not been able to determine the accurate and complete list of related parties for the period 1 April 2017 to 31 March 2019, as defined under Ind AS 24, Related Party Disclosures and as per the Act. In the absence of the said information, we are unable to obtain sufficient appropriate audit evidence with regard to completeness and accuracy of related party disclosures made in the standalone financial statements and on the Company's compliance with the provisions of the Act with regard to related party transactions. We also draw attention to the qualified opinion paragraph of our report on internal financial controls in Annexure B.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

Attention is invited to Note 33 in the standalone financial statements regarding a likely significant reduction in the Company's future fee revenue and management's expectation of Company's ability to at least meet its existing and future obligations over the next 12 months out of its earnings and liquid assets. As stated therein, the Company's business plans for new fund raise have been kept on hold pending completion of stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of the standalone financial statements is appropriate. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Transition date accounting policies	
Refer to Note 2 'Significant accounting policies' and Note 31 'First time adoption of Ind AS' in the Standalone Financial Statements	
<p>Adoption of new accounting framework (Ind AS):</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017.</p> <p>The following are the major impact areas for the Company upon transition:</p> <p>Classification and measurement of financial assets and financial liabilities</p> <p>Measurement of expected credit losses on debtors</p> <p>The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</p>	<p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> Assessed the design, implementation and operating effectiveness of internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. <p>Substantive tests</p> <ul style="list-style-type: none"> Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. Understood the methodology implemented by management to give impact on the transition. Test checked the computations associated with the transition adjustments. Identified areas of significant estimates and management judgment to assess that they are in line with accounting principles under Ind AS.
Going Concern	
Refer to the Note 33 in the Standalone Financial Statements: Going Concern	
<p>We draw attention to Note 33 of the standalone financial statements which indicates that there is material uncertainty relating to the Company's ability to continue as a going concern as major portion of the existing funds being managed/advised are approaching their end of term over the next 12 months, which is likely to result in significant reduction in the Company's fee revenue thereafter.</p> <p>Management expects that its future income from existing funds being managed/ advised together with liquid assets held by the Company as at 31 March 2019 will be sufficient to at least meet the Company's existing and future obligations arising over the next 12 months.</p> <p>The Board's going concern assessment and conclusion includes the anticipated receipts by allocating seed commitment for new fund raise which is dependent inter alia on Board approvals and outcome of stake sale by IL&FS Board.</p> <p>Refer above paragraph on "Material Uncertainty Related to Going Concern"</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Evaluated management's future business plans for the Company for at-least 12 months from the end of the reporting period. Compared management's free cash flow forecast with information in revenue contracts, assessed reasonableness of forecast for operating expenses for the next 12 months period. Compared the revenue, operating costs and capital expenditure included in the prior year's free cash flow forecast with the current year's performance of the Group to assess the accuracy and reliability of management's budget and forecasting processes and considered the nature of any significant differences. Performed sensitivity analysis of the key assumptions adopted in the free cash flow forecast and assessed the impact of changes in the key assumptions on the conclusions reached and whether there were any indicators of management bias.

Information Other than the standalone financial statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

INDEPENDENT AUDITORS' REPORT

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The opening balance sheet as at 1 April 2017 (transition date) included in these financial statements, is based on the previously issued statutory financial statements of the Company prepared in accordance with the Companies (Accounting Standards) Rules, 2006 jointly audited by us along with another auditor and our report for the year ended 31 March 2017 dated 29 May 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) 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) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) Except for the possible effect of the matters relating to Related Parties described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) The matter relating to going concern describe under Material Uncertainty Related to Going Concern paragraph above and matters relating to investigation by SFIO against IL&FS and its subsidiaries (including the Company) and NCLT order of re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company) for the past financial years described under Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

INDEPENDENT AUDITORS' REPORT

- (B) With respect to the other matters to be included in the Auditors' 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. There are no pending litigations against the Company;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16), in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W- 100024
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
30 May 2019

“Annexure A” to the Independent Auditors’ Report

(Referred to in our report of even date)

- i. (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) According to the information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) According to the information and explanation given to us, there is no immovable property held by the Company during the year.
- ii. The Company is a service company primarily rendering fund management services. Accordingly, it does not hold any inventories. Thus paragraph 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Thus, paragraph 3 (iii) of the Order are not applicable to the Company.
- iv. To the best our knowledge and according to the information and explanation provided to us, the Company has not granted any loans, given any guarantee or provided any security in connection with loan to any of its Directors or to any person in whom the Director is interested. The Company has complied with the provisions of Section 186 of the Act, with respect to the loan granted and investments made, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under. Thus, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Attention is invited to Note 12 of standalone financial statement for payment of provident fund. As explained to us, the Company did not have any dues on account of sales tax, employees’ state insurance, wealth tax, duty of customs, duty of excise and value added tax.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
(c) There are no dues of provident fund, income tax, goods and services tax, cess as on 31 March 2019 on account of dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from financial institution, bank, Government or debenture holders. Thus, paragraph 3 (viii) of the Order is not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans. Thus, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

“Annexure A” to the Independent Auditors’ Report

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. Attention is invited to Note 25 of standalone financial statements and as described in the Basis for Qualified Opinion section above, due to the limitation described in the said note, our verification of the Company’s compliance with section 177 and 188 of the Companies Act, 2013 and disclosure of details in the standalone financial statements as required under Ind AS is limited to those parties identified by the Company. Accordingly, we are unable to report whether all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and whether details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or allotted fully or partly convertible debentures during the year. Thus, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or person connected with him. Thus, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Associates LLP**
Chartered Accountants
Firm’s Registration No: 116231W/W- 100024
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
30 May 2019

“Annexure B” to the Independent Auditors’ Report

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (1(f)) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Qualified Opinion

We have audited the internal financial controls with reference to standalone financial statements of IL&FS Investment Managers Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

According to the information and explanation provided to us and based on our audit, the following material weakness has been identified as at 31 March 2019:

- (a) The Company did not have an appropriate internal control system with regards to identification of related parties and thereby did not have a complete list of related parties for the reporting period which could potentially result in the Company not complying with the provisions of Companies Act, 2013 and/or Ind AS 24, Related Party Disclosures.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim standalone financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2019 standalone financial statements of the Company, and the material weakness do effect on our opinion on the financial statement of the Company. Refer Basis for Qualified Opinion of our report on the standalone financial statements.

Management’s responsibility for internal financial controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditor’s responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

“Annexure B” to the Independent Auditors’ Report

Meaning of Internal Financial controls with Reference to standalone financial statements

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

Inherent Limitations of Internal Financial controls with Reference to standalone financial statements

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

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W- 100024
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
30 May 2019

BALANCE SHEET

AS AT MARCH 31, 2019

(Amount in ₹ lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial Assets				
Cash and Cash Equivalents	3	1,490.21	240.38	834.56
Bank balance other than above	3	341.05	338.38	328.75
Trade Receivables	4	-	1,563.78	964.86
Loans	5	11.63	0.77	1.63
Investments	6	10,636.48	10,317.00	12,268.01
Other financial assets	7	65.76	563.37	63.08
Total Financial Assets		12,545.13	13,023.68	14,460.89
Non-Financial Assets				
Income Tax Asset (net)	8	497.18	621.52	580.35
Deferred Tax Assets (net)	9	54.98	161.36	193.56
Property, Plant and Equipment	10	26.38	60.82	91.30
Other Non-Financial Assets	11	297.85	252.15	271.79
Total Non-Financial Assets		876.39	1,095.85	1,137.00
TOTAL ASSETS		13,421.52	14,119.53	15,597.89
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
total outstanding dues of micro enterprises and small enterprises	24	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		201.03	190.39	236.77
Total Financial liabilities		201.03	190.39	236.77
Non-Financial liabilities				
Employee benefit obligations	12	694.97	530.70	594.31
Other Non-Financial Liabilities	13	388.43	367.40	374.31
Total Non-Financial liabilities		1,083.40	898.10	968.62
Equity				
Equity Share Capital	14	6,280.85	6,280.85	6,280.85
Other Equity		5,856.24	6,750.19	8,111.65
Equity attributable to owners of the Company		12,137.09	13,031.04	14,392.50
TOTAL LIABILITIES AND EQUITY		13,421.52	14,119.53	15,597.89

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue :			
Revenue from Operations	16	3,633.77	3,767.23
Other Income	17	1,269.06	1,769.23
Total Revenue		4,902.83	5,536.46
Expenses :			
Employee benefit expense	18	2,016.21	1,972.45
Depreciation and amortisation expense	10	41.90	55.26
Other Administrative and Operating Expenses	19	1,373.40	2,447.12
Total Expenses		3,431.51	4,474.83
Profit before tax		1,471.32	1,061.63
Tax expense :			
- Current tax	26	362.00	523.00
- Prior Year Taxes		9.00	-
- Deferred tax	9	82.32	7.79
Total tax expense		453.32	530.79
Net Profit after Tax		1,018.00	530.84
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Actuarial Gain/(loss) of the defined benefit plans		82.63	84.63
Deferred tax asset/(Liability) on actuarial gain defined benefit plans	9	(24.06)	(24.41)
Total Comprehensive income/(loss) for the year		1,076.57	591.06
Earning per equity share:			
(Equity shares of Face value ₹ 2/- each)			
- Basic	20	0.32	0.17
- Diluted	20	0.32	0.17

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

	Note	Amount in ₹ lakhs
Balance as at April 1, 2017	14	6,280.85
Changes in equity share capital		-
Balance as at March 31, 2018	14	6,280.85
Changes in equity share capital		-
Balance as at March 31, 2019	14	6,280.85

B. Other equity

(Amount in ₹ lakhs)

	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance at April 1, 2017	47.59	3018.24	5,045.82	8,111.65
<u>Total Comprehensive Income for the year</u>				-
Profit for the year	-	-	530.83	530.83
Other Comprehensive Income			-	-
Re-measurement of defined benefit liability (net of taxes)	-	-	60.22	60.22
Dividend and Dividend Tax paid	-	-	(1,952.51)	(1,952.51)
Balance at March 31, 2018	47.59	3,018.24	3,684.36	6,750.19
<u>Total Comprehensive Income for the year</u>				
Profit for the year	-	-	1,018.00	1,018.00
Other Comprehensive Income				
Re-measurement of defined benefit liability (net of taxes)	-	-	58.57	58.57
Dividend and Dividend Tax paid	-	-	(1,970.52)	(1,970.52)
Balance at March 31, 2019	47.59	3,018.24	2,790.41	5,856.24

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants
Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner
Membership No. 042554

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Nand Kishore

Director
DIN : 08267502

Krishna Kumar

Chief Executive Officer
PAN : AFBPG4014L

Place : Mumbai
Date : May 30, 2019

S M Datta

Director
DIN : 00032812

Manoj Borkar

Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra

Company Secretary
PAN : AAUPM6180F

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

			Year ended March 31, 2019	Year ended March 31, 2018
(A)	CASH FLOW FROM OPERATING ACTIVITIES			
	PROFIT BEFORE TAX		1,471.32	1,061.63
	Adjustments for:			
	Depreciation and Amortisation		41.90	55.26
	Provision for Employee Benefits (Net of reversal)		246.91	21.02
	Provision for Expected Credit Loss for trade receivables		(149.77)	0.40
	FVTPL of mutual funds		(122.50)	(4.00)
	FVTPL of venture capital funds		209.96	167.03
	Provision for diminution in value of investments		68.60	800.00
	(Profit)/Loss on sale of venture capital funds		(167.48)	84.64
	Profit on sale of mutual funds		(169.97)	(336.79)
	(Profit)/Loss on sale of Property, Plant and Equipments (Net)		(5.79)	(2.50)
	Interest Income		(49.05)	(8.56)
	Dividend Income from mutual funds		-	(0.62)
	Operating Profit before working capital changes		1,374.12	1,837.51
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Trade Receivables		1,713.55	(599.32)
	Other Financial Assets		0.07	0.38
	Other Non-Financial Assets		(30.40)	19.99
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade Payables		10.64	(46.37)
	Other Non-Financial Liabilities		18.35	(16.53)
	Cashflow after working capital changes		3,086.32	1,195.65
	Payment of Taxes (Net)		(246.66)	(564.17)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	A	2,839.67	631.49

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

			Year ended March 31, 2019	Year ended March 31, 2018
(B)	CASH FLOW FROM INVESTING ACTIVITIES			
	Increase/(Decrease) in venture capital funds		171.64	(513.07)
	Proceeds from sale of venture capital funds		111.74	224.44
	Increase/(Decrease) in mutual funds (Net)		(421.48)	1,529.37
	Capital Expenditure on Property, Plant and Equipment's		(14.19)	(31.31)
	Proceeds from Sale of Property, Plant and Equipment's		12.52	9.02
	Interest received		22.83	8.07
	Inter Corporate Deposits redeemed/(placed)		497.61	(499.68)
	NET CASH GENERATED FROM INVESTING ACTIVITIES	B	380.68	726.84
(C)	CASHFLOW FROM FINANCING ACTIVITIES			
	Dividend on Equity Shares		(1,884.20)	(1,884.20)
	Payment of Dividend Distribution tax		(86.32)	(68.32)
	NET CASH USED IN FINANCING ACTIVITIES	C	(1,970.52)	(1,952.51)
(D)	Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B +C)	1,249.83	(594.18)
	Cash and Cash Equivalents at the beginning of the year		240.38	834.56
	Cash and Cash Equivalents at the end of the year		1,490.21	240.38

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows

The accompanying Notes are an integral part of the consolidated financial statements

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

1) Corporate Information :

IL&FS Investment Managers Limited (IIML) is a Public Limited Company domiciled in India and its Registered Office is situated at The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051. The Company has been incorporated under the Companies Act, 1956 on February 10, 1986 and is a domestic private equity fund management company which manages funds on behalf of leading Indian and International Institutions

As at March 31, 2019, Infrastructure Leasing & Financial Services Limited, the holding company owned 50.42% of the Company's equity share capital

2) Significant accounting policies :

(a) Statement of compliance :

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 (CA 2013) read with the Companies (Indian Accounting Standards) Rules as amended from time to time

The financial statements upto and for the year ended 31 March 2018 were prepared in accordance with Companies (Accounting standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act. Previous year figures have been restated to Ind AS. As these financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows is provided in Note 31. These financial statements were approved by the Board of Directors and authorized for issue on May 30, 2019

(b) Basis of preparation and presentation :

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value

(c) Fair Value Measurement :

Measurement of fair values :

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Further information about the assumptions made in measuring fair values is included in the note 27(b) – financial instruments

Financial instruments :

(i) Recognition and initial measurement :

- Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument
- A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue

(ii) Classification and subsequent measurement :

Financial assets

On initial recognition, a financial asset is classified and measured at amortised cost :

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

- fair value through other comprehensive income ("FVOCI")
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition except if in the period the Company changes its business model for managing the financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL

Subsequent measurement and gains and losses are recognized as :

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss

Financial liabilities: Classification, subsequent measurement and gains and losses :

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss

(iii) De-recognition :

Financial Asset :

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised

Financial Liabilities :

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss

(iv) Offsetting :

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(v) Cash and Cash Equivalents :

Cash comprises of demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balance, as defined above as they are considered an integral part of the Company cash management

(d) Investments in subsidiaries and joint ventures :

Investment in subsidiaries and joint ventures are measured at cost as per Ind AS 27. Provision for diminution, if any, in the value of investments is made to recognise a decline in value, other than temporary

If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary, or a joint venture (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect to the Company's investment in a subsidiary, or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is reduced from the carrying amount of the investment and recognized in the profit or loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases but the increase is restricted to the amounts that would arise had no impairment loss been recognized in previous years

(e) Property, Plant and Equipment :

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, directly attributable to bringing the asset to the site and in working condition for its intended use

Intangible Assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any

Depreciation on asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method based on the estimated useful life of the assets, which are as follows :

Category of Asset	Estimated Useful Life (in years)
Assets :	
Furniture and Fixtures	5
Data Processing Equipments (Servers & Networking)	4
Data Processing Equipments (Others)	3
Office Equipments	4
Vehicles	4
Lease hold improvement	Over the lease period
Asset given to employees	3
Intangible Assets :	
Computer Software	3

As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset , the operating conditions of the asset, the past history of replacement , anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets :

- (i) Mobile Phones and iPad/Tablets 100% depreciated during the year of capitalisation due to extensive usage and technological obsolescence

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

- (ii) Vehicles as per the current policy of 4 years as against the useful life of 8 years provided in the CA 2013
- (iii) Furniture and Fixtures as per current policy of 5 years as against the useful life of 10 years provided in the CA 2013
- (iv) Office Equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (v) Data Processing Equipment - Servers & Networking as per current policy of 4 years as against the useful life of 6 years provided in the CA 2013
- (vi) Assets provided to Employees as perquisites would be depreciated over a period of 3 years in line with the rules set in the Employee Hand Book
- (vii) Individual assets costing ₹ 0.05 lakhs or less in the year of capitalisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ₹ 1/- till they are disposed /written off

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

(f) Revenue recognition :

(i) Rendering of services :

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognize revenue and at what amount

Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event

The Company principally generates revenue by providing investment management/ advisory services to various funds

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Investment Management/ Advisory Services	<p>The Company provides investment management/advisory services to various funds over the life of those funds and is entitled to management/advisory fees. Management/advisory fees are calculated on the applicable rates and bases as stipulated in the investment management/ advisory agreement between the Company and the respective funds. As the services are to be provided over the life of the funds, this implies that performance obligation is satisfied over time</p> <p>The transaction price of the management/advisory fees is based on the Net capital commitment or Net invested capital or disposition proceeds as applicable (variable consideration-based), however, this is not constrained since it can easily and accurately be calculated</p> <p>The Company determines that it can allocate the entire amount of management/advisory fees because the management/advisory fees relate specifically to the service provided during life of the funds.</p> <p>Therefore, revenue in the form of management/advisory fees is recognised over time</p>

(ii) Recognition of dividend income, interest income from financial instruments :

- Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive dividend is established
- Interest income or expense is recognised using the effective interest rate method

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(g) Income Tax :

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income

i) Current tax :

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

ii) Deferred tax :

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

(h) 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 expenses in respect of operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

(i) Foreign Currencies :

The Company's financial statements are presented in INR, which is also the Company's functional currency

In preparing the financial statements of Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign Exchange gains and losses resulting from settlement of such transactions are generally recognized in the profit and loss

Non-monetary foreign currency items are carried at cost

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively)

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(j) Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and amounts pertaining to Investments which have been committed but not called for

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date

(k) Impairment of financial assets :

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate(EIR). ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss

(l) Employee benefits :

i) Short Term Obligations: Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled

ii) Retirement benefit costs and termination benefits: Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund

The Company provides for gratuity, a defined benefit plan. Incremental liability for gratuity based on actuarial valuation/management estimates as per the projected unit credit method as at the reporting date, is charged as expenses in the Statement of Profit and Loss. Actuarial gains and losses arising from changes in actuarial/management assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period

iii) Leave Encashments : The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on the actual number of days of unutilized leave at each Balance Sheet date on the basis of a independent actuarial valuation

(m) Earnings Per Share :

In determining earnings per share, the Company considers the profit attributable to the owners of the company. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of additional equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(n) Segment reporting :

The Company operates in one reportable business segment i.e. "Asset Management and other related service"

(o) Goods and Services Tax/Service Tax :

Goods and Services Tax ("GST")/Service tax is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing the credits

(p) Operating Cycle :

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation 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

(q) Use of estimates and judgements :

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes :

- (a) Note 28 Impairment of financial assets (including trade receivable)
- (b) Note 12 Estimation of defined benefit obligations
- (c) Note 33 Estimation for preparation of financials under going concern assumption

(r) Rounding off :

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakhs, unless otherwise stated

(s) Recent Accounting Pronouncement :

Standards issued but not yet effective :

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 as part of the Companies (Ind AS) Amendment Rules, 2019) which are effective for the annual period beginning from April 1, 2019. The Company intends to adopt these standards and amendments from the effective date

Ind AS 116 – Leases :

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases

The Company plans to apply Ind AS 116 on April 1, 2019, using the modified retrospective approach. Therefore, the impact (if any) on adoption of the new standard will be recognised as an adjustment to the opening balance of retained earnings at April 1, 2019, with no restatement of comparative information

The Company is in the process of analysing the impact of new lease standard on its financial statements

Amendments to existing Ind AS :

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(i) Amendment to Ind AS 12 Income Taxes :

Income tax consequences of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, should be recognized when a liability to pay dividend is recognised.

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes

(ii) Amendments to Ind AS 109 Financial Instruments :

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion)

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that :

- Have a prepayment feature which results in a negative compensation
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion; and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held

(iii) Amendments to Ind AS 19 Employee Benefits :

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement)

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income. Other amendments made to the existing standards, that are not yet effective are not expected to result in a material impact on the Company's financial statements

3) Cash and Cash Equivalents :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash in hand	0.31	0.18	0.28
Bank Balance in current accounts	89.90	131.85	725.93
In fixed deposits account	1,400.00	108.35	108.35
Total Cash and Cash Equivalents as per Ind AS 7	1,490.21	240.38	834.56
Other bank balances			
Balances with banks for unclaimed dividend	341.05	338.38	328.75

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

4) Trade Receivables :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade receivables			
Trade Receivables considered good - Unsecured	7.56	1,602.70	1,001.37
Less: Allowance for expected credit Losses	(7.56)	(38.92)	(36.51)
Total Trade Receivable	-	1,563.78	964.86

Refer note 28 for credit risk and provision for loss allowance

5) Loans :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured, considered good			
Loans and advances to employees	11.63	0.77	1.63
Total Loans	11.63	0.77	1.63

6) Investments :

(Amount in ₹ lakhs)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	QTY	₹	QTY	₹	QTY	₹
Investments in Equity Instruments						
Unquoted at cost						
In Subsidiary Companies						
IL&FS Asian Infrastructure Managers Limited	45,91,837	511.83	4,591,837	511.83	23,41,837	234.18
IL&FS Urban Infrastructure Managers Limited	10,00,000	100.00	10,00,000	100.00	10,00,000	100.00
IL&FS Investment Advisors LLC	57,001	8.55	57,001	8.55	57,001	8.55
IIML Asset Advisors Limited (Class A equity shares)	4,24,762	794.64	4,24,762	794.64	4,24,762	794.64
IIML Asset Advisors Limited (Class B equity shares)	2,15,948	84.00	2,15,948	84.00	2,15,948	84.00
IIML Fund Managers (Singapore) Pte Ltd	1,95,000	1,183.63	1,95,000	1,183.63	1,95,000	1,183.63
Andhra Pradesh Urban Infrastructure Asset Management Limited	1,02,00,000	1,020.00	1,02,00,000	1,020.00	1,02,00,000	1,020.00
IL&FS Infra Asset Management Limited	1,68,00,000	1,785.84	1,68,00,000	1,785.84	1,68,00,000	1,785.84
IL&FS AMC Trustee Limited	2,50,000	25.28	2,50,000	25.28	2,50,000	25.28
In Joint Venture						
IL&FS Milestone Realty Advisors Private Ltd	4,00,000	8.00	4,00,000	8.00	4,00,000	8.00
Standard Chartered IL&FS Management (Singapore) Pte Ltd	50,000	22.19	50,000	22.19	50,000	22.19
In Others						
Avantika Gas Ltd	8,250	0.82	8,250	0.82	8,250	0.82
Less: Allowance for Impairment		868.60		800.00		-

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	QTY	₹	QTY	₹	QTY	₹
Total Investment in Subsidiary companies		4,676.18		4,744.78		5,267.13
Investment in Unquoted Redeemable Participating Shares						
In Subsidiary Companies						
IL&FS Investment Advisors LLC	1,00,000	0.45	1,00,000	0.45	1,00,000	0.45
IL&FS Investment Advisors LLC Series I	2,49,99,900	126.00	2,49,99,900	126.00	2,49,99,900	126.00
Total Investment in Participating shares		126.45		126.45		126.45
Investment in Units of Venture Fund at FVTPL						
Unquoted						
Leverage India Fund	-	-	100	1.00	100	1.00
Infrastructure Leasing & Financial Services Realty Fund (Class C Units)	500	0.50	500	0.50	500	0.50
IFIN Realty Trust	10	1.00	10	1.00	10	1.00
Tara India Fund IV Trust - Class C units	50	5.00	50	5.00	50	5.00
Tara India Fund III Trust	50	5.00	50	5.00	50	5.00
Tara India Fund III Domestic Trust	500	5.00	500	5.00	500	5.00
Urjankur Nidhi Trust	1,000	1.00	1,000	1.00	1,000	1.00
Infrastructure Leasing & Financial Services Realty Fund (Class A Units)	413.20	402.23	456.26	445.62	694.52	587.60
Tar India Fund III Trust - Class D Units		-	-	-	3.10	19.96
Tara India Fund III Trust - Class A Units	24.39	27.06	65.71	422.23	71.72	461.56
IFIN Realty Trust - A Units	44.94	159.17	60.28	296.59	65.78	583.98
Tara India Fund IV Trust - Class A units	64.31	584.93	37.50	333.83	13.96	85.85
Total Investment in Units of Venture Fund		1,190.89		1,516.77		1,757.46
Total Unquoted Investments (A)		5,993.53	-	6,388.00	-	7,151.04
Aggregate amount of Market value of investments						
Aggregate amount of unquoted investments		5,993.53	-	6,388.00	-	7,151.04
Aggregate amount of Provision for diminution		868.60		800.00		-
Investment in mutual funds at FVTPL						
Unquoted						
Kotak Low Duration Fund Direct Growth	-	-	45,707	1,000.74	57,658	1,170.79
Kotak Saving Fund-Direct Plan - Growth	30,16,210	921.53		-		-
Kotak Treasury Advantage Fund - Growth	-	-	32,80,752	925.61	15,90,658	419.28
L&T Money Market	10,15,052	187.61	-	-	-	-
UTI Treasury Advantage - Regular - Growth	-	-	41,801	1,001.18	-	-
Reliance Money Manager Fund Growth	21,260.33	600.23	41,845	1,001.47	-	-
ICICI Prudential Flexible Income - Growth	-	-	-	-	2,97,677	926.79
Kotak Bond Short Term -Direct Plan-Growth	-	-	-	-	37,02,761	1,171.58

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	QTY	₹	QTY	₹	QTY	₹
Kotak Banking & PSU Debt Fund - Direct - Growth	-	-	-	-	14,73,292	548.04
Birla Sun Life Savings Fund - Growth - Regular Plan	55,472	204.68	-	-	1,80,165	574.10
Birla Sun Life Floating Rate Fund - Long Term - Growth - Regular Plan	-	-	-	-	1,27,958	254.36
ICICI Prudential Savings Fund - Growth	-	-	-	-	21,273	52.02
Aditya Birla Sun Life Money Manager Fund	52,284	130.86	-	-	-	-
ICICI Prudential MF Liquid Plan	53,038	146.08	-	-	-	-
SBI Magnum Ultra Short Duration Fund	5,492	227.72	-	-	-	-
SBI Magnum Low Duration Fund	46,000	1,112.58	-	-	-	-
HDFC Ultra Short Term Fund - Regular Growth	1,06,30,689	1,111.66	-	-	-	-
Total investment in mutual funds (B)	-	4,642.95	-	3,929.00	-	5,116.96
Aggregate amount of unquoted investments	-	4,642.95	-	3,929.00	-	5,116.96
Total Investments (A+B)	-	10,636.48	-	10,317.00	-	12,268.01

The Company exposure to price risk for fair value measurement is disclosed in Note 28

7) Other financial assets :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Loans receivable	-	500.00	-
Interest accrued	30.26	4.05	3.56
Security Deposits	0.61	0.61	-
Others	37.52	179.76	182.57
Less: Allowance for Expected Credit Losses	(2.63)	(121.05)	(123.05)
Total Other Financial Asset	65.76	563.37	63.08

Others include advance recoverable on account of reimbursement of out of pocket expenses and travel advance given to employees

8) Income Tax Asset (net) :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance payment of taxes	542.60	663.85	623.29
Total (A)	542.60	663.85	623.29
Income tax payable (B)	45.42	42.33	42.94
Net Income Tax Assets (A - B)	497.18	621.52	580.35

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

9) Deferred Tax Assets

Movement in deferred tax balances :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	Movement Recognised in profit and loss	As at March 31, 2018	Movement Recognised in profit and loss	As at April 1, 2017
Tax effect of items constituting deferred tax assets					
Property, Plant and Equipment	55.38	1.57	53.81	(5.40)	59.21
Defined benefit obligation	32.30	(20.54)	52.84	(27.63)	80.47
Trade Receivables	2.97	(53.09)	56.06	0.83	55.23
Total	90.65	(72.06)	162.71	(32.20)	194.91
Tax effect of items constituting deferred tax liabilities					
FVTPL financial asset	35.67	34.32	1.35	-	1.35
Total	35.67	34.32	1.35	-	1.35
Net Tax (Liability)/Asset	54.98	(106.38)	161.36	(32.20)	193.56

10) Property, Plant and Equipment :

(Amount in ₹ lakhs)

Description of Assets	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Data Processing Equipment's (Others)	Vehicles	Total
I Deemed Cost						
Balance as at April 1, 2017	0.01	14.92	1.25	15.00	60.12	91.30
Additions	-	8.46	11.56	1.32	9.96	31.31
Disposals	-	(5.51)	-	(0.83)	(1.52)	(7.85)
Balance as at March 31, 2018	0.01	17.88	12.81	15.49	68.57	114.75
Additions	-	5.30	6.05	0.91	1.93	14.19
Disposals	-	(3.59)	(0.10)	(0.47)	(4.00)	(8.17)
Balance as at March 31, 2019	0.01	19.60	18.76	15.92	66.49	120.77
II Accumulated Depreciation and Amortisation						
Balance as at April 1, 2017	-	-	-	-	-	-
Deletion on disposal of sale	-	(0.85)	-	(0.14)	(0.34)	(1.33)
Depreciation expense for the year	-	7.45	11.44	10.00	26.36	55.26
Balance as at March 31, 2018	-	6.60	11.44	9.86	26.02	53.93
Deletion on disposal of sale	-	(0.91)	0.04	(0.13)	(0.43)	(1.43)
Depreciation expense for the year	-	6.11	5.57	5.31	24.91	41.90
Balance as at March 31, 2019	-	11.80	17.05	15.04	50.50	94.39
III Net Carrying Amount						
Balance as at April 1, 2017	0.01	14.92	1.25	15.00	60.12	91.30
Balance as at March 31, 2018	0.01	11.28	1.37	5.62	42.54	60.82
Balance as at March 31, 2019	0.01	7.80	1.71	0.88	15.99	26.38

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

11) Other Non-Financial Assets :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid Expenses	186.27	142.06	165.33
Indirect taxes recoverable	111.58	110.09	106.46
Total Non-Financial Assets	297.85	252.15	271.79

12) Employee benefit obligations :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for compensated absences	112.80	197.70	234.31
Provision for other employee benefits	582.17	333.00	360.00
	694.97	530.70	594.31

Particulars relating to IND AS 19 "Employee Benefits" (Revised) is provided below :

(i) Defined - Contribution Plans :

The Company has recognised ₹ 63.16 lakhs (Previous year – ₹ 75.73 lakhs) as expense in the Statement of Profit and Loss under Company's Contribution to Provident Fund, which is maintained with the office of Regional Provident Fund Commissioner and ₹ 24.84 lakhs (Previous year ₹ 29.45 lakhs) as Company's contribution to Superannuation Fund maintained with Life Insurance Corporation of India

There has been a Supreme Court of India judgement dated February 28, 2019 relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any

(ii) Defined - Benefit Plans :

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

(Amount in ₹ lakhs)

Assets and Liability (Balance Sheet Position) Particulars	As on	
	March 31, 2019	March 31, 2018
Present Value of Obligation	612.65	708.10
Fair Value of Plan Assets	740.60	776.85
Surplus / (Deficit)	127.95	68.75
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	127.95	68.75

(Amount in ₹ lakhs)

Expenses Recognized during the year Particulars	For the year ending	
	March 31, 2019	March 31, 2018
In Income Statement	33.00	48.46
In Other Comprehensive Income	(82.63)	(84.63)
Total Expenses Recognized during the year	(49.62)	(36.18)

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

Changes in the Present Value of Obligation	For the year ending	
	March 31, 2019	March 31, 2018
Particulars		
Present Value of Obligation as at the beginning	708.10	971.50
Current Service Cost	38.36	51.26
Interest Expense or Cost	55.19	70.58
Re-measurement (or Actuarial) (gain)/loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	5.23	(33.84)
- experience variance (i.e. Actual experiences assumptions)	(90.31)	(67.89)
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(103.93)	(303.55)
Acquisition Adjustment	-	20.03
Present Value of Obligation as at the end of the year	612.65	708.10

(Amount in ₹ lakhs)

Bifurcation of Net Liability	As on	
	March 31, 2019	March 31, 2018
Current Liability (Short term)	(127.95)	(68.75)
Non-Current Liability (Long term)	-	-
Net Liability	(127.95)	(68.75)

(Amount in ₹ lakhs)

Changes in the Fair Value of Plan Assets	For the year ending	
	March 31, 2019	March 31, 2018
Particulars		
Fair Value of Plan Assets as at the beginning	776.85	1,010.17
Investment Income	60.55	73.39
Employer's Contribution	9.58	13.93
Employee's Contribution	-	-
Benefits Paid	(103.93)	(303.55)
Return on plan assets, excluding amount recognised in net interest expense	(2.45)	(17.09)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end of the year	740.60	776.85

(Amount in ₹ lakhs)

Expenses Recognised in the Income Statement	For the year ending	
	March 31, 2019	March 31, 2018
Particulars		
Current Service Cost	38.36	51.26
Past Service Cost	-	-
Loss/(Gain) on settlement	-	-
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	(5.36)	(2.81)
Expenses Recognised in the Income Statement	33.00	48.46

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

Other Comprehensive Income Particulars	For the year ending	
	March 31, 2019	March 31, 2018
Actuarial (gains)/losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	5.23	(33.84)
- experience variance (i.e. Actual experience vs assumptions)	(90.31)	(67.89)
Return on plan assets, excluding amount recognised in net interest expense	2.45	17.09
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	(82.63)	(84.63)

(Amount in ₹ lakhs)

Financial Assumption Particulars	As on	
	March 31, 2019	March 31, 2018
Discount Rate (per annum)	7.70%	7.80%
Salary Growth Rate (per annum)	6.50%	6.50%

Other Details :

The employer's best estimate of the contributions expected to be paid to the plan during the next 12 month ₹ Nil (Previous year ₹ Nil)

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

13) Other Non-Financial Liabilities :

(Amount in ₹ lakhs)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Statutory Dues payable	36.37	20.24	29.29
Other Payables	11.01	8.78	16.27
Unclaimed Dividend	341.05	338.38	328.75
Total Other Current Liabilities	388.43	367.40	374.31

- Other Payables pertains to amount payable for employees Provident Fund, Professional Tax and employee reimbursements
- Unclaimed Dividend of ₹ 341.05 lakhs relates to the year from FY 2010-2011 to FY 2017-2018. During the year ended March 31, 2019 an amount of ₹ 42.15 lakhs (Previous year: ₹ 40.43 lakhs) has been transferred to the Investor Education and Protection Fund relating to amounts for the year ended March 31, 2011 (Previous year: March 31, 2010)

14) Equity Share Capital :

(Amount in ₹ lakhs)

Particulars	As at		As at		As at	
	March 31, 2019		March 31, 2018		April 1, 2017	
	Number of shares	₹	Number of shares	₹	Number of shares	₹
AUTHORISED						
Equity shares of ₹ 2/- each with voting rights	32,50,00,000	6,500.00	32,50,00,000	6,500.00	32,50,00,000	6,500.00
ISSUED, SUBSCRIBED AND FULLY PAID UP						
Equity shares of ₹ 2/- each with voting rights	31,40,32,740	6,280.65	31,40,32,740	6,280.65	31,40,32,740	6,280.65
Add : Forfeited shares		0.20		0.20		0.20
Equity shares of ₹ 2/- each with voting rights	31,40,32,740	6,280.85	31,40,32,740	6,280.85	31,40,32,740	6,280.85

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

- i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

Particulars	(Amount in ₹ lakhs)		
	Opening balance	Issued during the year	Closing balance
As at March 31, 2019			
Number of shares	31,40,32,740	-	31,40,32,740
Amount (₹)	6,280.85	-	6,280.85
As at March 31, 2018			
Number of shares	31,40,32,740	-	31,40,32,740
Amount (₹)	6,280.85	-	6,280.85
As at April 1, 2017			
Number of shares	31,40,32,740	-	31,40,32,740
Amount (₹)	6,280.85	-	6,280.85

- ii) Details of Holding Company and shareholders holding more than 5% of the share capital :

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Infrastructure Leasing & Financial Services Limited, the Holding Company	15,83,33,152	50.42	15,83,33,152	50.42

- iii) Rights, preference and restrictions attached to equity shares :

The Company has one class of Equity Shares with face value of Amount ₹ 2/- each. Each Shareholder has a voting right in proportion to their holding of the paid up Equity Share Capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held after distribution of all preferential amounts. However, no such preferential amounts exist currently

- iv) Number of equity shares allotted as fully paid up by way of bonus shares for preceding five years :

Financial Year	(Amount in ₹ lakhs)		
	Par Value	No. of shares	Amount
2017-18	-	-	-
2016-17	-	-	-
2015-16	-	-	-
2014-15	-	-	-
2013-14	2	10,45,30,705	2,090.61

- v) Forfeited shares :

During the financial year 1997-98 the Company had forfeited 10,000 equity shares of ₹ 2/- each on which amount paid up was ₹ 20,000/-

- vi) No shares were bought back by the Company during the last five years
- vii) No shares were allotted by the Company as fully paid-up pursuant to any contract without payment being received in cash in last five years

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

viii) Shares reserved for issue under Options :

- The particulars of the Options distributed under ESOP 2003, ESOP 2004 and ESOP 2006 are as follows :

Particulars	ESOP 2003	ESOP 2004	ESOP 2006
Eligibility	Directors and Employees	Directors and Employees	Directors of the Company and Subsidiary Companies and Employees of the Company
Vesting period for options granted during the year	One year from date of grant	One year from date of grant	One year to three years from date of grant
Exercise Period	Four years beginning from date of vesting	Four years beginning from date of vesting	Four years beginning from date of vesting
Method of Settlement	Equity	Equity	Equity

- The number of Options available for grant in future are as follows :

Particulars	ESOP 2003	ESOP 2004	ESOP 2006
Options available for grant in future	37,815	1,30,928	19,35,000

- The number and weighted average Exercise Price of Stock Options for ESOP 2006 is as follows :

Particulars	ESOP 2006	
	No. of Options	Weighted Average Exercise Price (₹)
Authorised to be Granted	1,68,75,000	–

- The effect of subdivision of each Equity share of ₹ 10/- into Equity shares of ₹ 2/- each and issue of bonus shares is considered in calculating the number of Options
- The Company calculates the employee compensation cost using the Intrinsic Value of the Options. The Exercise Price of the Options granted is based on the Market Price as on the date of the Grant
- No Options were granted during the year ended March 31, 2019 (Previous year: Nil). Further, no Options were outstanding as at the start of the year

ix) Based on the recommendation of the Nomination and Remuneration Committee, the board of directors at its meeting held on May 29, 2019 has terminated the schemes under ESOP 2003, ESOP 2004 and ESOP 2006. Accordingly all option available for grant in future under the schemes stands cancelled

15) Capital Commitments :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital Commitments :			
Uncalled commitments on units of Venture Capital Fund	356.86	624.98	860.40

16) Revenue from Operations :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fees from Fund Management and Advisory Services	3,633.77	3,767.23
	3,633.77	3,767.23

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

17) Other Income:

Other Income comprises of :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
Interest Income on		
- Demand Deposits with Banks	44.83	7.70
- Other Deposits/Loans	4.22	0.86
Dividend income		
- Dividend income from mutual funds	-	0.62
- Dividend income from subsidiaries	700.80	1,464.33
Net gain/loss of investments		
- On sale of other venture funds	167.48	(84.64)
- On sale of other mutual funds	169.97	336.79
- Profit on sale of Property, Plant and Equipment	5.79	2.50
Reversal/(Provision) of Expected credit loss	149.77	-
Miscellaneous Income	26.20	41.07
	1,269.06	1,769.23

Miscellaneous Income includes ₹ 0.69 /- lakhs (Previous year ₹ 28.75 lakhs) being the reversal of excess provision for Performance Pay for the previous year

18) Employee Benefit Expense :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Allowances	1,879.30	1,798.07
Contribution to Provident fund and other funds	124.11	158.10
Staff Training and welfare expenses	12.80	16.28
	2,016.21	1,972.45

19) Other Administrative and Operating Expenses :

a) Other Administrative and Operating Expenses consists of :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	210.13	260.05
Rates and Taxes	20.32	51.36
Electricity and Water Charges	7.17	8.03
Travelling and Conveyance	32.95	74.01
Insurance	31.07	44.96
Repairs and Maintenance	65.84	63.55
Audit Fees	42.12	52.35
Legal and Professional Expenses	376.08	332.55
Sub advisory Fees	160.89	206.30
Brand Subscription Fees	29.79	86.11
Expenditure on Corporate Social Responsibility	81.34	107.36

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Miscellaneous Expenses	159.64	197.48
Provision for Diminution in value of Investments	68.60	800.00
Net loss arising on financial assets designated as at FVTPL	87.46	163.03
	1,373.40	2,447.12

Miscellaneous Expenses includes commission to non-whole time directors, advertisement expenses, business promotion expenses, postage and telecommunication, printing and stationery, subscription to clubs/association, director's sitting fees, conference and seminar and books and periodicals

- b) Audit fees consists of amount paid/payable :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit	19.00	19.00
Limited review of quarterly results*	7.00	17.00
Out of Pocket Expense	0.90	1.90
For other services, certification etc.*	15.22	14.45
Total	42.12	52.35
The above fees are exclusive of GST/service tax as applicable		

*includes amount of ₹ 6.33/- lakhs paid to predecessor auditor for the year ended March 31, 2018

- c) Earnings in Foreign Currency (on accrual basis) :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Management Fee Income	2,718.62	2,512.94
Dividend Income	700.80	1,464.33

- d) Expenditure in Foreign Currency (on accrual basis) on :

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Books and Periodicals	0.55	4.82
Subscription to Association	7.50	6.42

20) Earnings Per Share :

In accordance with the Indian Accounting Standard on 'Earnings Per Share' (IND AS-33), the Basic Earnings per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by the number of equity shares for the respective year as under:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit After Tax (₹)	1,018.00	530.83
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	3,140.33	3,140.33
(i) Nominal Value per share (₹)	2	2
(ii) Basic Earnings per share (₹)	0.32	0.17
(iii) Diluted Earnings per share (₹)	0.32	0.17

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

21) Leases :

The Company has entered into Operating Lease arrangements towards provision for vehicles and business centre arrangement towards use of office facility. The minimum future payments during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following year is as follows:

	(Amount in ₹ lakhs)	
Future Lease rentals	March 31, 2019	March 31, 2018
Not later than one year	10.00	208.41
Later than one year but not later than 5 years	9.17	20.73
Amount charged to the Statement of Profit and Loss (on non- cancellable lease)	209.97	237.79

22) Dividend paid in Foreign Currencies to Non resident Shareholders :

No Dividend has been paid in Foreign Currencies to non-resident shareholders in current year and previous year

23) Derivatives and foreign currency Exposures :

There are no forward exchange contracts outstanding as at March 31, 2019

24) According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence no disclosures are to be given in respect thereof. This has been provided by the Company and relied upon by the auditors

25) Disclosure as required by IND AS 24 on “Related Party Disclosures” are made below :

a) Name of the Related Parties and Description of Relationship :

Sr. No.	Holding Company
1	Infrastructure Leasing & Financial Services Limited [IL&FS]
Sr. No.	Subsidiaries
1	IL&FS Urban Infrastructure Managers Limited [IUIML]
2	IL&FS Asian Infrastructure Managers Limited [IAIML]
3	IL&FS Investment Advisors LLC [IIAL]
4	IIML Asset Advisors Limited [IAAL]
5	IIML Fund Managers (Singapore) Pte Ltd [IFMSPL]
6	Andhra Pradesh Urban Infrastructure Asset Management Limited [APUIAML]
7	IL&FS Infra Asset Management Limited [IIAML]
8	IL&FS AMC Trustee Limited [IATL]
Sr. No.	Fellow Subsidiaries
1	IL&FS Securities Services Limited [ISSL]
2	ISSL CPG BPO Private Limited [ISSLCPG]
3	IFIN Realty Trust [IFINRT]
4	IL&FS IIDC Fund [IIDC]
5	IL&FS Infrastructure Equity Fund – I [IIEF-I]
6	IL&FS Energy Development Company Limited [IEDCL]
7	IL&FS Technologies Limited [ITL]
8	Livia India Limited [Livia]
9	IL&FS Academy of Applied Development [IAAD]
10	IL&FS Township Urban Asset Limited [ITUAL]
11	IL&FS Maritime Infrastructure Company Limited [IMICL]
12	IL&FS Transportation Networks Limited [ITNL]
13	IL&FS Financial Service Limited [IFIN]
14	IL&FS Education & Technology Services Ltd [IETS]

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

Sr. No.	Joint Venture Companies
1	IL&FS Milestone Realty Advisors Private Limited [IMRAPL]
2	Standard Chartered IL&FS Management (Singapore) Pte Limited
Sr. No.	Key Management Personnel
1	Mr Ramesh Bawa - Managing Director (till September 22, 2018)
2	Dr Archana Hingorani - Chief Executive Officer & Executive Director (till April 30, 2017)
3	Mr S M Datta - Chairman & Non-Executive Independent Director
4	Mr Sunil Mehta - Non-Executive Independent Director
5	Ms Shubhalakshmi Panse - Non-Executive Independent Director
6	Mr Chitranjan S Kahlon - Non-Executive Independent Director (From August 24, 2018)
7	Mr Nand Kishore - Non-Executive Director (From December 6, 2018)
8	Mr Kaushik Modak - Non-Executive Director (From December 6, 2018)
9	Mr Bansi S Mehta - Non-Executive Independent Director (till June 5, 2018)
10	Mr Ravi Parthasarathy - Non-Executive Director (till July 21, 2018)
11	Mr Hari Sankaran - Non-Executive Director (till October 1, 2018)
12	Mr Vibhav Kapoor - Non-Executive Director (till October 19, 2018)

The Company is dependent on information from the Holding Company for its Related Parties as defined under Ind AS 24 and under the Companies Act, 2013 during the period from April 1, 2017 to March 31, 2019. The Holding Company has not been able to provide the said information to the Company for the whole of the period referred to above. In the absence of the above information, the Company has identified its related party's relationship on the basis of information made available by the Holding Company in the past. Accordingly, the related parties may not be complete and accurate. However, the Company believes that unavailability of the required information may not have a material impact on the financial statement

- b) The nature and volume of transactions during the year ended March 31, 2019, with the above related parties were as follows:

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries	(Amount in ₹ lakhs)	
				Joint Ventures	Key Management Personnel
Advisory/Management Fee Income					
IIAL	-	2,718.62	-	-	-
IIDC	-	-	7.00	-	-
IIEF-1	-	-	280.89	-	-
Dividend Paid					
IL&FS	950.00	-	-	-	-
Dividend received					
IIAL	-	700.80	-	-	-
Interest Income					
ITNL	-	-	3.77	-	-
Other Expenses					
ISSL	-	-	0.79	-	-
Insurance					
IL&FS	(0.94)	-	-	-	-
Professional Expenses					
IL&FS	2.12	-	-	-	-

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries	Joint Ventures	Key Management Personnel
ITL	-	-	0.49	-	-
IETS	-	-	1.00	-	-
Rent paid					
IL&FS	195.77	-	-	-	-
Repairs & Maintenance - Others					
IL&FS	15.80	-	-	-	-
Livia	-	-	44.54	-	-
Electricity Charges					
IL&FS	7.89	-	-	-	-
Brand subscription fees					
IL&FS	29.79	-	-	-	-
Other Reimbursement (Paid) / Recovered					
IL&FS	(5.52)	-	-	-	-
IAAL	-	(5.44)	-	-	-
Livia	-	-	0.02	-	-
IIAL	-	94.36	-	-	-
IAIML	-	9.44	-	-	-
IFMSPL	-	-	-	-	-
Return of Capital					
IFINRT	-	-	153.32	-	-
Inter Corporate Deposits Redeemed					
ITNL	-	-	500.00	-	-
Payment to Directors					
Sitting fees	-	-	-	-	9.08
Commission	-	-	-	-	20.00
Managerial Remuneration					
Mr Ramesh Bawa	-	-	-	-	23.89

c) The nature and volume of transactions during the year ended March 31, 2018, with the above related parties were as follows:

(Amount in ₹ lakhs)

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries	Joint Ventures	Key Management Personnel
Advisory/Management Fee Income					
IIAL	-	2,512.94	-	-	-
IFINRT	-	-	43.07	-	-
IIDC	-	-	7.00	-	-
IIEF-1	-	-	267.99	-	-
Dividend Paid					

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)					
Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries	Joint Ventures	Key Management Personnel
IL&FS	950.00	-	-	-	-
Dividend received					
IIAL	-	1,464.33	-	-	-
Interest Income					
ITNL	-	-	0.75	-	-
Other Expenses					
ISSL	-	-	0.43	-	-
Insurance					
IL&FS	7.99	-	-	-	-
Professional Expenses					
ITL	-	-	3.52	-	-
Livia	-	-	3.00	-	-
ITNL	-	-	20.00	-	-
Rent paid					
IL&FS	212.82	-	-	-	-
Repairs & Maintenance - Others					
IL&FS	7.27	-	-	-	-
Livia	-	-	44.54	-	-
Electricity Charges					
IL&FS	7.37	-	-	-	-
Brand subscription fees					
IL&FS	86.11	-	-	-	-
Other Reimbursement (Paid) / Recovered					
IL&FS	(4.93)	-	-	-	-
IAAL	-	26.89	-	-	-
IIAL	-	92.28	-	-	-
IAIML	-	6.41	-	-	-
IFMSPL	-	3.08	-	-	-
IEDCL	-	-	0.18	-	-
Inter Corporate Deposits Placed					
ITNL	-	-	500.00	-	-
Redemption of Units					
IFINRT	-	-	55.04	-	-
Managerial Remuneration*					
Mr Ramesh Bawa	-	-	-	-	50.00
Dr Archana Hingorani	-	-	-	-	183.04

* Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and Group mediclaim which are provided for Group of employees on an overall basis

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

d) Statement of significant balances as at March 31, 2019 are as follows :

(Amount in ₹ lakhs)

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Management Personnel
Trade Receivables				
IIAL	-	8.89	-	-
IIDC	-	-	7.56	-
Other Financial Asset	-	-	-	-
IEDCL	-	-	0.16	-
Salary payable	-	-	-	2.13
Trade Payables	-	-	-	-
IL&FS	(4.24)	-	-	-
IETS	-	-	0.90	-
ISSL	-	-	0.34	-

Out of the above trade receivable outstanding as on March 31, 2019, provision has been created of ₹ 7.56 lakhs

e) Statement of significant balances as at March 31, 2018 are as follows :

(Amount in ₹ lakhs)

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries
Trade Receivables			
IIAL	-	657.88	-
IIEF-1	-	-	45.00
Other Financial Asset			
IAIML	-	0.32	-
IIAL	-	0.66	-
ITNL	-	-	500.00
IEDCL	-	-	0.18
ITNL	-	-	0.68
Trade Payables			
IL&FS	(9.45)	-	-

f) Statement of significant balances as at April 1, 2017 are as follows :

(Amount in ₹ lakhs)

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiaries
Trade Receivables			
IIAL	-	81.05	-
Other Financial Asset			
IAIML	-	0.01	-
IIAL	-	29.21	-
IAAL	-	3.24	-
APUAIML	-	0.02	-
Trade Payables			
IL&FS	(3.17)	-	-
ISSL	-	-	(0.58)
Livia	-	-	(0.06)

All transaction with related parties are priced on an arm's length basis and resulting outstanding balance are expected to be recovered in cash within six months of the reporting except for which provision is already made

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

26) Income Tax Expense :

(Amount in ₹ lakhs)

Particulars	March 31, 2019	March 31, 2018
(a) Income Tax expense		
Current Tax		
Current tax on Profit for the year	362.00	523.00
Deferred Tax	82.32	7.79
Prior Year Taxes	9.00	-
Total Income tax expense	453.32	530.79
(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate		
Profit from operations before income tax expense	1,471.32	1,061.62
India tax rate	29.12%	28.84%
	428.45	306.17
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Disallowance on account of Provision for Diminution	19.98	312.91
Dividend income from subsidiaries to be taxed at lower rate	(81.63)	(168.93)
Corporate social responsibility expenditure	11.84	15.48
Deduction/disallowance under various sections of Income Tax Act, 1961	(16.64)	57.36
Deferred tax	82.32	7.79
Prior Year Taxes	9.00	-
Total Income tax expense	453.32	530.79

27) Fair Value Measurements :

(a) Financial Instruments by category :

(Amount in ₹ lakhs)

March 31, 2019	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial assets				
Loans	-	-	11.63	13.52
Security Deposits	-	-	0.61	0.61
Venture Capital Funds	1,190.89	-		1,190.89
Mutual Funds	4,642.95	-		4,642.95
Cash and Cash Equivalents	-	-	1,831.26	1,831.26
Others	-	-	65.15	65.15
Total Financial Asset	5,833.86	-	1,908.65	7,744.40
Financial Liabilities				
Trade Payables	-	-	201.03	201.03
Total Financial Liabilities	-	-	201.03	201.03

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)

March 31, 2018	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial assets				
Loans	-	-	0.78	0.78
Security Deposits	-	-	0.61	0.61
Venture Capital Funds	1,516.77	-	-	1,516.77
Mutual Funds	3,929.00	-	-	3,929.00
Trade Receivables	-	-	1,563.78	1,563.78
Cash and Cash Equivalents	-	-	578.76	578.76
Inter Corporate Deposit	-	-	500.00	500.00
Others	-	-	62.76	62.76
Total Financial Asset	5,445.76	-	2,706.69	8,152.45
Financial Liabilities				
Trade Payables	-	-	190.39	190.39
Total Financial Liabilities	-	-	190.39	190.39

(Amount in ₹ lakhs)

April 1, 2017	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Financial assets				
Loans	-	-	1.63	1.63
Venture Capital Funds	1,757.46	-	-	1,757.46
Mutual Funds	5,116.96	-	-	5,116.96
Trade Receivables	-	-	964.86	964.86
Cash and Cash Equivalents	-	-	1,163.31	1,163.31
Others	-	-	63.08	63.08
Total Financial Asset	6,874.42	-	2,192.88	9,067.30
Financial Liabilities				
Trade Payables	-	-	236.77	236.77
Total Financial Liabilities	-	-	236.77	236.77

(b) Fair value hierarchy :

As at March 31, 2019

(Amount in ₹ lakhs)

Particulars	Carrying Amount	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Venture Capital Funds	1,190.89	-	-	1,190.89
Mutual Funds	4,642.95	4,642.95	-	-

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

As at March 31, 2018

(Amount in ₹ lakhs)

Particulars	Carrying Amount	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Venture Capital Funds	1,516.77	-	-	1,516.77
Mutual Funds	3,929.00	3,929.00	-	-

As at April 1, 2017

(Amount in ₹ lakhs)

Particulars	Carrying Amount	Level of input used in	Level of input used in	Level of input used in
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Venture Capital Funds	1,757.46	-	-	1,757.46
Mutual Funds	5,116.96	5,116.96	-	-

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described in Note 2 (c) of the financial statement

28) Financial Risk Management :

The Company has exposure to the following risks from financial instruments :

- Credit risk
- Liquidity risk
- Market risk

Risk management framework :

The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the risk management process to ensure adherence to appropriate risk limits and controls are set in place.

The Board of Directors oversees how management monitors compliance with the Company's risk management process and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company

Credit risk :

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. At the end of the year, the details of the trade receivables were as follows :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade receivables			
Trade Receivables considered good - Unsecured	7.56	1,602.70	1,001.37
Less: Allowance for expected credit Losses	(7.56)	(38.92)	(36.51)
Total Trade Receivable	-	1,563.78	964.86

The receivables consist of amounts owed to the Company from funds under its management/advisory and are bound to be recovered since the Company has investment management agreements/advisory agreements with such entities

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

Reconciliation of expected credit loss on trade receivables :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expected credit loss at the beginning of the year	38.92	36.51
Add/(less): changes in allowance	(31.36)	2.40
Expected credit loss at the end of the year	7.56	38.92

Others financial asset are advances are recoverable on account of reimbursement of out of pocket expenses and travel advance given to employees. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. At the end of the year, the details of the financial assets were as follows :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Loans receivable	-	500.00	-
Interest accrued	30.26	4.05	3.56
Security Deposits	0.61	0.61	-
Others	37.52	179.76	182.57
Less: Allowance for Expected Credit Losses	(2.63)	(121.05)	(123.05)
Total Other Financial Asset	65.76	563.37	63.08

Reconciliation of expected credit loss on other financial asset :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expected credit loss at the beginning of the year	121.05	123.05
Add/(less): changes in allowance	(118.41)	(2.00)
Expected credit loss at the end of the year	2.63	121.05

Cash and Cash Equivalents are held with an Indian bank having high quality credit rating

Liquidity risk :

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risk that may arise

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities

Maturity profile of financial liabilities :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Less than 1 year	-	-	-
Non- interest bearing instrument	-	-	-
Trade payable	201.03	190.39	236.77

Market risk :

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the fair value of its holdings of financial instruments. The Company's financial assets and liabilities are denominated in INR and most transactions are made in INR. The Company receives sub advisory fee income in USD from its subsidiary IL&FS Investment Advisors LLC on a quarterly basis whilst the reporting currency of the Company is in INR

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(Amount in ₹ lakhs)			
Particulars	Financial Asset As at March 31, 2019	Financial Asset As at March 31, 2018	Financial Asset As at April 1, 2017
USD Dollars	0.21	10.11	1.70
Total	0.21	10.11	1.70

(Amount in ₹ lakhs)			
Particulars	5% increase/ (decrease) USD Impact As at March 31, 2019	5% increase/ (decrease) USD Impact As at March 31, 2018	5% increase/ (decrease) USD Impact As at April 1, 2017
Impact on profit and loss account	0.72/(0.72)	33.05/(33.05)	5.51/(5.51)

Interest rate risk :

The Company is not exposed to interest rate risk as the Company has fixed interest bearing financial assets

Price risk :

The Company has invested in the Mutual Funds and Venture capital funds

Mutual fund and venture capital funds Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors

A movement of 5% in NAV mutual funds on either side can lead to a gain/loss of ₹ 232.15 lakhs, ₹ 196.45 lakhs and ₹ 255.85 lakhs, on the overall portfolio as at March 31, 2018, March 31, 2019 and April 1, 2017 respectively

A movement of 5% in NAV Venture Capital Funds on either side can lead to a gain/loss of ₹ 59.55 lakhs, ₹ 74.91 lakhs and ₹ 86.95 lakhs, on the overall portfolio as at March 31, 2019, March 31, 2018 and April 1, 2017 respectively

Capital Management :

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity. Net financial debt is defined as current and non-current financial liabilities less Cash and Cash Equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. The Debt equity ratio as on March 31, 2019, March 31, 2018 and April 1, 2017 is negative which signifies the company has more than sufficient cash to pay off its liabilities

29) Segment Reporting :

(a) Description of segments and principal activities :

The Company is a domestic private equity fund management company which manages funds on behalf of leading Indian and International Institutions. The operations of the Company are limited to one segment viz. Asset Management and other related service. As such, there are no separate reportable business or geographical segments as per as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment.

(b) Segment Revenue :

The amount of revenue from external customers broken down by location of the customers is shown in the table below :

(Amount in ₹ lakhs)		
Revenue	For the year ended March 31, 2019	For the year ended March 31, 2018
Within India	915.15	1,254.29
Outside India	2,718.62	2,512.94

(c) All assets of the Company are domiciled in India

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(d) Information about revenue from major customers

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue	2,718.62	2,512.94

30) CSR expenditure :

- (i) Gross amount required to be spent by the Company during the year –₹ 77.25 lakhs
(ii) Amount spent during the year on :

	In cash (₹)	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	81.34	-	81.34

31) First time adoption of Ind AS :

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes :

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

A.1 Ind AS optional exemptions

Deemed cost

As per Ind AS 101 an entity may elect to :

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to :
- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market)

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

Investments in subsidiaries

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost; or in accordance with Ind AS 109. If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its :
 - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost

The Company has availed the exemption and has measured its investment in subsidiaries at deemed cost being the previous GAAP carrying amount at that date

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases

A.2 Ind AS mandatory exceptions

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS)

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below :

- Fair valuation of financial instruments carried at FVTPL and/or FVOCI
- Impairment of financial assets based on the expected credit loss model

De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the de-recognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the de-recognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities de-recognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done prospectively from the date of transition to Ind AS

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(i) Effect of Ind AS adoption on the standalone balance sheet as at April 1, 2017

(Amount in ₹ lakhs)

	Notes	Previous GAAP	Effect of Transition to Ind AS	Ind AS Balance Sheet
ASSETS				
Financial Assets				
Cash and Cash Equivalents		834.56	-	834.56
Bank balance other than above		328.75	-	328.75
Trade Receivables	2	1,001.37	(36.51)	964.86
Loans		1.63	-	1.63
Investments	1	12,555.26	(287.25)	12,268.01
Other financial assets	2	186.13	(123.05)	63.08
Total Financial Assets		14,907.70	(446.81)	14,460.89
Non-Financial Assets				
Income Tax Asset (net)		580.35	-	580.35
Deferred Tax Assets (Net)	1 & 2	139.68	53.88	193.56
Property, Plant and Equipment		91.30	-	91.30
Other Intangible Assets		-	-	-
Other Non-Financial Assets		271.79	-	271.79
Total Non-Financial Assets		1,083.12	53.88	1,137.00
Total Assets		15,990.82	(392.93)	15,597.89
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade Payables				
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		236.77	-	236.77
Total Financial liabilities				
Non-Financial liabilities				
Employee benefit obligations		594.31	-	594.31
Other Non-Financial liabilities		374.31	-	374.31
Total Non-Financial liabilities		968.62	-	968.62
Equity Share Capital		6,280.85	-	6,280.85
Other Equity	1 & 2	8,504.58	(392.93)	8,111.65
Equity attributable to owners of the Company		14,785.43	(392.93)	14,392.50
Total LIABILITIES AND EQUITY		15,990.82	(392.93)	15,597.89

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

(ii) Effect of Ind AS adoption on the standalone balance sheet as at March 31, 2018

(Amount in ₹ lakhs)

	Notes	As at March 31, 2018		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS Balance Sheet
ASSETS				
Financial Assets				
Cash and Cash Equivalents		240.38	-	240.38
Bank balance other than above		338.38		338.38
Trade Receivables	2	1,602.69	(38.91)	1,563.78
Loans		0.77	-	0.77
Investments	1	10,410.85	(93.85)	10,317.00
Other Financial Assets	2	684.42	(121.05)	563.37
Total Financial Assets		13,277.49	(253.81)	13,023.68
Non-Financial Assets				
Income Tax Asset (net)		621.52	-	621.52
Deferred Tax Assets (Net)	1 & 2	106.65	54.71	161.36
Property, Plant and Equipment		60.82	-	60.82
Other Non-Financial Assets		252.15	-	252.15
Total Non-Financial Assets		1,041.14	54.71	1,095.85
Total Assets		14,318.63	(199.10)	14,119.53
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade Payables				
total outstanding dues of micro enterprises and small enterprises				
total outstanding dues of creditors other than micro enterprises and small enterprises		190.39	-	190.39
Total Financial liabilities		190.39	-	190.39
Non-Financial liabilities				
Employee benefit obligations		530.70	-	530.70
Other Non-Financial liabilities		367.40	-	367.40
Total Non-Financial liabilities		898.10	-	898.10
Equity				
Equity Share Capital		6,280.85	-	6,280.85
Other Equity	1 & 2	6,949.29	(199.10)	6,750.19
Equity attributable to owners of the Company		13,230.14	(199.10)	13,031.04
Total LIABILITIES AND EQUITY		14,318.63	(199.10)	14,119.53

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

Reconciliation of total comprehensive income for the year ended March 31, 2018

(Amount in ₹ lakhs)

	Notes	Year Ended March 31, 2018		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
REVENUE				
Revenue from operations		3,767.23	-	3,767.23
Other Income	1 & 2	1,697.80	71.43	1,769.23
Total Revenue		5,465.03	71.43	5,536.46
EXPENSES				
Employee Benefits expense	3	1,887.82	84.63	1,972.45
Depreciation and Amortisation Expense		55.26	-	55.26
Other Expenses	1 & 2	2,568.69	(121.57)	2,447.12
Total Expenses		4,511.77	(36.94)	4,474.83
Profit/(loss) before tax		953.26	108.37	1,061.63
Tax Expense				
Current Tax		523.00	-	523.00
Prior Year Taxes		-		
Deferred Tax		33.03	(25.24)	7.79
		556.03	(25.24)	530.79
Net Profit after Tax (3-4)		397.23	133.61	530.84
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Actuarial Gain/(loss) of the defined benefit plans	3	-	-	84.63
Deferred tax asset/(Liability) on actuarial gain defined benefit plans		-	-	(24.41)
Total Comprehensive income/(loss) for the year		397.23	133.61	591.06

Reconciliation of Total Equity as at March 31, 2018 and April 1, 2017 :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2018	As at April 1, 2017
Equity as reported under previous GAAP	13,230.15	14,785.43
Ind AS: Adjustments increase (decrease):		
Gain/(loss) on fair valuation of investments	(93.85)	(287.25)
Provision for expected credit losses on trade receivables	(159.96)	(159.56)
Deferred tax on above adjustments	54.70	53.88
Equity as reported under Ind AS	13,031.04	14,392.50

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018 :

Particulars	(Amount in ₹ lakhs)
	For the year ended March 31, 2018
Profit after tax as per previous GAAP	397.23
Ind AS: Adjustments increase (decrease):	
Gain/(loss) on fair valuation of investments	193.40
Provision for expected credit losses on trade receivables	(0.40)
Deferred tax on above adjustments	25.24
Measurements of post-employment benefit obligation	(84.63)
Total adjustment to profit or loss	133.61
Profit or Loss under Ind AS	530.84
Other comprehensive income	60.22
Total comprehensive income under Ind As	591.06

Notes :

- 1) Under Indian GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value. Under Ind AS, both current and long term investments are measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition. The consequential tax effect has also been recognized
 - 2) Under the previous GAAP, trade receivable and advances recoverable were disclosed at cost less provision for doubtful receivables. Under Ind AS, these are carried at cost less provision for expected credit loss, wherein the provision is determined based on expected credit loss, capturing both cash loss as well as loss on account of time value of money, as per Ind AS 109, Financial Instruments. The consequential tax effect has also been recognized
 - 3) Under Ind AS, re-measurements i.e. actuarial gains and losses and return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year
 - 4) There are no material adjustments to the cash flow statements
- 32) The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS, the Holding Company and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigation agencies. On December 3, 2018, MCA on the directions of the National Company Law Tribunal, Mumbai (NCLT) has impleaded various Group Companies of IL&FS (which includes the Company) as Respondents to the Petition filed by them on October 1, 2018. Further based on another petition of the MCA under section 130 (1) of the Companies Act, 2013, the NCLT has, on January 1, 2019, ordered re-opening of books of accounts for the past financial year 2012-13 to financial year 2017-18 of IL&FS, IL&FS Financial Services Limited ('IFIN' a fellow subsidiary) and ITNL. On April 29, 2019, the Supreme Court of India has issued order granting a stay on the above referred NCLT order to reopen the books of accounts. While the Company, based on its current understanding, believes that the above would not have a material impact on the financial statement, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage
- 33) A major portion of the existing funds being managed/advised by the Company are approaching their end of term over the next 12 months which is likely to result in significant reduction in the Company's fee revenue thereafter. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Company as at March 31, 2019 will be adequately sufficient to meet the Company's existing and future obligations arising over the next 12 months. Management believes that, subject to receipt of necessary Board approvals, the Company has adequate funds to commit seed capital for new fund raise as part of its efforts to increase revenues. Further, NCLAT vide its order dated February 11, 2019 has also classified the Company under the "Green Category" based on a 12 month cash flow solvency test, which enables the Company to continue to meet all its payment obligation (both financial and operational) as and when they become due

NOTES Forming part of Financial Statements for the year ended 31st March, 2019

Meanwhile, the IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Group. The resolution plan, inter alia, involves sale of assets/businesses/ companies owned by IL&FS. And in this regard, the IL&FS Board has on December 21, 2018 invited a public Expression of Interest (EoI) for its sale of entire stake in the Company. Accordingly, the Company's plans for new fund raise have been kept on hold pending completion of the stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of these financial statement is appropriate

- 34) The Board of Directors, in their meeting held on May 30, 2019 have proposed a final dividend of ₹ 0.30 per equity share amounting to ₹ 991.71 lakhs, inclusive of tax on dividend. The proposal is subject to the approval of shareholders at the Annual General Meeting

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : May 30, 2019

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

Place : Mumbai

Date : May 30, 2019

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

FORM AOC-1

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

(1)	Sr. No.	1	2	3	4	5	6	7	8
(2)	Name of the subsidiary	IL&FS Asian Infrastructure Managers Limited	IL&FS Urban Infrastructure Managers Limited	IIML Asset Advisors Limited	Andhra Pradesh Urban Infrastructure Asset Management Limited	IL&FS AMC Trustee Limited	IL&FS Infra Asset Management Limited	IL&FS Investment Advisors LLC	IIML Fund Managers (Singapore) Pte Limited
(3)	The date since when subsidiary was acquired	27/04/06	24/05/06	01/08/10	15/07/16	01/01/17	01/01/17	31/01/06	13/12/11
(4)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
(5)	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	USD @ 69.1713	USD @ 69.1713
(6)	Share capital	4,59,18,370	1,00,00,000	6,40,71,000	20,00,00,000	25,00,000	19,39,80,000	2,13,04,760	13,48,84,035
(7)	Reserves & Surplus	21,34,646	6,32,88,184	4,29,94,289	7,44,57,948	(11,85,694)	12,23,13,165	96,43,86,403	(10,33,47,318)
(8)	Total assets	4,83,55,806	17,22,94,444	11,14,50,474	32,66,43,770	19,74,701	32,86,24,581	1,02,30,33,428	3,24,46,804
(9)	Total Liabilities	3,02,790	9,90,06,260	43,85,185	5,21,85,822	6,60,395	1,23,31,416	3,73,42,265	9,10,087
(10)	Investments	1,00,000	-	9,36,02,930	-	-	-	1,38,619	-
(11)	Turnover	48,41,110	3,68,71,617	2,84,59,313	20,49,86,765	20,96,829	26,04,39,108	37,81,98,095	30,78,538
(12)	Profit before taxation	(1,66,37,473)	(6,18,45,352)	(3,89,94,370)	5,79,16,709	9,89,707	(5,52,24,158)	(4,38,10,196)	(87,46,158)
(13)	Provision for taxation	11,17,000	1,40,80,480	28,21,799	1,56,05,701	1,80,876	(10,10,772)	-	-
(14)	Profit after taxation	(1,77,54,473)	(7,59,25,832)	(4,18,16,169)	4,23,11,008	8,08,831	(5,42,13,386)	(4,38,10,196)	(87,46,158)
(15)	Proposed Dividend	-	-	-	-	-	-	-	-
(16)	% of shareholding	100.00%	100%	100%	51%	100%	86.61%	100%	100%

(1) Names of subsidiaries which are yet to commence operations NIL

(2) Names of subsidiaries which have been liquidated or sold during the year NIL

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

FORM AOC-1

Part "B": Associates and Joint Ventures

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

Sr. No.	Name of Joint Ventures	IL&FS Milestone Advisors Private Limited	Standard Chartered IL&FS Singapore Pte Limited
1	Latest audited Balance Sheet Date	March 31, 2019	March 31, 2019
2	Shares of Joint Ventures held by the company on the year end	400,000 Equity Shares of ₹ 10 each	50,000 Equity shares of USD 1
3	Amount of Investment in Joint Venture	₹ 4,000,000	₹ 2,218,500
4	Extent of Holding %	40%	50%
5	Description of how there is significant influence	Based on Equity holding	Based on Equity holding
6	Reason why the joint venture is not consolidated	NA	NA
7	Networth attributable to Shareholding as per latest audited Balance Sheet (₹)	1,03,22,310	13,54,71,731
8	Profit / Loss for the year		
	(i) Considered in Consolidation (₹)	(7,52,113)	2,00,82,645
	(ii) Not Considered in Consolidation	-	-
(1)	Names of associates or joint ventures which are yet to commence operations		NIL NIL
(2)	Names of associates or joint ventures which have been liquidated or sold during the year		NIL NIL

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IL&FS INVESTMENT MANAGERS LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of IL&FS Investment Managers Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group and joint ventures as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

Attention is invited to Note 33 of the consolidated financial statements which describes the situation facing the Group in view of the investigation by Serious Fraud Investigation Office of Ministry of Company Affairs (SFIO) against Infrastructure Leasing & Financial Services Limited ('IL&FS' or 'the Ultimate Holding Company'), and its subsidiaries (including the Company and its subsidiaries). Further, the National Company Law Tribunal (NCLT) has ordered re-opening of books of accounts of IL&FS and its two subsidiaries (other than this Company and its subsidiaries) for the past financial years referred in the note. However, the Supreme Court of India has stayed NCLT order to reopen past books of IL&FS and its above mentioned two subsidiaries. In view of the aforesaid ongoing investigations of the entire IL&FS Group (including the Company and its subsidiaries) by the SFIO and re-opening of books of accounts of the Ultimate Holding Company and its above mentioned two subsidiaries by the NCLT, we are unable to comment on the consequential impact thereof on these consolidated financial statements.

Attention is invited to Note 24 of the consolidated financial statements which describes that the Group has not been able to determine the accurate and complete list of related parties for the period 1 April 2017 to 31 March 2019, as defined under Ind AS 24, Related Party Disclosures and as per the Act.

In the absence of the said information, we are unable to obtain sufficient appropriate audit evidence with regard to completeness and accuracy of related party disclosures made in the consolidated financial statements and on the Group's compliance with provisions of the Act with regard to related party transactions. We also draw attention to the opinion paragraph of our report on internal financial controls in Annexure A.

We draw your attention to the following qualification to the audit opinion of the financial statements of IL&FS Infra Asset Management Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated April 15, 2019 reproduced by us as under:

In respect of an unsecured Inter corporate Deposit (ICD) given to IL&FS Financial Services Limited (IFIN), the interest accounting to ₹40.68 lakhs for the current year on the total outstanding due of ₹ 500 lakhs (after write off of ₹1,500 lakhs), has not been accounted for, in accordance with Ind AS 115 "Revenue from Contracts with Customers". However, there is no impact on the loss for the year as a provision would have been made for the interest income as being doubtful of recovery and the consequent adjustments in deferred tax would cancel out each other.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

Attention is invited to Note 34 in the consolidated financial statements regarding a likely significant reduction in the Group's future fee revenue and management's expectation of Group's ability to at least meet its existing and future obligations over the next 12 months out of its earnings and liquid assets. As stated therein, the Group's business plans for new fund raise have been kept on hold pending completion of stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of the consolidated financial statements is appropriate. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Transition date accounting policies	
Refer to Note 2 'Significant accounting policies' and Note 31 'First time adoption of Ind AS' in the Consolidated Financial Statements	
<p>Adoption of new accounting framework (Ind AS)</p> <p>Effective 1 April 2018, the Group adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017.</p> <p>The following are the major impact areas for the Group upon transition:</p> <ul style="list-style-type: none"> - Classification and measurement of financial assets and financial liabilities - Measurement of expected credit losses - Consolidation of funds <p>The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</p>	<p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> ● Assessed the design, implementation and operating effectiveness of internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. <p>Substantive tests</p> <ul style="list-style-type: none"> ● Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. ● Understood the methodology implemented by management to give impact on the transition. ● Test checked the computations associated with the transition adjustments ● Identified areas of significant estimates and management judgment to assess that they are in line with accounting principles under Ind AS.
Going Concern	
Refer to the Note 34 in the Consolidated Financial Statements: Going Concern	
<p>Subjective estimate</p> <p>We draw attention to Note 34 of the Consolidated Financial Statements which indicates that there is material uncertainty relating to the Group ability to continue as a going concern as major portion of the existing funds being managed/advised are approaching their end of term over the next 12 months which is likely to result in significant reduction in the Group's fee revenue thereafter.</p> <p>Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Group as at 31 March 2019 will be sufficient to at least meet the Group's existing and future obligations arising over the next 12 months.</p> <p>The Board's going concern assessment and conclusion includes the anticipated receipts by allocating seed commitment for new fund raise which is dependent inter alia on Board approvals and outcome of stake sale by IL&FS Board.</p> <p>Refer above paragraph on "Material Uncertainty Related to Going Concern"</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ● Evaluated management's future business plans for the Group for at-least 12 months from the end of the reporting period. ● Compared management's free cash flow forecast with information in revenue contracts, assessed reasonableness of forecast for operating expenses for the next 12 months period ● Compared the revenue, operating costs and capital expenditure included in the prior year's free cash flow forecast with the current year's performance of the Group to assess the accuracy and reliability of management's budget and forecasting processes and considered the nature of any significant differences. ● Performed sensitivity analysis of the key assumptions adopted in the free cash flow forecast and assessed the impact of changes in the key assumptions on the conclusions reached and whether there were any indicators of management bias.

INDEPENDENT AUDITORS' REPORT

Key audit matter	How the matter was addressed in our audit
Consolidation of Funds	
Refer to the accounting policies in "Note 2 to the Consolidated Financial Statements: Consolidation of Financial Statements"	
<p>Subjective estimate</p> <p>Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements requires an investor, regardless of the nature of its involvement with an entity (the investee), to determine whether it is a parent by assessing whether it controls the investee.</p> <p>In determining whether fund is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the fund and its exposure to and ability to influence its own returns from the fund.</p> <p>The factors which management needs to consider when determining whether a fund should be consolidated or not are not purely quantitative and need to be considered collectively.</p> <p>As of 31 March 2019, the carrying amount of the Group's interest in funds which the Group did not consolidate was ₹ 1,173.39 lakhs (PY ₹ 1,498.27 lakhs)</p> <p>We have identified consolidation of funds as a key audit matter because it involves significant judgments in determining whether it is required to be consolidated by the Group or not and because the impact of consolidating a fund on the consolidated statement of financial position could be significant.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ● Selecting sample contracts and performing the following procedures for each contract selected: <ul style="list-style-type: none"> – inspecting the contracts/agreements and related internal documents to understand the Group's involvement with the Fund and to assess management's judgment over whether the Group has the ability to exercise power over the activities of the fund; – evaluating the risk and reward structure of the fund including any capital or return guarantee and distribution of the returns to assess management's judgment as to exposure, or rights, to variable returns from the Group's involvement with the fund; – evaluating management's analysis and calculations of the magnitude and variability associated with its economic interests in the fund to assess management's judgment over the Group's ability to influence its own returns from the fund; – evaluating appropriateness of management's conclusion over whether the fund should be consolidated.
The below Key Audit Matter has been reported by the auditor of Andhra Pradesh Urban Infrastructure Asset Management Limited, a subsidiary of the Holding Company vide its report dated 02 May 2019 is reproduced by us as under:	
<p>The company is providing services to various Government authorities from which it raises majority of its revenue. Out of ₹ 2,150.70 lakhs which is shown as trade receivables in Note No. 4 to the financial statements, the company has provided an amount of ₹ 196.77 lakhs as doubtful on an estimation basis.</p>	<p>Our Audit procedures included:</p> <ul style="list-style-type: none"> ● Assessed the design, implementation and operating effectiveness of internal controls over Management's evaluation of the Expected Credit Loss in line with laid down Ind AS principles ● Reviewed the approvals of Audit Committee for, wherein the Company was required to evaluate the expected collection year of outstanding debtors and provide provision for same as an interest expense in the form of Expected Credit Loss ● Understood the methodology implemented by management in line with above approvals ● Assessed the accuracy of computations <p>Conclusion:</p> <p>Our procedures did not identify any material exceptions.</p>
The below Key Audit Matter has been reported by the auditor of Andhra Pradesh Urban Infrastructure Asset Management Limited, a subsidiary of the Holding Company vide its report dated 02 May 2019 is reproduced by us as under: (Continued)	
<p>Out of ₹ 2,150.70 lakhs shown under Trade Receivables, the company has to receive an amount of ₹ 105.32 lakhs which is outstanding for more than 6 months as on reporting date and which the company has considered good and recoverable.</p>	<p>Our Audit procedures included:</p> <ul style="list-style-type: none"> ● Tested the accuracy of ageing of Trade Receivables at the year end ● Obtained list of outstanding receivables and identified any Debtors with financial difficulty through discussion with Management as well as evaluating correspondence with those customers and the Company ● Tested subsequent settlement of Trade receivables after Balance Sheet date ● Noted that as the customers are either Govt. Entities/SPVs/local bodies/ Govt. projects, the risk of realization is low ● Further noted that Debtors position is keenly monitored and reviewed <p>Conclusion:</p> <p>Our above procedures did not identify any material exceptions</p>

INDEPENDENT AUDITORS' REPORT

Information Other than the consolidated financial statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matter

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹17,062.29 lakhs as at 31 March 2019, total revenues of ₹8,496.45 lakh and net cash flows amounting to ₹5,579.37 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹193.30 lakhs for the year ended 31 March 2019, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

Certain of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

INDEPENDENT AUDITORS' REPORT

- (b) The financial statements of one subsidiary whose financial statements reflect total assets of ₹324.46 lakhs as at 31 March 2019, total revenues of ₹ 31.10 lakh and net cash flows amounting to ₹ (108.82) lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- (c) The opening balance sheet as at 1 April 2017 (transition date) included in these financial statements, is based on the previously issued statutory financial statements of the Company prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited jointly by us along with another auditor and our report for the year ended 31 March 2017 dated 29 May 2017 expressed an unmodified opinion on those financial statements and financial statements of subsidiaries were audited by another auditor who expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the conversion adjustments prepared by management of Holding Company and audited by us

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 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 of the aforesaid consolidated financial statements.
 - Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - Except for the possible effect of the matter relating to Related Parties described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - The matter relating to going concern describe under Material Uncertainty Related to Going Concern paragraph above and matters relating to investigation by SFIO against IL&FS and its subsidiaries (including the Company) and NCLT order of re-opening of books of accounts of IL&FS and its two subsidiaries (other than this company) for the past financial years describe under Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies, and its joint ventures incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

INDEPENDENT AUDITORS' REPORT

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its joint ventures. Refer Note 15 to the consolidated financial statements.
 - ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures incorporated in India during the year ended 31 March 2019.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W- 100024
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
30 May 2019

“Annexure A” to the Independent Auditors’ Report

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (1) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of IL&FS Investment Managers Limited (hereinafter referred to as “the Holding Company”) and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies (jointly controlled companies) (collectively referred to “Group”), as of that date.

According to the information and explanation provided to us and based on our audit, the following material weakness have been identified as at March 31, 2019:

- (a) The Group did not have an appropriate internal control system with regards to identification of related parties and thereby did not have a complete list of related parties for the reporting period which could potentially result in the Group not complying with the provisions of Companies Act, 2013 and/or Ind AS 24, Related Party Disclosures.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group’s annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effect of the material weakness described above on the achievement of the objectives of the control criteria, the Group has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2019 consolidated financial statements of the Company, and the material weakness has an effect on our opinion on the consolidated financial statement of the Company. Refer Basis for Qualified Opinion of our report on the consolidated financial statements.

Management’s Responsibility for Internal Financial Controls

The respective Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies (jointly controlled companies) in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary companies and joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W- 100024
N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
30 May 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

(Amount in ₹ lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial Assets				
Cash and Cash Equivalents	3	15,327.72	8,013.75	11,608.38
Bank balance other than above	3	341.05	338.38	328.75
Trade Receivables	4	2,736.22	8,832.96	6,637.36
Loans	5	17.96	7.82	9.78
Investments	6	8,475.35	7,641.27	10,385.14
Other Financial Assets	7	566.64	4,749.02	870.15
Total Financial Assets		27,464.94	29,583.20	29,839.56
Non -Financial Assets				
Income Tax Asset (Net)	8	1,450.41	1,026.41	867.95
Property, Plant and Equipment	9	71.54	132.35	134.75
Capital Work-in-Progress		-	-	31.55
Other Intangible Assets	9	24.34	823.56	1,853.07
Other Non-Financial Assets	10	720.11	746.20	697.89
Total Non-Financial Assets		2,266.40	2,728.52	3,585.21
TOTAL ASSETS		29,731.34	32,311.72	33,424.77
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
Trade Payables				
Total Outstanding dues of micro enterprises and small enterprises	27	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		726.94	783.94	821.13
Total Financial Liabilities		726.94	783.94	821.13
Non-Financial Liabilities				
(a) Deferred Tax Liabilities (Net)	11	1,540.72	1,360.23	1,585.43
(b) Employee Benefit Obligations	12	1,105.57	1,065.23	1,112.97
(c) Other Non-Financial Liabilities	13	613.53	676.89	1,076.86
Total Non-Financial Liabilities		3,259.82	3,102.35	3,775.26
EQUITY				
(a) Equity Share Capital	14	6,280.85	6,280.85	6,280.85
(b) Other Equity		17,695.37	20,509.19	20,842.74
Equity attributable to owners of the Company		23,976.22	26,790.04	27,123.59
Non-controlling interests		1,768.36	1,635.39	1,704.79
Total Equity		25,744.58	28,425.43	28,828.38
TOTAL EQUITY AND LIABILITIES		29,731.34	32,311.72	33,424.77

The accompanying Notes are an integral part of the consolidated financial statements

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

Particulars		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
1	REVENUE			
	Revenue from operations	16	8,868.99	10,830.55
	Other Income	17	1,414.21	1,061.10
	Total Revenue		10,283.20	11,891.65
2	EXPENSES			
	Employee Benefits expense	18	3,881.12	4,305.50
	Depreciation and Amortisation Expense	9	940.50	1,151.11
	Other Expenses	19	3,491.60	4,038.47
	Total Expenses		8,313.22	9,495.08
3	Profit from continuing operations before share of profit of equity accounted investees and income tax		1,969.98	2,396.57
4	Share of profit / (loss) of joint ventures		193.30	261.30
5	Profit/(loss) before tax before exceptional items		2,163.28	2,657.87
6	Exceptional Items			
	Inter corporate deposit written off	33	1,502.03	-
	Provision for Inter corporate deposit	33	1,445.11	-
7	Profit/(loss) before tax after exceptional items		(783.86)	2,657.87
8	Tax Expense			
	Current Tax	26	550.37	1,060.22
	Prior Year Taxes		9.00	69.54
	Deferred Tax	11	24.49	(238.20)
			583.86	891.56
9	Profit/(loss) after tax for the year (7-8)		(1,367.72)	1,766.31
	Profit/(Loss) for the year attributable to:			
	Owners of the Group		(1,502.45)	1,523.67
	Non controlling interests		134.73	242.64
10	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Re-measurements of the defined benefit liabilities / (asset)		82.23	64.47
	Exchange differences in translating the consolidated financial statements of foreign operations		731.17	9.43
	Income tax relating to items that will not be reclassified to profit or loss		(156.00)	(12.99)
	Total Comprehensive Income		657.40	60.91

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

Particulars		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
11	Total Comprehensive income for the year attributable to:			
	Owners of the Group		659.16	62.71
	Non-controlling interests		(1.76)	(1.80)
12	Total Comprehensive income/(loss) for the year (9+10)		(710.32)	1,827.22
	Total Comprehensive income for the year attributable to:			
	Owners of the Group		(843.29)	1,586.38
	Non-controlling interests		132.97	240.84
	Earnings per equity share			
	Basic and Diluted	22	(0.44)	0.56

The accompanying Notes are an integral part of the consolidated financial statements

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY

AS AT MARCH 31, 2019

A. Equity Share Capital

(Amount in ₹ lakhs)

Particulars	Note	
Balance as at April 1, 2017	14	6,280.85
Changes in equity share capital		-
Balance as at March 31, 2018	14	6,280.85
Changes in equity share capital		-
Balance as at March 31, 2019	14	6,280.85

B. Other Equity

(Amount in ₹ lakhs)

	Securities Premium Reserve	Capital Reserve on consolidation	General Reserve	Foreign Currency Translation Reserve Adjustment	Retained Earnings	Total
Balance at April 01, 2017	47.59	1,045.67	3,156.58	6,281.36	10,311.54	20,842.74
<u>Total Comprehensive Income for the year</u>						
Profit	-	-	-	-	1,525.47	1,525.47
Capital Reserve on acquisition of 49% stake in Asian	-	32.59	-	-	-	32.59
Other Comprehensive Income						
Re-measurement of defined benefit liability (net of taxes)	-	-	-	-	51.47	51.47
Exchange differences in translating the consolidated financial statements of foreign operations	-	-	-	9.43	-	9.43
Dividend and Dividend Tax paid	-	-	-	-	(1,952.52)	(1,952.52)
Balance at March 31, 2018	47.59	1,078.26	3,156.58	6,290.79	9,935.96	20,509.18
<u>Total Comprehensive Income for the year</u>						
Profit	-	-	-	-	(1,500.69)	(1,500.69)
Other Comprehensive Income						
Re-measurement of defined benefit liability (net of taxes)	-	-	-	-	(73.77)	(73.77)
Exchange differences in translating the consolidated financial statements of foreign operations	-	-	-	731.17	-	731.17
Dividend and Dividend Tax paid	-	-	-	-	(1,970.52)	(1,970.52)
Balance at March 31, 2019	47.59	1,078.26	3,156.58	7,021.96	6,390.98	17,695.37

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants
Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner
Membership No. 042554

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Nand Kishore

Director
DIN : 08267502

Krishna Kumar

Chief Executive Officer
PAN : AFBPG4014L

Place : Mumbai
Date : May 30, 2019

S M Datta

Director
DIN : 00032812

Manoj Borkar

Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra

Company Secretary
PAN : AAUPM6180F

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Cash Flow from Operating Activities		
	Profit/(loss) before tax	(783.86)	2,657.87
	Adjustments For :		
	Inter corporate deposit written off classified as exceptional item	1,502.03	-
	Provision made for Inter corporate deposit classified as exceptional item	1,445.11	-
	Provision for bad and doubtful debts	0.21	389.93
	Depreciation and amortisation expense	940.50	1,151.11
	Provision for Employee benefit obligation	122.57	16.73
	Provision for ECL for trade receivables	(431.91)	(151.19)
	FVTPL on mutual funds	(177.55)	(15.42)
	FVTPL on equity instrument	339.02	225.35
	Profit/Loss on sale of equity instrument	(167.48)	84.64
	Profit/Loss on sale of mutual funds	(183.10)	(429.13)
	Profit/Loss on sale of Property, Plant and Equipment	0.32	(2.66)
	Interest Income	(435.73)	(386.84)
	Dividend Income on mutual fund	-	(3.40)
	Operating income Before Working Capital Changes	2,170.13	3,536.99
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade Receivables	6,528.44	(2,434.35)
	Other Financial Assets	(96.67)	300.79
	Other Non-Financial Asset	26.09	(48.32)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade Payables	(57.01)	(37.18)
	Other Non-financial liability	(66.03)	(409.60)
		8,504.95	908.33
	Less: Taxes paid	(983.37)	(1,288.22)
	Net Cash generated / (used in) from Operating Activities	7,521.58	(379.89)
II	Cash Flow from Investing Activities		
	Increase/Decrease in Mutual Fund	(711.54)	3,162.19
	Increase/Decrease in equity instrument	(45.18)	(227.14)
	Purchase of share in subsidiary	-	(277.65)
	Proceeds from Sale of equity instrument	111.74	224.44
	Proceeds from Sale of Property, Plant and Equipment's	13.43	9.51
	Capital Expenditure on Property, Plant and Equipment's	(23.00)	(98.56)
	Interest Income	257.50	409.14
	Inter Corporate Deposit Placed (net of matured)	1,500.00	(4,200.00)
	Net Cash generated from Investing Activities	1,102.95	(998.07)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹ lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
III	Cash Flow from Financing Activities		
	Dividend Paid	(1,884.20)	(1,884.21)
	Dividend Tax Paid	(86.32)	(68.32)
	Net Cash used in Financing Activities	(1,970.52)	(1,952.53)
IV	Net (Decrease) / Increase in Cash and Cash Equivalent (I+II+III)	6,654.02	(3,330.47)
	Adjustment for retained earning and reversal of minority interest on account of acquisition	-	(277.65)
	Effect of exchange differences on Foreign Currency Translation	659.96	13.51
		7,313.97	(3,594.64)
	Cash and Cash Equivalent at the beginning of the year(Refer Note 3)	8,013.75	11,608.38
	Cash and Cash Equivalent at the end of the year	15,327.72	8,013.75

Notes:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.

The accompanying Notes are an integral part of the consolidated financial statements

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

NOTES Forming part of the Consolidated Financial Statements

1) Corporate Information

IL&FS Investment Managers Limited (IIML) is a Public Limited Group domiciled in India and its Registered Office is situated at The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051. The Company has been incorporated under the Companies Act, 1956 on February 10, 1986 and is a domestic private equity fund management Group which manages funds on behalf of leading Indian and International Institutions

As at March 31, 2019, Infrastructure Leasing & Financial Services Limited, the holding Company owned 50.42% of the Group's equity share capital

2) Significant Accounting Policies

(a) Statement of compliance

These consolidated financial statements of IL&FS Investment Managers Limited ("IIML") (the "Company"), its subsidiaries (the Company and its subsidiaries together constitute the "Group") have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 (CA 2013) read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The consolidated financial statements upto and for the year ended 31 March 2018 were prepared in accordance with Companies (Accounting standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act. Previous periods have been restated to Ind AS. As these consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows is provided in Note 32. These consolidated financial statements were approved by the Board of Directors and authorized for issue on May 30, 2019

(b) Basis of preparation and presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value

(c) Basis of Consolidation

The Consolidated financial statements incorporate the financial statements of the Group controlled by IIML and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above

The Group combines the consolidated financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between Group companies are eliminated

(d) Investments in joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated profit and loss, and the Group's share of other comprehensive income of the investee in consolidated other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity

(e) Fair Value Measurement

Measurement of Fair Values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

NOTES Forming part of the Consolidated Financial Statements

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 29(b) – financial instruments

(f) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at :

- amortised cost;
- fair value through other comprehensive income ("FVOCI")
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition except if in the period the Group changes its business model for managing the financial assets

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL

Subsequent measurement and gains and losses are recognized as :

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss

(iii) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss

NOTES Forming part of the Consolidated Financial Statements

(iv) De-recognition

(i) Financial Asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised

(ii) Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

(vi) Cash and Cash Equivalents

Cash comprises of demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balance, as defined above as they are considered an integral part of the Group cash management

(g) Property, plant and equipment, Intangible Assets

Property, plant and equipment acquired by the Group are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, directly attributable to bringing the asset to the site and in working condition for its intended use

Intangible Assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any

Depreciation on asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method based on the estimated useful life of the assets, which are as follows :

Category of Asset	Estimated Useful Life (in years)
Assets :	
Furniture and Fixtures	5
Data Processing Equipments (Servers & Networking)	4
Data Processing Equipments (Others)	3
Office Equipments	4
Vehicles	4
Lease hold improvement	Over the lease period
Asset given to employees	3
Intangible Assets :	
Computer Software	3
Business Know-how, management and advisory contracts	Over the life of the Fund

NOTES Forming part of the Consolidated Financial Statements

As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, the past history of replacement, anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets:

- (i) Mobile Phones and iPad / Tablets 100% depreciated during the year of capitalisation due to extensive usage and technological obsolescence
- (ii) Vehicles as per the current policy of 4 years as against the useful life of 8 years provided in the CA 2013
- (iii) Furniture and Fixtures as per current policy of 5 years as against the useful life of 10 years provided in the CA 2013
- (iv) Office Equipment as per current policy of 4 years as against the useful life of 5 years provided in the CA 2013
- (v) Data Processing Equipment - Servers & Networking as per current policy of 4 years as against the useful life of 6 years provided in the CA 2013
- (vi) Assets provided to Employees as perquisites would be depreciated over a period of 3 years in line with the rules set in the Employee Hand Book
- (vii) Individual assets costing ₹ 0.05 lakhs or less in the year of capitalisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ₹ 1/-

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

(h) Revenue recognition

- (a) Rendering of services

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

The Group principally generates revenue by providing investment management /advisory services to various funds

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Investment Management/ Advisory Services	<p>The Group provides investment management/advisory services to various funds over the life of those funds and is entitled to management/ advisory fees. Management/ advisory fees are calculated on the applicable rates and bases as stipulated in the investment management/ advisory agreement between the Group and the funds. As the services are to be provided over the life of the funds, this implies that performance obligation is satisfied over time</p> <p>The transaction price of the management/advisory fees is based on the Net capital commitment or Net invested capital or disposition proceeds or Net Asset under management as applicable (variable consideration-based), however, this is not constrained since it can easily and accurately be calculated</p> <p>The Group determines that it can allocate the entire amount of management/ advisory fees because the management/ advisory fees relate specifically to the service provided during life of the funds. Therefore, revenue in the form of management / advisory fees is recognised over time</p>

NOTES Forming part of the Consolidated Financial Statements

- (b) Recognition of dividend income, interest income from financial instruments

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Group's right to receive dividend is established

Interest income or expense is recognised using the effective interest rate method

- (c) Other Services :

- (i) Income from upfront fee is recognized at rates agreed upon with borrowers on execution of loan documents between PMDO lenders and its borrower
- (ii) Asset Management Fee is recognized when it is reasonably certain that the revenue will flow to the Group at rates agreed upon with borrowers of PMDO Facility on the outstanding loan balance over the term of funding
- (iii) Consultancy fee and Professional fee are recognized when it is reasonably certain that the revenue will flow to the Group at the rates agreed upon

(i) Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income

- (a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

- (b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

(j) 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 expenses in respect of operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

(k) Foreign Currencies

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency

In preparing the consolidated financial statements of Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses resulting from settlement of such transactions are generally recognized in the profit and loss

Non-monetary foreign currency items are carried at cost

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively)

(l) Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and amounts pertaining to Investments which have been committed but not called for

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date

(m) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate(EIR). ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss

(n) Employee benefits

(a) Short Term Obligations : Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled

(b) Retirement benefit costs and termination benefits: Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. The Group has no obligation, other than the contribution payable to the provident fund

The Group provides for gratuity, a defined benefit plan. Incremental liability for gratuity based on actuarial valuation/ management estimates as per the projected unit credit method as at the reporting date, is charged as expenses in the Statement of Profit and Loss. Actuarial gains and losses arising from changes in actuarial/management assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period

(c) Leave Encashments : The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the actual number of days of unutilized leave at each Balance Sheet date on the basis of a independent actuarial valuation.

(o) Earnings Per Share

In determining earnings per share, the Group considers the profit attributable to the owners of the Group. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of additional equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

(p) Segment reporting

The Group operates in one reportable business segment i.e. "Asset Management and other related service"

(q) Goods and Services Tax/Service Tax

Goods and Services Tax ("GST") / Service tax is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing the credits

(r) Operating Cycle

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

(s) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes

- (i) Note 30 Impairment of financial assets (including trade receivable)
- (ii) Note 12 Estimation of defined benefit obligations
- (iii) Note 35 Estimation for preparation of financials under going concern assumption

(t) Rounding off

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakhs, unless otherwise stated

(u) Recent Accounting Pronouncement

- (i) Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 as part of the Companies (Ind AS) Amendment Rules, 2019) which are effective for the annual period beginning from April 01, 2019. The Group intends to adopt these standards and amendments from the effective date

- Ind AS 116 – Leases :

Ind AS 116 is applicable for financial reporting periods beginning on or after April 1, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases

NOTES Forming part of the Consolidated Financial Statements

The Group plans to apply Ind AS 116 on April 1, 2019, using the modified retrospective approach. Therefore, the impact (if any) on adoption of the new standard will be recognised as an adjustment to the opening balance of retained earnings at April 1, 2019, with no restatement of comparative information

The Group is in the process of analysing the impact of new lease standard on its financial statements

- Amendments to existing Ind AS :

The following amended standards are not expected to have a significant impact on the Group's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Group when it adopts the respective amended standards :

● Amendment to Ind AS 12 Income Taxes :

Income tax consequences of distribution of profits (i.e dividends), including payments on financial instruments classified as equity, should be recognized when a liability to pay dividend is recognised.

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes

● Amendments to Ind AS 109 Financial Instruments :

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion).

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that :

- Have a prepayment feature which results in a negative compensation
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

● Amendments to Ind AS 19 Employee Benefits

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income. Other amendments made to the existing standards, that are not yet effective are not expected to result in a material impact on the Group's financial statements

NOTES Forming part of the Consolidated Financial Statements

3) Cash and Cash Equivalents

(Amount in ₹ lakhs)

Particulars	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2018	April 1, 2017
Cash in hand	0.31	0.20		0.67
Cheques on Hand	-	-		35.74
In current accounts	1,058.49	2,226.40		6,443.15
In fixed deposits account	14,268.92	5,787.15		5,128.82
Total cash and cash Equivalent as per IND AS 7	15,327.72	8,013.75		11,608.38
Other bank balances				
Balances with banks for unclaimed dividend	341.05	338.38		328.75

4) Trade Receivable

(Amount in ₹ lakhs)

Particulars	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2018	April 1, 2017
Trade receivables				
Trade Receivables considered good – Unsecured	3,640.24	9,583.54		7,800.94
Less: Allowance for Credit Losses	(904.02)	(750.58)		(1,163.58)
Total Trade Receivable	2,736.22	8,832.96		6,637.36

5) Loans

(Amount in ₹ lakhs)

Particulars	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2018	April 1, 2017
Unsecured, considered good				
Loans and advances to employees	17.96	7.82		9.78
Total Loans receivables	17.96	7.82		9.78

6) Investments

(Amount in ₹ lakhs)

Particular	As at		As at		As at	
	QTY	₹	QTY	₹	QTY	₹
Non-current Investments						
Investments in Equity Instruments						
Unquoted at cost						
In Joint Venture				-		-
IL&FS Milestone Realty Advisors Private Ltd	400,000	103.22	400,000	110.74	400,000	114.90
Standard Chartered IL&FS Management (Singapore) Pte Ltd	50,000	1,354.72	50,000	1,153.89	50,000	888.43
In Others at FVTPL						
Avantika Gas Ltd	8,250	0.83	8,250	0.83		0.83
IL&FS India Realty Fund LLC	100	0.69	100	0.65	100	0.65
IL&FS India Realty Fund II LLC	100,000	0.69	100,000	0.65	100,000	0.65

NOTES Forming part of the Consolidated Financial Statements

(Amount in ₹ lakhs)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	QTY	₹	QTY	₹	QTY	₹
Tara India Fund III LLC	2	-	2	-	2	-
Tara Feeder Fund Limited	2	-	2	-	2	-
Tara India Fund IV LLC - Class C Shares	1	-	1	-	1	-
Tara India Fund IV LLC - Class D Shares	1	-	1	-	1	-
Investment Class B - IL&FS Nucleus Fund	1	-	1	-	1	-
Class A - SIREF	7,746	242.93	7,746	348.65	7,746	398.90
Class C - SIREF	75,000	0.52	75,000	0.49	75,000	0.49
Class C - K2 Property	75,000	0.52	75,000	0.49	75,000	0.49
Class D - SIREF	25,000	0.17	25,000	0.16	25,000	0.16
Class D - K2 Property	25,000	0.17	25,000	0.16	25,000	0.16
India Realty Investment Limited	-	-	-	-	1	-
Total Investment in Equity Instruments		1,704.46		1,616.71		1,405.66
Investment in Unquoted Redeemable Participating Shares						
Investment in Managerial Units of Venture Fund at FVTPL						
Unquoted						
Leverage India Fund	100	-	100	1.00	100	1.00
Infrastructure Leasing & Financial Services Realty Fund (Class C Units)	500	0.50	500	0.50	500	0.50
IFIN Realty Trust	10	1.00	10	1.00	10	1.00
Tara India Fund IV Trust (Class C Units)	50	5.00	50	5.00	50	5.00
Tara India Fund III Trust	50	5.00	50	5.00	50	5.00
Tara India Fund III Domestic Trust	500	5.00	500	5.00	500	5.00
Urjankur Nidhi Trust	1,000	1.00	1,000	1.00	1,000	1.00
Pan Asia Project Development Fund	100	1.00	100	1.00	100	1.00
Total Investment in Managerial Units of Venture Fund		18.50		19.50		19.50
Investment in Units of Venture Fund at FVPL						
Infrastructure Leasing & Financial Services Realty Fund (Class A Units)	413	402.23	456.26	445.62	694.52	587.60
Tara India Fund III Trust - Class D Units		-	-	-	3	19.96
Tara India Fund III Trust - Class A Units	24	27.06	65.71	422.23	72	461.56
IFIN Realty Trust - Class A Units	45	159.17	60.28	296.59	65.78	583.98
Tara India Fund IV Trust - Class A units	64	584.93	37.50	333.83	14	85.86
Total Investment in Units of Venture Fund		1,173.39		1,498.27		1,738.96
Aggregate amount of unquoted Equity Instruments (A)		2,896.35		3,134.48		3,164.12

NOTES Forming part of the Consolidated Financial Statements

(Amount in ₹ lakhs)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	QTY	₹	QTY	₹	QTY	₹
Investment in Mutual Funds at FVTPL						
Unquoted						
Kotak Low Duration Fund Direct - Growth	-	-	45,707	1,000.74	93,053	1,889.52
Kotak Saving Fund	30,16,210.86	921.53	-	-	-	-
Kotak Treasury Advantage Fund - Growth		-	3,990,501	1,125.97	2,106,979	555.38
L&T Money Market	10,15,051.77	187.61	-	-	-	-
UTI Treasury Advantage - Regular -Growth	-	-	50,161	1,201.42	-	-
Reliance Money Manager Fund - Growth	-	-	41,845	1,001.47	-	-
Reliance Money Market Fund - Growth	21,260.33	600.23			-	-
ICICI Prudential Flexible Income - Growth	-	-	-	-	330,317	1,028.41
Kotak Bond Short Term-Direct Plan - Growth	-	-	-	-	3,702,761	1,171.58
Kotak Banking & PSU Debt Fund - Direct - Growth	-	-	-	-	1,473,292	548.04
Birla Sun Life Savings Fund - Growth -Regular Plan	55,471.64	204.68	-	-	180,165	574.10
Birla Sun Life Floating Rate Fund - Long Term - Growth - Regular Plan	-	-	-	-	188,588	374.88
ICICI Prudential Savings Fund - Growth	-	-	-	-	21,273	52.02
Kotak Floater Short term Direct - Growth	-	-	2,633	75.11		-
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	-	-	-	-	6,369	120.74
Birla Sun Life Savings Fund - Daily Dividend-Regular Plan	-	-	-	-	56,753	57.00
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	-	-	-	-	63,403	63.53
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend	-	-	-	-	1,34,391	301.55
Reliance Medium Fund - Daily Dividend Plan	-	-	-	-	12,61,352	215.64
Reliance Money Manager Fund - Daily Dividend Plan	-	-	-	-	26,663	268.63
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	93,997	281.06	-	-	-	-
Reliance Liquid TP Regular - Growth	7,034	320.90	-	-	-	-
Kotak Liquid Fund Direct - Growth	1,002	37.94	-	-	-	-
Kotak Money Market Scheme - Direct Plan - Growth	1,242	38.35	-	-	-	-
Reliance Interval Fund - Quarterly Interval Fund - Series II			427,557	102.08	-	-
ABSL Money Managers Fund	59,180	148.11	-	-	-	-
Aditya Birla Sunlife Money Manager Fund - Growth	52,284	130.86	-	-	-	-
ICICI Prudential MF Liquid Plan	53,038.05	146.08	-	-	-	-
SBI Magnum Ultra Short Duration Fund	5,492	227.72	-	-	-	-
SBI Magnum Low Duration Fund	46,000	1,112.58	-	-	-	-
HDFC Ultra Short Term Fund - Regular Growth	1,06,30,689.84	1,111.66	-	-	-	-
Reliance Liquid Fund - Growth Plan - Growth Option (LFIGG)	2,416	109.69	-	-	-	-
Total investment in mutual funds (B)		5,579.00		4,506.79		7,221.02
Aggregate amount of unquoted investments		5,579.00		4,506.79		7,221.02
Total Investment (A+B)		8,475.35		7,641.27		10,385.14

The Group exposure to price risk for fair value measurement is disclosed in Note 30

NOTES Forming part of the Consolidated Financial Statements

7) Other Financial Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security Deposit	66.87	127.36	101.49
Loans receivables	1,400.00	4,400.00	200.00
Advances other than capital advances	28.60	45.35	
Other Advances in cash in kind	206.94	250.42	488.28
Interest accrued	251.23	75.03	97.33
Unbilled Revenue	155.93	2.43	142.47
Less: Allowance for Credit Losses	(1,542.93)	(151.57)	(159.42)
Total Other Financial Assets	566.64	4,749.02	870.15

8) Income Tax Asset

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance payment of taxes	1,450.41	1,026.41	867.95
Total (A)	1,450.41	1,026.41	867.95
Income tax payable (B)	-	-	-
Net Income Tax Assets (A - B)	1,450.41	1,026.41	867.95

9) Property, Plant and Equipment

(Amount in ₹ lakhs)

Description of Assets	Furniture and Fixtures	Office Equipments	Data Processing Equipments (Others)	Vehicles	Leasehold Improvements	Electronic Installation and Equipment	Total
I Deemed Cost							
Balance as at April 1, 2017	25.26	10.89	31.54	60.13	3.46	3.47	134.75
Additions	36.19	16.19	18.51	9.96	-	4.82	85.67
Disposals	(5.51)	(0.47)	(0.93)	(1.52)	-	-	(8.43)
Exchange difference on translation of foreign operation	-	-	0.08	-	-	-	0.08
Balance as at March 31, 2018	55.94	26.61	49.20	68.57	3.46	8.29	212.07
Additions	6.21	9.08	3.00	1.93	-	0.11	20.32
Disposals	(9.14)	(0.20)	(0.47)	(4.00)	(3.46)	(3.05)	(20.34)
Exchange difference on translation of foreign operation	-	-	0.25	-	-	-	0.25
Balance as at March 31, 2019	53.01	35.49	51.98	66.50	-	5.35	212.33
II Accumulated Depreciation and amortisation							
Balance as at April 1, 2017	-	-	-	-	-	-	-
Deletion on disposal of sale	(0.85)	(0.40)	0.18	(0.34)	-	-	(1.42)
Depreciation expense	11.87	19.06	20.67	26.36	2.39	0.70	81.06

NOTES Forming part of the Consolidated Financial Statements

(Amount in ₹ lakhs)

Description of Assets	Furniture and Fixtures	Office Equipments	Data Processing Equipments (Others)	Vehicles	Leasehold Improvements	Electronic Installation and Equipment	Total
Exchange difference on translation of foreign operation	-	-	0.08	-	-	-	0.08
Balance as at March 31, 2018	11.02	18.66	20.93	26.02	2.39	0.70	79.72
Deletion on disposal of sale	(2.17)	(0.06)	(0.13)	(0.43)	(3.46)	(0.68)	(6.94)
Depreciation expense	13.14	11.18	16.51	24.91	1.07	0.96	67.77
Exchange difference on translation of foreign operation	-	-	0.23	-	-	-	0.23
Balance as at March 31, 2019	21.99	29.78	37.54	50.50	-	0.98	140.79
III Net Carrying Amount							
Balance as at April 1, 2017	25.26	10.89	31.54	60.13	3.46	3.47	134.75
Balance as at March 31, 2018	44.92	7.95	28.27	42.55	1.07	7.59	132.35
Balance as at March 31, 2019	31.02	5.71	14.44	16.00	-	4.37	71.54

9) Other Intangible Assets

(Amount in ₹ lakhs)

Description of Assets	Intangible Assets
I Deemed Cost	
Balance as at April 1, 2017	1,853.07
Additions	43.16
Disposals	1.08
Exchange difference on translation of foreign operation	44.84
Balance as at March 31, 2018	1,942.15
Additions	2.68
Disposals	-
Exchange difference on translation of foreign operation	71.19
Balance as at March 31, 2019	2,016.02
II Accumulated Depreciation amortisation	
Balance as at April 1, 2017	-
Deletion on disposal of sale	-
Depreciation expense for the year	1,070.05
Exchange difference on translation of foreign operation	48.54
Balance as at March 31, 2018	1,118.59
Deletion on disposal of sale	-
Depreciation expense for the year	872.74
Exchange difference on translation of foreign operation	0.35
Balance as at March 31, 2019	1,991.68
III Net Carrying Amount	
Balance as at April 1, 2017	1,853.07
Balance as at March 31, 2018	823.56
Balance as at March 31, 2019	24.34

NOTES Forming part of the Consolidated Financial Statements

10) Other Non-Financial Assets

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid Expenses	542.74	538.81	564.96
Indirect taxes recoverable	177.37	207.39	132.93
Total Non-Financial Assets	720.11	746.20	697.89

11) Deferred Tax Liability:

Movement in deferred tax balances:

(Amount in ₹ lakhs)

Particulars	Closing Balance March 31, 2019	Movement Recognised in Profit and Loss	Closing Balance March 31, 2018	Movement Recognised in Profit and Loss	As at April 1, 2017
Tax effect of items constituting deferred tax assets					
Property, Plant and Equipment	64.74	(0.42)	65.16	(8.72)	73.88
Defined Benefit Obligation	55.95	(35.56)	91.51	(30.88)	122.39
Trade Receivables	57.19	(170.82)	228.01	51.70	176.31
Preliminary Expenses Written off	2.16	(1.08)	3.24	(1.61)	4.85
Others	15.21	13.67	1.54	(1.24)	2.78
Total	195.25	(194.21)	389.46	9.25	380.21
Tax effect of items constituting deferred tax liabilities					
FVTPL Financial Asset	50.99	48.87	2.12	(0.24)	2.36
Unrealised profit on subsidiary	1,684.98	(62.59)	1,747.57	(215.71)	1,963.29
Total	1,735.97	(13.72)	1,749.69	(215.95)	1,965.64
Net Tax (Liability) /Asset	(1,540.72)	(180.49)	(1,360.23)	225.20	(1,585.43)

12) Employee Benefit Obligations

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provisions			
Provision for compensated absences	211.31	495.54	520.97
Provision for Gratuity	162.04	0.55	10.77
Provision for Performance Related Pay	715.07	560.69	581.23
Other Employee Benefits	17.15	8.45	-
Total Employee benefit obligations	1,105.57	1,065.23	1,112.97

NOTES Forming part of the Consolidated Financial Statements

a) Particulars relating to IND AS 19 “Employee Benefits” (Revised) is provided

(i) Defined-Contribution Plans :

(Amount in ₹ lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer’s Contribution to Provident Fund	96.92	121.21
Employer’s Contribution to Pension Fund	8.46	5.97
Employer’s Contribution to Superannuation Fund	44.98	51.12

(ii) Defined-Benefit Plans :

The Indian Group companies operates funded post retirement defined benefit plans for gratuity, details of which are as follows :

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions :

(Amount in ₹ lakhs)

Assets and Liability (Balance Sheet Position)	As at	
Particulars	March 31, 2019	March 31, 2018
Present Value of Obligation	728.91	848.58
Fair Value of Plan Assets	824.80	843.62
Surplus / (Deficit)	95.89	(4.96)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	95.89	(4.96)

(Amount in ₹ lakhs)

Expenses Recognized during the year	For the year ended	
Particulars	March 31, 2019	March 31, 2018
In Income Statement	53.93	81.60
In Other Comprehensive Income	(82.23)	(87.03)
Total Expenses Recognized during the period	(28.30)	(5.42)

(Amount in ₹ lakhs)

Changes in the Present Value of Obligation	For the year ended	
Particulars	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	848.58	1,081.38
Current Service Cost	54.00	71.45
Interest Expense or Cost	65.85	78.39
Benefits Paid directly by the employer	-	(6.24)
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	9.36	(47.44)
- experience variance (i.e. Actual experiences assumptions)	(93.85)	(57.43)
- others	-	-
Past Service Cost	-	9.64
Effect of change in foreign exchange rates	-	-
Benefits Paid	(153.80)	(328.58)
Acquisition Adjustment	(1.24)	47.42
Present Value of Obligation as at the end	728.91	848.58

NOTES Forming part of the Consolidated Financial Statements

(Amount in ₹ lakhs)

	As at	
	March 31, 2019	March 31, 2018
Bifurcation of Net Liability		
Current Liability (Short term)	(121.45)	(68.19)
Non-Current Liability (Long term)	25.56	73.16
Net Liability/(Asset)	(95.89)	4.96

(Amount in ₹ lakhs)

Changes in the Fair Value of Plan Assets	For the year ended	
	March 31, 2019	March 31, 2018
Particulars		
Fair Value of Plan Assets as at the beginning	844.12	1,074.35
Investment Income	65.91	77.88
Employer's Contribution	31.53	17.80
Transfer in	6.24	-
Benefits Paid	(120.74)	(308.55)
Return on plan assets, excluding amount recognised in net interest expense	(2.26)	(17.84)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	824.80	843.62

(Amount in ₹ lakhs)

Expenses Recognised in the Income Statement	For the year ended	
	March 31, 2019	March 31, 2018
Particulars		
Current Service Cost	54.00	71.45
Past Service Cost	-	9.64
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(0.06)	0.51
Expenses Recognised in the Income Statement	53.93	81.60

(Amount in ₹ lakhs)

Other Comprehensive Income	For the year ended	
	March 31, 2019	March 31, 2018
Particulars		
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	9.36	(47.44)
- experience variance (i.e. Actual experience vs assumptions)	(93.85)	(57.43)
- Others	-	-
Return on plan assets, excluding amount recognised in net interest expense	2.26	17.84
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	(82.23)	(87.03)

NOTES Forming part of the Consolidated Financial Statements

Financial Assumption Particulars	As at	
	March 31, 2019	March 31, 2018
Discount Rate (per annum)	7.70%-7.88%	7.7%-7.88%
Salary Growth Rate(per annum)	6.50%	6.50%

The respective employer's best estimate of the contributions expected to be paid to the plan during the next 12 month ₹ Nil/- (Previous year ₹ 33.18 lakhs)

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

13) Other Non – Financial Liabilities :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deferred Rent	-	2.50	3.21
Statutory Dues payable	125.97	200.05	97.36
Other Payables	14.32	10.39	523.33
Income Received in advance	127.19	120.57	119.21
Unclaimed Dividend	341.05	338.38	328.75
Other	5.00	5.00	5.00
Total : Other Non – Financial Liabilities	613.53	676.89	1,076.86

14) Share Capital :

a) Share Capital of the Group consist of the following :

(Amount in ₹ lakhs)

Number of shares	As at March 31, 2019		As at March 31, 2018	
	Number of shares	₹	Number of shares	₹
SHARE CAPITAL				
(a) AUTHORISED				
Equity Shares of ₹ 2/- each with voting rights	32,50,00,000	6,500.00	32,50,00,000	6,500.00
(b) ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 2/- each with voting rights	31,40,32,740	6,280.65	31,40,32,740	6,280.65
Add : Forfeited shares		0.20		0.20
Equity Shares of ₹ 2/- each with voting rights	31,40,32,740	6,280.85	31,40,32,740	6,280.85

NOTES Forming part of the Consolidated Financial Statements

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

Particulars	Opening balance	Issued during the year	Closing balance
As at March 31, 2019			
Number of shares	314,032,740	-	314,032,740
Amount (Rupees in lakhs)	6,280.85	-	6,280.85
As at March 31, 2018			
Number of shares	314,032,740	-	314,032,740
Amount (Rupees in lakhs)	6,280.85	-	6,280.85
As at April 1, 2017			
Number of shares	314,032,740	-	314,032,740
Amount (Rupees in lakhs)	6,280.85	-	6,280.85

- c) Details of Holding Group and shareholders holding more than 5% of the share capital :

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Infrastructure Leasing & Financial Services Limited, the Holding Group	158,333,152	50.42	158,333,152	50.42

Rights, preference and restrictions attached to equity shares :

The Group has one class of Equity Shares with face value of ₹ 2 each. Each Shareholder has a voting right in proportion to their holding of the paid up Equity Share Capital of the Group. On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, in proportion to the number of equity shares held after distribution of all preferential amounts. However, no such preferential amounts exist currently

- d) Number of equity shares allotted as fully paid up by way of bonus shares for preceding five years :

Financial Year	Par Value (₹)	No. of shares	Amount in ₹ lakhs
2017-18	-	-	-
2016-17	-	-	-
2015-16	-	-	-
2014-15	-	-	-
2013-14	2	104,530,705	2,090.61

- e) Forfeited shares :

During the financial year 1997-98 the Group had forfeited 10,000 equity shares of ₹ 2/- each on which amount paid up was ₹ 20,000/-

- f) No shares were bought back by the Group during the last five years

NOTES Forming part of the Consolidated Financial Statements

g) Shares reserved for issue under Options :

i) The particulars of the Options distributed under ESOP 2003, ESOP 2004 and ESOP 2006 are as follows :

Particulars	ESOP 2003	ESOP 2004	ESOP 2006
Eligibility	Directors and Employees	Directors and Employees	Directors of the Group and Subsidiary Companies and Employees of the Group
Vesting period for options granted during the year	One year from date of grant	One year from date of grant	One year to three year from date of grant
Exercise Period	Four years beginning from date of vesting	Four years beginning from date of vesting	Four years beginning from date of vesting
Method of Settlement	Equity	Equity	Equity

ii) The number of Options available for grant in future are as follows :

Particulars	ESOP 2003	ESOP 2004	ESOP 2006
Options available for grant in future	37,815	130,928	1,935,000

h) The number and weighted average Exercise Price of Stock Options for ESOP 2006 is as follows :

Particulars	ESOP 2006	
	No. of Options	Weighted Average Exercise Price
Authorised to be Granted	16,875,000	-

i) The effect of subdivision of each Equity share of ₹ 10/- into Equity shares of ₹ 2/- each and issue of bonus shares is considered in calculating the number of Options

j) The Group calculates the employee compensation cost using the Intrinsic Value of the Options. The Exercise Price of the Options granted is based on the Market Price as on the date of the Grant

k) No Options were granted during the year ended March 31, 2019 (Previous year Nil). Further, no options were outstanding at the start of the year

l) Based on the recommendation of the Nomination and Remuneration Committee, the board of directors at its meeting held on May 29, 2019 has terminated the schemes under ESOP 2003, ESOP 2004 and ESOP 2006. Accordingly all option available for grant in future under the schemes stands cancelled

15) Contingent Liabilities and Capital Commitments

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2018
1) Claims not acknowledged as debts:			
Income tax demand contested by the Group	516.65	726.84	704.87
Service tax demand contested by the Group	701.68	701.68	459.30
2) Capital Commitments:			
Uncalled commitments on units of Venture Capital Fund	356.86	624.98	860.40

The Group does not expect any outflow of economic resources in respect of the claims above and therefore no provision is made in respect thereof

NOTES Forming part of the Consolidated Financial Statements

16) Revenue from Operations

(Amount in ₹ lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fees from Fund Management and Advisory Services	8,868.99	10,830.55
Total Revenue from Operations	8,868.99	10,830.55

17) Other Income

(Amount in ₹ lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Interest Income		
Interest on Fixed Deposits	402.12	384.24
Interest on loan	33.61	0.37
Interest on Income Tax Refund	-	2.23
b) Dividend Income	-	3.40
c) Net Gain / (Loss) on sale of investments		
- On sale of equity instrument	167.48	(84.64)
- On sale of mutual fund	183.10	429.13
d) Profit on sale of Property, Plant and Equipment's	-	2.66
e) Foreign exchange gain	17.47	-
f) Other income	137.72	96.42
g) Reversal of Excess Performance related pay	40.80	76.10
h) Reversal of expected credit loss	431.91	151.19
Total Other Income	1,414.21	1,061.10

18) Employee Benefit Expense

(Amount in ₹ lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages, including bonus	3,619.80	4,000.56
(b) Contribution to provident and other funds	216.05	255.65
(c) Staff welfare expenses	45.27	49.29
Total Employee Benefit Expense	3,881.12	4,305.50

NOTES Forming part of the Consolidated Financial Statements

19) Other Administrative and Operating Expenses

a) Other Administrative and Operating Expenses consists of :

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent including lease rentals	441.07	534.74
Rates and Taxes	42.70	74.43
Electricity and Water Charges	13.40	18.33
Postage and Telecommunication	33.57	39.19
Printing and Stationery	25.16	27.71
Travelling and Conveyance Expenses	185.84	186.42
Provision for doubtful trade and other receivables, loans	0.21	389.93
Insurance	72.01	74.44
Repairs and maintenance	145.41	136.55
Brand Subscription Fees	47.86	120.04
Directors Sitting Fees	42.28	61.99
Sub advisory Expenses	160.89	206.30
Expenditure on Corporate Social Responsibility (CSR)	102.61	127.74
Subscription to Clubs and association	39.55	39.31
Auditors remuneration and out-of-pocket expenses	91.00	101.08
Commission to Non whole time directors	15.00	20.00
Miscellaneous Expenses	219.55	288.17
Conference and Seminar Expenses	3.76	0.76
Profit on sale of Property, Plant and Equipments (net)	0.32	-
Foreign Exchange loss	-	8.95
Legal and Professional Expenses	1,647.94	1,372.47
Net gain/(loss) arising on financial assets designated as at FVTPL	161.47	209.92
Total Other Expenses	3,491.60	4,038.47

Miscellaneous Expenses includes commission to non-whole time directors, advertisement expenses, service promotion expenses, subscription to clubs/association, and books and periodicals

b) Audit fees consists of amount paid/payable :

Particulars	(Amount in ₹ lakhs)	
	For the year ended March 31, 2019	for the year ended March 31, 2018
Statutory Audit	58.58	61.14
Limited review of quarterly results	14.01	22.35
Out-of-pocket expenses	1.20	2.15
For other services, certification etc.	17.21	15.54
Total	91.00	101.18

The above fees are exclusive of GST/service tax as applicable

NOTES Forming part of the Consolidated Financial Statements

20) Leases

The Group has entered into Operating Lease arrangements towards provision for vehicles and Business Centre arrangement towards use of office facility. The minimum future payments during non-cancellable periods under the foregoing arrangements in the aggregate for the following period is as follows :

(Amount in ₹ lakhs)			
Future Lease rentals	March 31, 2019	March 31, 2018	April 1, 2017
Not later than one year	38.80	295.15	372.05
Later than one year but not later than 5 years	47.57	20.73	336.90
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	304.27	362.07	337.69

21) Dividend paid in Foreign Currencies to Non resident Shareholders

No Dividend has been paid in Foreign Currencies to non-resident shareholders in current year and previous year

22) Earnings Per Share (EPS)

In accordance with the Indian Accounting Standard on 'Earnings Per Share' (IND AS-33), the Basic Earnings Per Share and Diluted Earnings Per Share has been computed by dividing the Profit After Tax by the number of equity shares for the respective year as under:

(Amount in ₹ lakhs)		
Particulars	March 31, 2019	March 31, 2018
Profit/(Loss) After Tax (₹)	(1,367.72)	1,766.31
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	31,40,32,740	31,40,32,740
(i) Nominal Value per share (₹)	2.00	2.00
(ii) Basic Earnings per share (₹)	(0.44)	0.56
(iii) Diluted Earnings per share (₹)	(0.44)	0.56

23) CSR expenditure

- a) Gross amount required to be spent by the Group during the year – ₹ 92.90 lakhs
- b) Amount spent during the year on :

(Amount in ₹ lakhs)			
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	102.61	-	102.61

NOTES Forming part of the Consolidated Financial Statements

24) Interest in other entities

(a) Subsidiaries :

Name of the Entity	Country of Incorporation and Residence	Percentage of Voting power As at March 31, 2019	Percentage of Voting power As at March 31, 2018	Percentage of Voting power As at April 1, 2017
IL&FS Asian Infrastructure Managers Limited	India	100	100	51
IL&FS Urban Infrastructure Managers Limited	India	100	100	100
IL&FS Investment Advisors LLC	Mauritius	100	100	100
Saffron Investment Trust (IL&FS Investment Advisors LLC is 100% beneficiary)	Mauritius	100	100	100
IIML Asset Advisors Limited	India	100	100	100
Andhra Pradesh Urban Infrastructure Asset Management Limited	India	51	51	51
IL&FS Infra Asset Management Limited	India	86.61	86.61	86.61
IL&FS AMC Trustee Limited	India	100	100	100
IIML Fund Managers (Singapore) Pte Ltd	Singapore	100	100	100

(b) Joint Venture :

Name of the Entity	Country of Incorporation and Residence	Percentage of Voting power As at March 31, 2019	Percentage of Voting power As at March 31, 2018	Percentage of Voting power As at April 1, 2017
IL&FS Milestone Realty Advisors Private Limited	India	40	40	40
Standard Chartered IL&FS Management (Singapore) Pte Ltd	Singapore	50	50	50

24) Disclosure as required by the AS 18 on "Related Party Disclosures" are made below :

a) Name of the Related Parties and Description of Relationship :

Sr. No.	Holding Company
1	Infrastructure Leasing & Financial Services Limited [IL&FS]
Sr. No.	Fellow Subsidiaries
1	IL&FS Financial Services Limited [IFIN]
2	IL&FS Securities Services Limited [ISSL]
3	IFIN Realty Trust [IFINRT]
4	IL&FS IIDC Fund [IIDC Fund]
5	IL&FS Infrastructure Equity Fund – 1 [IIEF-1]
6	IL&FS Environmental Infrastructure & Service Limited [EISL]

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7	IL&FS Maritime International FZE [IMIFZE]
8	East Delhi Waste Processing Group Private Limited [EDWPC]
9	IL&FS Energy Development Group Limited [IEDCL]
10	IL&FS Global Financial Service (ME) Limited [IGFMEL]
11	RDF Power Projects Limited [RDFPPL]
12	IL&FS Prime Terminals FZC [IPT]
13	IL&FS Global Pte Limited [IGPL]
14	IL&FS Technologies Limited [ITL]
15	ISSL CPG BPO Private Limited [ISSLCPG]
16	IL&FS Township Urban Asset Limited [ITUAL]
17	IL&FS Academy of Applied Development [IAAD]
18	Livia India Limited [Livia]
19	IL&FS Maritime Infrastructure Group Limited [IMICL]
20	IIDC Limited [IIDC]
21	Tamil Nadu Water Investment Group Limited [TNWICL]
22	IL&FS Infrastructure Development Corporation Limited [IIDCL]
23	IL&FS Transportation Network Limited [ITNL]
24	IL&FS Urban Infrastructure Managers Limited [IUML]
25	Urban Mass Transit Group Limited [UMTCL]
26	IL&FS Water Limited [IWT]
27	IL&FS Education And Technology Services Ltd [IETS]

Sr. No.	Key Managerial Personnel
1	Mr Ramesh Bawa [Managing Director] (till September 22, 2018)
2	Dr Archana Hingorani [CEO & Executive Director] (till April 30, 2017)
3	Mr S M Datta - Chairman & Non-Executive Independent Director
4	Mr Sunil Mehta - Non-Executive Independent Director
5	Ms Shubhalakshmi Panse - Non-Executive Independent Director
6	Mr Chitranjan S Kahlon - Non-Executive Independent Director (from August 24, 2018)
7	Mr Nand Kishore - Non-Executive Director (from December 6, 2018)
8	Mr Kaushik Modak - Non-Executive Director (from December 6, 2018)
9	Mr Bansi S Mehta - Non-Executive Independent Director (till June 5, 2018)
10	Mr Ravi Parthasarathy - Non-Executive Director (till July 21, 2018)
11	Mr Hari Sankaran - Non-Executive Director (till October 1, 2018)
12	Mr Vibhav Kapoor - Non-Executive Director (till October 19, 2018)

The Group is dependent on information from the Holding Company of its Related Parties as defined under Ind AS 24 and under the Companies Act, 2013 during the period from April 1, 2017 to March 31, 2019. The Ultimate Holding Company has not been able to provide the said information to the Group for the whole of the period referred to above. In the absence of the above information, the Group has identified its related party's relationship on the basis of information made available by the Holding Company in the past. Accordingly, the related parties identified by the Group may not be complete and accurate. However, the Group believes that unavailability of the required information may not have a material impact on the financial statements

NOTES Forming part of the Consolidated Financial Statements

The nature and volume of transactions during the year ended March 31, 2019, with the above related parties were as follows:

Nature of Transactions	(Amount in ₹ lakhs)		
	Holding Company	Fellow Subsidiary	Key Management Personnel
Advisory Fee Income			
EDWPC	-	37.56	-
IEISL	-	27.96	-
IIEF-1	-	280.89	-
IIDC Fund	-	7.00	-
RDFPPL	-	49.60	-
Dividend Paid	950.00		
Interest Income			
IFIN	-	7.11	-
ITNL	-	16.58	-
IL&FS	32.11	-	-
Rent paid			
IL&FS	327.21	-	-
IFIN	-	7.81	-
Insurance			
IL&FS	(1.05)	-	-
Repairs & Maintenance			
IL&FS	15.84	-	-
Livia	-	71.35	-
Redemption of Units			
IFINRT	-	153.32	-
Electricity Charges			
IL&FS	10.01	-	-
Brand subscription fees			
IL&FS	47.86	-	-
Staff Deputation Cost			
UMTCL	-	19.24	-
IWT	-	15.74	-
ITUAL	-	26.33	-
TNWICL	-	84.84	-

NOTES Forming part of the Consolidated Financial Statements

(Amount in ₹ lakhs)			
Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management Personnel
Staff Deputation Cost recovered			
IFIN	-	11.97	-
IL&FS	5.39	-	-
Legal and Professional Expenses			
ITL	-	0.49	-
ISSL	-	27.75	-
IL&FS	2.12	-	-
IETS	-	1.00	-
Inter Corporate Deposit Placed			
IL&FS	-	700.00	-
Inter Corporate Deposit redeemed			
ITNL	-	2,200.00	-
Others			
Amount Transfer to IFIN for Employee Transfer	-	22.37	-
Service Charges Expenses	0.19	-	-
Service Charges Expenses [IFIN]	-	8.95	-
Custody charges [ISSL]	-	0.79	-
Other Reimbursement (Paid) / Recovered			
IFIN	-	9.38	-
EDWPC	-	0.12	-
IEDCL	-	0.21	-
RDF	-	0.46	-
IGFMEL	-	21.66	-
Livia	-	0.02	-
IL&FS	(12.97)	-	-
Payment to Directors			
Sitting fees	-	-	9.08
Commission	-	-	20.00
Managerial Remuneration *			
Ramesh Bawa	-	-	23.89

* Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and Group mediclaim which are provided for Group of employees on an overall basis.

The nature and volume of transactions during the year ended March 31, 2018 with the above related parties were as follows:

(Amount in ₹ lakhs)			
Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management Personnel
Advisory Fee Income			
EDWPC	-	85.60	-
IFINRT	-	43.07	-
IEISL	-	63.71	-
IIEF-1	-	267.99	-
IIDC Fund	-	7.00	-
RDFPPL	-	109.66	-
Dividend paid	950.00	-	-
Interest Income			
IFIN	-	17.92	-
ITNL	-	3.09	-

NOTES Forming part of the Consolidated Financial Statements

Nature of Transactions	(Amount in ₹ lakhs)		
	Holding Company	Fellow Subsidiary	Key Management Personnel
Rent paid			
IL&FS	379.32	-	-
IFIN	-	10.15	-
Insurance			
IL&FS	16.78	-	-
Repairs & Maintenance			
IL&FS	8.28	-	-
IFIN	-	3.98	-
Livia	-	89.69	-
Redemption of Units			
IFINRT	-	55.04	-
Electricity Charges			
IL&FS	8.77	-	-
Brand subscription fees			
IL&FS	119.85	-	-
Staff Deputation Cost			
IFIN	-	(8.49)	-
IL&FS	5.58	-	-
IEISL	-	6.10	-
Legal and Professional Expenses			
ITL	-	3.52	-
IIDC	-	163.00	-
TNWICL	-	95.73	-
IFIN	-	7.85	-
ITNL	-	20.00	-
ISSL	-	20.39	-
Livia	-	3.00	-
Inter Corporate Deposit Placed			
ITNL	-	2,200.00	-
IFIN	-	2,000.00	-
Other Reimbursement (Paid) / Recovered			
IFIN	-	4.08	-
EDWPC	-	0.03	-
IEDCL	-	0.18	-
IEISL	-	0.03	-
ISSL	-	0.43	-
RDF	-	0.09	-
IGFMEL	-	(21.26)	-
IIDC	-	(4.18)	-
IIDCL	-	3.27	-
IL&FS	(12.05)	-	-
Managerial Remuneration *			
Ramesh Bawa	-	-	50.00
Dr Archana Hingorani	-	-	183.04

* Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and Group mediclaim which are provided for Group of employees on an overall basis.

NOTES Forming part of the Consolidated Financial Statements

b) Statement of significant balances as at March 31, 2019 are as follows :

Nature of Transaction	(Amount in ₹ lakhs)	
	Holding Company	Fellow Subsidiary
Trade Receivables		
EDWPC	-	89.63
RDFPPL	-	119.10
IIDC Fund	-	7.56
IAAD	-	0.01
IEISL	-	64.94
IFIN	-	24.86
ITNL	-	0.27
Interest Accrued		
IFIN		13.00
IL&FS	32.11	-
Loans Receivable		
IFIN	-	2,365.00
IL&FS	700.00	
Other Financial liability		
IFIN	-	(5.00)
Trade Payables		
UMTCL	-	(7.26)
IETS	-	(0.90)
ITUAL	-	(98.24)
ISSL	-	(0.34)
IWL	-	(11.17)
IFIN	-	(2.42)
IL&FS	(5.65)	-
TNWICL	-	(76.64)
Other Financial Asset		
IIDCL	-	0.29
Salary payable [RC Bawa]	-	2.13

Out of the above Loan receivable outstanding as on 31 March 2019, provision has been created for ₹ 1,445.11 lakhs towards loans receivable due including the accrued interest and balance of ₹ 1,502.03 lakhs has been written off

Out of the above trade receivable outstanding as on 31 March 2019, provision has been created of ₹ 7.56 /- lakhs for IIDC Fund

The Group has made 100% provisioning in respect of AMC fees recoverable and/or OPE recoverable in respect of following parties:

- (i) IL&FS Environmental Infrastructure and Services Limited
- (ii) East Delhi Waste Processing Company Private Limited
- (iii) IL&FS Financial Services Limited
- (iv) RDF Power Projects Limited
- (v) IL&FS Infrastructure Development Corporation Limited

NOTES Forming part of the Consolidated Financial Statements

c) Statement of significant balances as at March 31, 2018 are as follows :

Nature of Transaction	(Amount in ₹ lakhs)	
	Holding Group	Fellow Subsidiary
Trade Receivables		
EDWPC	-	48.97
RDFPPL	-	60.03
IIEF-1	-	45.00
IAAD	-	0.01
IEISL	-	34.99
IFIN	-	9.08
IL&FS	8.14	-
IPT		0.84
ITNL	-	0.13
Interest Accrued		
ITNL	-	2.78
IFIN	-	2.03
Inter Corporate Deposit		
IFIN	-	2,200.00
ITNL	-	2,200.00
Other Financial liability		
IFIN	-	(5.00)
Trade Payables		
IIDC		(138.54)
IEISL		(6.10)
IL&FS	(10.78)	
TNWICL	-	(60.18)
IGFMEL	-	(21.93)
Other Financial Asset		
IEDCL	-	0.18
IIDCL	-	2.08

d) Statement of significant balances as at April 1, 2017 are as follows :

Nature of Transaction	(Amount in ₹ lakhs)	
	Holding Group	Fellow Subsidiary
Trade Receivables		
EDWPC	-	51.89
IEISL	-	89.91
IGPL	-	136.16
RDFPPL	-	3.36
IAAD	-	0.01
ITNL	-	0.05
IL&FS	7.61	-
IPT	-	1.56
Inter Corporate Deposit		

NOTES Forming part of the Consolidated Financial Statements

Nature of Transaction	(Amount in ₹ lakhs)	
	Holding Group	Fellow Subsidiary
IFIN	-	200.00
Trade Payables		
IIDC	-	(33.63)
IFIN	-	(6.84)
TNWICL	-	(4.20)
IL&FS	(4.07)	-
IGFMEL	-	(5.24)
ISSL	-	(0.58)
Livia	-	(0.06)
Interest accrued not due		
IFIN	-	8.33
Other Financial Asset		
IIDCL	-	0.55
IEDCL	-	0.16
Long Term Liability		
IFIN	-	(5.00)
Share Subscription		
IFIN	-	1,811.12

25) Income Tax Expense

Particulars	(Amount in ₹ lakhs)	
	March 2019	March 2018
(a) Income Tax expense		
Current Tax		
Current tax on Profit for the year	550.37	1,060.22
Deferred Tax	24.49	(238.20)
Prior Year Taxes	9.00	69.54
Total Income tax expense	583.86	891.56
(b) Reconciliation of tax expense and accounting profit multiplied by India tax rate		
Profit/(Loss) before tax after exceptional items	(783.86)	2,657.87
India tax rate	0% - 29.12%	0% - 28.84%
	589.85	801.25
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Disallowance on account of Provision for Diminution	68.16	312.92
Dividend income from subsidiaries to be taxed at lower rate	(81.63)	(168.93)
Corporate social responsibility expenditure	11.84	15.48
Deduction/disallowance under various sections of Income Tax Act, 1961	(22.53)	99.50
Income chargeable to tax on realised basis as per Income Tax Act, 1961	(15.32)	-
Deferred tax	24.49	(238.20)
Prior Year Taxes	9.00	69.54
Total Income tax expense	583.86	891.56

NOTES Forming part of the Consolidated Financial Statements

- 26) According to the records available with the Group, there are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence no disclosure are to be given in respect thereof. This has been provided by the Group and relied upon by the auditors

27) Segment Reporting

- (a) Description of segments and principal activities :

The Group is a domestic private equity fund management company which manages funds on behalf of leading Indian and International Institutions. The operations of the Group are limited to one segment viz. Asset Management and other related service. As such, there are no separate reportable business or geographical segments as per as per the Indian Accounting Standard 108 (Ind AS) on Operating Segment

- (b) Segment Revenue :

The amount of revenue from external customers broken down by location of the customers is shown in the table below :

(Amount in ₹ lakhs)		
Revenue	For the year ended March 31, 2019	For the year ended March 31, 2018
Within India	5,675.10	6,144.15
Outside India	3,193.88	4,686.40

- (c) All material assets other than financial instruments and deferred tax assets are domiciled in India

- (d) Information about revenue from major customers :

(Amount in ₹ lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue	2,502.79	1,943.28

28) Fair Value Measurements

- (a) Financial Instruments by category :

(Amount in ₹ lakhs)				
As at March 31, 2019	Carrying amount			
Particulars	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total
Financial assets				
Cash and Cash Equivalents			15,668.77	15,668.77
Trade Receivables	-	-	2,736.22	2,736.22
Loans	-	-	17.96	17.96
Equity instrument	1,438.41	-	-	1,438.41
Mutual Funds	5,579.00	-	-	5,579.00
Other Financial Assets	-	-	566.64	566.64
Total Financial Asset	7,017.41	-	18,989.59	26,007.00
Financial Liabilities				
Trade Payables	-	-	726.93	726.93
Total Financial Liabilities	-	-	726.93	726.93

NOTES Forming part of the Consolidated Financial Statements

(Amount in ₹ lakhs)

As at March 31, 2018	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Particulars				
Financial assets				
Cash and Cash Equivalents			8,352.12	8,352.12
Trade Receivables	-	-	8,832.96	8,832.96
Loans	-	-	7.82	7.82
Equity instrument	1,869.85	-	-	1,869.85
Mutual Funds	4,506.79	-	-	4,506.79
Other Financial Assets	-	-	4,749.02	4,749.02
Total Financial Asset	6,376.63	-	21,941.92	28,318.56
Financial Liabilities				
Trade Payables	-	-	783.94	783.94
Total Financial Liabilities	-	-	783.94	783.94

(Amount in ₹ lakhs)

As at April 1, 2017	Carrying amount			Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	
Particulars				
Financial assets				
Cash and Cash Equivalents			11,937.13	11,937.13
Trade Receivables	-	-	6,637.36	6,637.36
Loans	-	-	9.78	9.78
Equity instrument	21,60.79	-	-	2160.79
Mutual Funds	7,221.02	-	-	7221.02
Other Financial Assets	-	-	870.15	870.15
Total Financial Asset	9,381.81	-	19,454.41	28,836.23
Financial Liabilities				
Trade Payables	-	-	821.13	821.13
Total Financial Liabilities	-	-	821.13	821.13

(b) Fair value hierarchy :

As at March 31, 2019 (Amount in ₹ lakhs)

Particulars	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Equity instrument	1,438.41	-	-	1,438.41
Mutual Funds	5,579.00	5,579.00	-	-

NOTES Forming part of the Consolidated Financial Statements

As at March 31, 2018		(Amount in ₹ lakhs)		
Particulars	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Equity instrument	1,869.85	-	-	1,869.85
Mutual Funds	4,506.79	4,506.79	-	-

As at April 1, 2017		(Amount in ₹ lakhs)		
Particulars	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial assets				
At FVTPL				
Equity instrument	2,160.79	-	-	2,160.79
Mutual Funds	7,221.02	7,221.02	-	-

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described in Note 2 (c) of the financial statement

29) Financial Risk Management

The Group has exposure to the following risks from financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk

Risk Management Framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the risk management process to ensure adherence to appropriate risk limits and controls are set in place.

The Board of Directors oversees how management monitors compliance with the Group's risk management process and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. At the end of the period, the details of the trade receivables were as follows :

Particulars	(Amount in ₹ lakhs)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade receivables			
Trade Receivables considered good – Unsecured	3,640.24	9,583.54	7,800.94
Less: Allowance for Credit Losses	(904.02)	(750.58)	(1,163.58)
Total Trade Receivable	2,736.22	8,832.96	6,637.36

NOTES Forming part of the Consolidated Financial Statements

Reconciliation of Expected Credit Loss on Trade Receivables

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expected credit loss at the beginning of the year	750.58	1,163.58
Add/(less): changes in allowance	(153.44)	(413.00)
Expected credit loss at the end of the year	904.02	750.58

Others financial asset are Loans given, amount recoverable on account of reimbursement of out of pocket expenses and travel advance given to employees. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. At the end of the year, the details of the others financial asset were as follows :

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security Deposit	66.87	127.36	101.49
Loans receivables	1,400.00	4,400.00	200.00
Advances other than capital advances	28.60	45.35	-
Other Advances in cash in kind	206.94	250.42	488.28
Interest accrued	251.23	75.03	97.33
Unbilled Revenue	155.93	2.43	142.47
Less: Allowance for Credit Losses	(1,542.93)	(151.57)	(159.42)
Total Other Financial Assets	566.64	4,749.02	870.15

Reconciliation of Expected Credit Loss on Other Financial Asset

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expected credit loss at the beginning of the year	151.57	159.42
Add/(less): changes in allowance	1,391.36	(7.85)
Expected credit loss at the end of the year	1,542.93	151.57

Cash and cash equivalents are held with an Indian bank having high quality credit rating

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient cash to address any liquidity risk that may arise

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities

NOTES Forming part of the Consolidated Financial Statements

Maturity Profile of Financial Liabilities

(Amount in ₹ lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Less than 1 year			
Non- interest bearing instrument			
Trade payable	726.94	783.94	821.13

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the fair value of its holdings of financial instruments.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may be potential impact on the statement of profit and loss account and other comprehensive income and equity, where any transaction reference more than one currency or where asset/liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates it is subject to fluctuations in exchange rate from those countries. The risk primarily relates to fluctuations in exchange rate in those countries. The risk primary relates to fluctuation in US dollars

The table sets forth information for foreign exposure in USD

Particulars	Financial Asset As at March 31, 2019	Financial Asset As at March 31, 2018	Financial Asset As at April 1, 2017
Financial Asset (USD)	156.28	185.49	190.89
Financial Liability (USD)	3.00	5.59	10.99
Net Total (USD)	153.28	179.90	179.90
Net Total (INR)	10,602.64	12,443.91	12,443.67

(Amount in ₹ lakhs)

Particulars	5% increase/(decrease) USD Impact As at March 31, 2019	5% increase/(decrease) USD Impact As at March 31, 2018	5% increase/(decrease) USD Impact As at April 1, 2017
Impact on profit and loss account	1,060.26/(1,060.26)	1,244.39/(1,244.39)	1,244.37/(1,244.37)

Interest rate risk

The Group is not exposed to interest rate risk as the Group has fixed interest bearing financial assets

Price risk

The Group has invested in the Mutual Funds and Equity shares

Mutual fund and Equity shares Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk, market risk in addition to other factors.

A movement of 5% in NAV mutual funds on either side can lead to a gain/loss of ₹ 278.95 lakhs, ₹ 225.34 lakhs and ₹ 361.05 lakhs, on the overall portfolio as at March 31, 2018, March 31, 2019 and April 1, 2017 respectively

A movement of 5% in NAV Equity shares on either side can lead to a gain/loss of ₹ 71.92 lakhs, ₹ 93.49 lakhs and ₹ 108.04 lakhs, on the overall portfolio as at March 31, 2019, March 31, 2018 and April 1, 2017 respectively

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Group reviews the capital structure to ensure that it has an appropriate portion of net debt to equity. Net financial debt is defined as current and non-current financial

NOTES Forming part of the Consolidated Financial Statements

liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. The Debt equity ratio as on March 31, 2019, March 31, 2018 and April 1, 2017 is negative which signifies the Group has more than sufficient cash to pay off its liabilities.

30) Additional information required by Schedule III

(Amount in ₹ lakhs)

Name of the entities	Net Assets, i.e., total assets minus total liabilities		Share in Total Comprehensive Income		Share in Other Comprehensive Income		Share in profit or loss after tax	
	As % of consolidated profit or loss	₹	As % of consolidated profit or loss	₹	As % of consolidated profit or loss	₹	As % of consolidated profit or loss	₹
1	2	3	4	5	6	7	8	9
Parent	30.56	7,326.40	277.26	(2,338.15)	8.88	58.57	159.52	(2,396.71)
Subsidiaries								
Indian								
IL&FS Asian Infrastructure Managers Limited	2.00	480.53	21.05	(177.54)	0.00	-	11.82	(177.54)
IL&FS Urban Infrastructure Managers Limited	3.06	732.88	88.88	(749.49)	1.48	9.77	50.53	(759.26)
IIML Asset Advisors Limited	4.34	1,039.95	68.08	(574.09)	(0.27)	(1.79)	38.09	(572.31)
Andhra Pradesh Urban Infrastructure Asset Management Limited	11.45	2,744.58	(49.83)	420.23	(0.22)	(1.47)	(28.07)	421.70
IL&FS AMC Trustee Limited	0.05	13.14	(0.96)	8.09	0.00	-	(0.54)	8.09
IL&FS Infra Asset Management Limited	13.19	3,162.93	64.60	(544.77)	(0.35)	(2.28)	36.11	(542.49)
Foreign								
IL&FS Investment Advisors LLC	34.25	8,211.18	(383.88)	3,237.22	82.80	545.80	(179.13)	2,691.42
Saffron Investment Trust	1.08	259.68	14.43	(121.71)	3.89	25.62	9.81	(147.32)
IIML Fund Managers Singapore Pte Limited	1.32	315.37	7.52	(63.43)	3.78	24.94	5.88	(88.37)
Minority Interest in all subsidiaries								
Andhra Pradesh Urban Infrastructure Asset Management Limited	(5.61)	(1,344.84)	24.42	(205.91)	0.00	-	13.71	(205.91)
IL&FS Infra Asset Management Limited	(1.77)	(423.52)	(8.65)	72.94	0.00	-	(4.86)	72.94
Joint Ventures (as per investment as per the equity method)								
Indian								
IL&FS Milestone Realty Advisors Private Limited	0.43	103.22	0.89	(7.52)	0.00	-	0.50	(7.52)
Foreign								
Standard Chartered IL&FS Asset Management Pte Limited	5.65	1,354.72	(23.81)	200.83	0.00	-	(13.37)	200.83
TOTAL	100.00	23,976.22	100.00	(843.29)	100.00	659.16	100.00	(1,502.46)

31) First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes :

A.1 Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

Property plant and equipment, intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
 - fair value; or
 - cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost) and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets

Joint ventures - transition from proportionate consolidation to the equity method

As per Ind AS 101, when changing from proportionate consolidation method to equity method, an entity may measure its investment in a joint venture at date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition

The resultant amount is regarded as the deemed cost of the investment in the joint venture at initial recognition

The Group has opted to avail this exemption

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases

A.2 Ind AS mandatory exceptions

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS)

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.

De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the de-recognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the de-recognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done prospectively from the date of transition to Ind AS

NOTES Forming part of the Consolidated Financial Statements

1. Effect of Ind AS adoption on the Consolidated balance sheet as at April 1, 2017

(Amount in ₹ lakhs)

ASSETS		Notes	Previous GAAP	Joint Ventures consolidated using proportionate consolidated method	Effect of Transition to Ind AS	As at April 1, 2017
I	Financial Assets					
(a)	Cash and Cash Equivalents		12,953.29	(1,344.91)	-	11,608.38
(b)	Bank balance other than above		328.75	-	-	328.75
(c)	Trade Receivables	1	7,945.81	(144.87)	(1,163.58)	6,637.36
(d)	Loans		9.78	-	-	9.78
(e)	Investments	2	9,673.36	(8.00)	719.78	10,385.14
(f)	Other financial assets	1	1,031.50	(1.93)	(159.42)	870.15
	Total Financial Assets		31,942.49	(1,499.71)	(603.22)	29,839.56
II	Non -Financial Assets					
(a)	Income Tax Asset (net)		876.90	(8.95)	-	867.95
(c)	Property, Plant and Equipment		166.29	-	-	166.29
(d)	Other Intangible Assets		1,853.07	-	-	1,853.07
(e)	Other Non-Financial Assets		707.11	(9.22)	-	697.89
	Total Non-Financial Assets		3,603.37	(18.17)	-	3,585.20
	TOTAL ASSETS		35,545.86	(1,517.88)	(603.22)	33,424.77
	LIABILITIES AND EQUITY					
	LIABILITIES					
I	Financial liabilities					
	Trade payables					
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,033.06	(211.93)	-	821.13
	Total Financial liabilities		1,033.06	(211.93)	-	821.13
II	Non -Financial liabilities					
(a)	Deferred Tax Liabilities (Net)	3	(316.31)	-	1,901.74	1,585.43
(b)	Employee benefit obligations		1,146.34	(33.37)	-	1,112.97
(c)	Other Non-Financial Liabilities		1,078.03	(1.17)	-	1,076.86
	Total Non -Financial Liabilities		1,908.06	(34.54)	1,901.74	3,775.26
III	Equity					
(a)	Equity Share Capital		6,280.85	-	-	6,280.85
(b)	Other Equity	1, 2 & 3	24,608.33	-	(3,765.59)	20,842.74
	Equity attributable to owners of the Company		30,889.18	-	(3,765.59)	27,123.59
	Non-controlling interests		1,715.56	-	(10.77)	1,704.79
	TOTAL EQUITY AND LIABILITIES		35,545.86	(246.47)	(1,874.62)	33,424.77

NOTES Forming part of the Consolidated Financial Statements

2. Effect of Ind AS adoption on the Consolidated balance sheet as at March 31, 2018

(Amount in ₹ lakhs)

ASSETS		Notes	Previous GAAP	Joint Ventures previously consolidated using proportionate consolidated method	Effect of Transition to Ind AS	As at March 31, 2018
I	Financial Assets					
(a)	Cash and Cash Equivalents		8,911.46	(897.71)	-	8,013.75
(b)	Bank balance other than above		338.38	-	-	338.38
(c)	Trade Receivables	1	10,298.14	(714.60)	(750.58)	8,832.96
(d)	Loans		7.82	-	-	7.82
(e)	Investments	2	6,466.89	(8.00)	1,182.38	7,641.27
(f)	Other financial assets	1	4,941.01	(40.42)	(151.57)	4,749.02
	Total Financial Assets		30,963.70	(1,660.73)	280.23	29,583.20
II	Non -Financial Assets					
(a)	Income Tax Asset (Net)		1,034.67	(8.26)	-	1,026.41
(b)	Deferred Tax Assets (Net)				-	
(c)	Property, Plant and Equipment		132.35	-	-	132.35
(d)	Other Intangible Assets		823.56	-	-	823.56
(e)	Other Non-Financial Assets		757.16	(10.96)	-	746.20
	Total Non -Financial Assets		2,747.74	(19.22)	-	2,728.52
	TOTAL ASSETS		33,711.44	(1,679.95)	280.22	32,311.72
	LIABILITIES AND EQUITY					
	LIABILITIES					
I	Financial liabilities					
	Trade payables					
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		897.65	(113.71)	-	783.94
	Total Financial liabilities		897.65	(113.71)	-	783.94
II	Non-Financial liabilities					
(a)	Deferred Tax Liabilities (Net)	3	(289.71)	-	1,649.94	1,360.23
(b)	Employee benefit obligations		1,065.72	(0.49)	-	1,065.23
(c)	Other Non-Financial Liabilities		703.81	(26.92)	-	676.89
	Total Non-Financial Liabilities		1,479.82	(27.41)	1,649.94	3,102.35
III	Equity					
(a)	Equity Share Capital		6,280.85	-	-	6,280.85
(b)	Other Equity	1, 2 & 3	23,358.94	-	(2,849.75)	20,509.19
	Equity attributable to owners of the Company		29,639.79	-	(2,849.75)	26,790.04
	Non-controlling interests		1,694.18	-	(58.79)	1,635.39
	TOTAL EQUITY AND LIABILITIES		33,711.44	(141.12)	(1,258.60)	32,311.72

NOTES Forming part of the Consolidated Financial Statements

3. Reconciliation of total comprehensive income for the year ended March 31, 2018

(Amount in ₹ lakhs)

Particulars			Previous GAAP	Joint Ventures previously consolidated using proportionate consolidated method	Effect of Transition to Ind AS	For the year ended March 31, 2018
1	REVENUE					
	Revenue from operations	5	11,249.34	(568.80)	150.01	10,830.55
	Other Income	1 & 2	578.10	(4.55)	487.55	1,061.10
	Total Revenue		11,827.44	(573.35)	637.56	11,891.65
2	EXPENSES					
	Employee Benefits expense	4	4,245.72	(4.68)	64.47	4,305.50
	Depreciation and Amortisation Expense		1,151.10	-	-	1,151.11
	Other Expenses	1 & 2	4,291.30	(269.46)	16.62	4,038.47
	Total Expenses		9,688.12	(274.14)	81.09	9,495.07
3	Profit from continuing operations before share of profit of equity accounted investees and income tax		2,139.31	(299.21)	556.47	2,396.57
4	Share of profit / (loss) of joint ventures		-	-	261.30	261.30
5	Profit/(loss) before tax		2,139.31	(299.21)	817.77	2,657.87
6	Tax Expense					
	Current Tax		1,103.99	(43.77)		1,060.22
	Prior Year Taxes		63.68	5.86		69.54
	Deferred Tax	1, 2 & 3	26.59	-	(264.79)	(238.20)
			1,194.26	(37.91)	(264.79)	891.56
7	Profit/(loss) after tax for the year (5-6)		945.05	(261.30)	1,082.56	1,766.31
8	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					-
	Re-measurements of the defined benefit liabilities / (asset)	4				64.47
	Exchange differences in translating the financial statements of foreign operations					9.43
	Income tax relating to items that will not be reclassified to profit or loss					(12.99)
	Total other Comprehensive Income					60.91
	Total Comprehensive income for the year					1,827.21

NOTES Forming part of the Consolidated Financial Statements

4. Reconciliation of Total Equity as at March 31, 2018 and April 1, 2017

(Amount in ₹ lakhs)

Particulars	As at March 31, 2018	As at April 1, 2017
Equity as reported under previous GAAP	29,639.79	30,889.18
Ind AS: Adjustments increase (decrease):		
Fair valuation of financial assets at fair value through profit or loss on investments	(82.26)	(283.55)
Expected Credit Loss (ECL) on trade receivables	(938.23)	(1,357.87)
Deferred tax adjustments on above	97.63	61.55
Deferred tax on unrealised profit of subsidiary	(1,747.57)	(1,963.29)
Others	(238.11)	(233.20)
Minority Interest	58.79	10.77
Equity as reported under IND AS	26,790.04	27,123.59

5. Reconciliation of Total Comprehensive Income for the year ended 31 March 2018

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2018
Net profit after tax/Equity as reported under Previous GAAP	945.04
Ind AS: Adjustments increase (decrease):	
Fair valuation of financial assets at fair value through profit or loss on investments	201.29
Reversal of Expected ECL loss on trade receivable	419.64
Actuarial gain of employee defined benefit plan recognised in 'Other comprehensive income' net of tax as per Ind AS 19	(64.47)
Deferred tax adjustments on above	49.09
Deferred tax on unrealised profit of subsidiary	215.72
Net profit after tax as per Ind AS	1,766.31
Other comprehensive income (net of tax)	60.91
Total comprehensive income/Equity as per Ind AS	1,827.22

6. There are no material adjustments to the cash flow statements

Notes :

- Under the previous GAAP, trade receivable and other financial assets were disclosed at cost less provision for doubtful receivables. Under Ind AS, these are carried at cost less provision for expected credit loss, wherein the provision is determined based on expected credit loss, capturing both cash loss as well as loss on account of time value of money, as per Ind AS 109, Financial Instruments. The consequential tax effect has also been recognized
- Under Indian GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value. Under IND AS, investments are measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition. The consequential tax effect has also been recognized
- Under Indian GAAP, in the consolidated financial statements, the tax expense of the parents and group companies were added line- by-line and no adjustments were made/additional deferred taxes recognized or reversed on consolidation. Under Ind AS, deferred tax on account of undistributed profits of the subsidiaries has been recognized in statement of profit and loss. Further tax adjustments are also made for deferred tax impact on account of differences between Indian GAAP and Ind AS
- Under Ind AS, re-measurements i.e. actuarial gains and losses and return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year

NOTES Forming part of the Consolidated Financial Statements

5. Under Indian GAAP, Investment in joint venture was consolidated using proportionate consolidated method. Under IND AS the same is consolidated using equity method.
- 32) In respect of Inter Corporate Deposit ("ICD") given by the Group to Infrastructure Leasing & Financial Services Limited ("IL&FS", the Holding Company) and IL&FS Financial Services Ltd. ('IFIN' a fellow subsidiary), the total outstanding due as on March 31, 2019 including interest is ₹ 2,947.14 lakhs. During the September 2018 quarter IL&FS and IFIN defaulted on their debt obligations and their credit rating was downgraded to Default ("D") status. The ICDs placed by the Group with IL&FS and IFIN are unsecured. Considering the uncertainty around timing and the amount to be realised through the resolution process to be approved by the National Company Law Tribunal, the management on a prudent basis has provided for ₹ 1,445.11 lakhs towards ICD due including the accrued interest and balance of ₹ 1,502.03 lakhs has been written off
- 33) The Ministry of Corporate Affairs (MCA), Government of India, has vide its letter dated October 1, 2018 initiated investigation by Serious Fraud Investigation Office (SFIO) against IL&FS and its subsidiaries (including the Company) under Section 212(1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Group on an ongoing basis. The investigation is in progress and the Group is fully cooperating with the investigation agencies. On December 3, 2018, MCA on the directions of the National Company Law Tribunal, Mumbai (NCLT) has impleaded various Group Companies of IL&FS (which includes the Company) as Respondents to the Petition filed by them on October 1, 2018. Further based on another petition of the MCA under section 130 (1) of the Companies Act, 2013, the NCLT has, on January 1, 2019, ordered re-opening of books of accounts for the past financial year 2012-13 to financial year 2017-18 of IL&FS, IFIN and IL&FS Transportation Networks Limited ('ITNL' a fellow subsidiary). On April 29, 2019, the Supreme Court of India has issued order granting a stay on the above referred NCLT order to reopen the books of accounts. While the Group, based on its current understanding, believes that the above would not have a material impact on the financial statements, the implications, if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage
- 34) A major portion of the existing funds being managed/advised by the Group are approaching their end of term over the next 12 months which is likely to result in significant reduction in the Group's fee revenue thereafter. Management expects that its future income from existing funds being managed/advised together with liquid assets held by the Group as at March 31, 2019 will be adequately sufficient to meet the Group's existing and future obligations arising over the next 12 months. Management believes that, subject to receipt of necessary Board approvals, the Group has adequate funds to commit seed capital for new fund raise as part of its efforts to increase revenues. Further, NCLAT vide its order dated February 11, 2019 has also classified the Group under the "Green Category" based on a 12 month cash flow solvency test, which enables the Group to continue to meet all its payment obligation (both financial and operational) as and when they become due
- Meanwhile, the IL&FS Board has been working on a resolution plan, with a view to enable value preservation for stakeholders of IL&FS Group. The resolution plan, inter alia, involves sale of assets/businesses/companies owned by IL&FS. And in this regard, the IL&FS Board has on December 21, 2018 invited a public Expression of Interest (EoI) for its sale of entire stake in the Holding Company. Accordingly, the Group's plans for new fund raise have been kept on hold pending completion of the stake sale and while there is material uncertainty with regard to the stake sale, management believes that use of the going concern assumption for preparation of these financial statements is appropriate
- 35) The Board of Directors, in their meeting held on May 30, 2019 have proposed a final dividend of ₹ 0.30 per equity share amounting to ₹ 991.71 lakhs, inclusive of tax on dividend. The proposal is subject to the approval of shareholders at the Annual General Meeting

In terms of our report attached of even date

For B S R & Associates LLP

Chartered Accountants

Firms Registration No.: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No. 042554

Place : Mumbai

Date : May 30, 2019

For and on behalf of the Board of Directors

Nand Kishore

Director

DIN : 08267502

Krishna Kumar

Chief Executive Officer

PAN : AFBPG4014L

Place : Mumbai

Date : May 30, 2019

S M Datta

Director

DIN : 00032812

Manoj Borkar

Chief Financial Officer

PAN : AACPB1709R

Sanjay Mitra

Company Secretary

PAN : AAUPM6180F

NOTICE

Notice is hereby given that the Thirty-Third Annual General Meeting of the Shareholders of the Company will be held on Monday, September 30, 2019 at 10.30 a.m. at The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai- 400020 to transact the following business :

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Standalone Audited Financial Statements and the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Auditors and Directors thereon
- (2) To declare dividend on Equity Shares for the year ended March 31, 2019

SPECIAL BUSINESS

- (3) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution :
“**RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) M/s Khimji Kunverji & Co. LLP (Firm Registration Number 105146W), be and are hereby appointed as the Statutory Auditors of the Company in a Casual Vacancy”

“**RESOLVED FURTHER THAT** M/s Khimji Kunverji & Co. LLP, shall be entitled to hold the office of the Statutory Auditors of the Company in a Casual Vacancy up to the conclusion of this Annual General Meeting and that the Board of Directors of the Company be and are hereby authorised to fix such remuneration as may be determined in consultation with the Statutory Auditors”

- (4) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution :
“**RESOLVED THAT** pursuant to the provisions of Section 139 and Section 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) M/s Khimji Kunverji & Co. LLP, having Firm Registration Number 105146W, be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting and that the Board of Directors of the Company be and are hereby authorised to fix such remuneration as may be determined in consultation with the Statutory Auditors”

- (5) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution :
“**RESOLVED THAT** Mr Chitranjan Kahlon [DIN 02823501], who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules framed thereunder, and in respect of whom the Company has received a notice in writing from a Shareholder proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, and who holds office upto the date of the ensuing Annual General Meeting and being eligible for appointment, be and is hereby appointed as a Director of the Company”

“**RESOLVED FURTHER THAT** pursuant to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “LODR”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Shareholders is hereby accorded for appointment of Mr Chitranjan Kahlon [DIN 02823501] who has given consent and has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with applicable provisions of LODR, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, for a term of five consecutive years from August 28, 2018 upto August 27, 2023”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the Resolution, any Director, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, usual, expedient and proper to give effect to this resolution”

- (6) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution :
“**RESOLVED THAT** Mr Nand Kishore [DIN 08267502], who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules framed thereunder, and in respect of whom the Company has received a notice in writing from a Shareholder proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, and who holds office upto the date of the ensuing Annual General Meeting and being eligible for appointment, be and is hereby appointed as Nominee Director of Infrastructure Leasing & Financial Services Limited on the Board of the Company”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the Resolution, any Director, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, usual, expedient and proper to give effect to this resolution”

NOTICE

- (7) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mr Kaushik Modak [DIN 01266560], who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules framed thereunder, and in respect of whom the Company has received a notice in writing from a Shareholder proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, and who holds office upto the date of the ensuing Annual General Meeting and being eligible for appointment, be and is hereby appointed as Nominee Director of Infrastructure Leasing & Financial Services Limited on the Board of the Company”

“RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, any Director, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, usual, expedient and proper to give effect to this resolution”

- (8) To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “LODR”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Shareholders is hereby accorded for re-appointment of Mr S M Datta (DIN 00032812) whose current term expired on March 31, 2019 and who has given his consent to continue to act as a Director and has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with applicable provisions of LODR, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and LODR, and in respect of whom the Company has received a notice in writing from a Shareholder proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, for a second term of five consecutive years from April 1, 2019 upto March 31, 2024”

“RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment LODR”), the approval of the Shareholders is be and hereby also accorded for re-appointment of Mr S M Datta being over 75 (seventy five) years of age as an Independent Non-Executive Director of the Company for five years, as required under the Amendment LODR”

“RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, any Director, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, usual, expedient and proper to give effect to this resolution”

- (9) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT subject to the applicable provisions, if any, of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any modifications thereof, the consent of the Shareholders is hereby accorded to the re-appointment of Mr S M Datta [DIN 00032812] as the Independent Non-Executive Chairman of the Company for a period of five years i.e. upto March 31, 2024”

“RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, any Director, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, usual, expedient and proper to give effect to this resolution”

By Order of the Board of Directors

SANJAY MITRA
Company Secretary

Place : Mumbai
Date : July 31, 2019

Registered Office :
The IL&FS Financial Centre
Plot No. C-22, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

NOTICE

NOTES

- (1) A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting

A person can act as a proxy on behalf of shareholders not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A shareholder holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder

- (2) The Register of Shareholders and Share Transfer Books of the Company will remain closed from Wednesday, September 25, 2019 to Monday, September 30, 2019 (both days inclusive). The Dividend as recommended by the Directors, if approved by the shareholders will be payable on or after September 30, 2019 and will be paid to those shareholders whose names appear in the Company's Register of Shareholders as on September 24, 2019. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The HDFC Bank has been appointed as the banker for the payment of dividend to the shareholders
- (3) In order to enable the Company to remit dividend through any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend, shareholders are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, cancelled cheque leaf, Branch details, MICR Code, IFS Code etc. Shareholders holding shares in demat mode are requested to submit the said bank details to the Depository Participants with whom they are maintaining their demat account and shareholders holding shares in physical mode are requested to submit the said bank details to the Company's Registrars & Transfer Agents (RTA). Payment through electronic mode shall be subject to timely furnishing of complete and correct information by shareholders
- (4) Shareholders are requested to :
- (a) Intimate the RTA of the Company of changes, if any, in their registered address for shares held in physical form. For shares held in electronic form, changes, if any, should be communicated to their respective Depository Participants
 - (b) Quote Ledger Folio Nos./DP ID, DP Name and Client ID Nos. in all correspondence
 - (c) Approach the Company for consolidation of various ledger folios into one
 - (d) Get the shares transferred in joint names, if they are held in a single name and/or appoint a nominee
 - (e) Bring with them to the meeting, their copy of the Annual Report and the Attendance Slip
- (5) Shareholders holding shares in physical form are requested to forward all shares related correspondence, including intimation for change of address, if any, to the RTA of the Company. Shareholders holding shares in dematerialised mode should intimate their respective Depository Participants of their change in address, updation of bank account details in which they wish to receive dividend, etc.
- (6) According to the SEBI directive, securities of a Listed Company can be transferred only in dematerialised form. Therefore, shareholders holding shares in physical form are requested to dematerialise their shares before applying for transfer of shares
- (7) Shareholders desiring any information on the business to be transacted at the Annual General Meeting are requested to write to the Company at least 7 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting
- (8) Section 101 of the Companies Act, 2013 and Rules made thereunder also allows serving notice of the general meetings in electronic mode. Therefore, the email addresses registered by the shareholders : (a) in respect of shareholding in demat mode – with the respective Depository Participant which will be periodically downloaded from NSDL/CDSL, and (b) in respect of physical holding – through a written request letter to the RTA of the Company will be deemed to be the registered email address for serving all notices/documents including those covered under applicable provisions of the Companies Act, 2013. Shareholders are therefore requested to keep their email addresses updated in case of electronic holding with their respective Depository Participants and in case of physical holding with the RTA of the Company, M/s Link Intime India Private Limited. The Annual Report of your Company for FY2019 will also be displayed on the website of the Company i.e. www.iimindia.com. As a shareholder of the Company you will be entitled to be furnished, free of cost, physical copy of an Annual Report of the Company upon receipt of a written request from you

NOTICE

(9) As per applicable provisions of the Companies Act, 2013 and Rules made thereunder, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years, to the credit of the Investor Education and Protection Fund. Hence, shareholders who have not encashed their dividend should contact the RTA of the Company for the same. Please note that the dividend paid for 2011-2012 is due for transfer to the Investor Education and Protection Fund in September 2019. Further, please note that the dividend paid for 2012-2013 is due for transfer to the Investor Education and Protection Fund next year

(10) Transfer of equity shares to the Investor Education and Protection Fund :

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules) all equity shares whose dividend has remained unpaid or unclaimed for a period of seven consecutive years is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. As per the said Rules, the Company has been sending communications to the shareholders who have not claimed their Dividend

As per the Amended Rules, the due date for transfer of Equity Shares was October 31, 2017. Accordingly the Company transferred equity shares whose dividend had remained unpaid or unclaimed for a period of seven consecutive years as on October 31, 2017 to IEPF Account. Thereafter the shares held in physical and/ or dematerialised mode pertaining to the unpaid/unclaimed Dividend for FY 2010-2011 and which has remained unpaid/unclaimed for a consecutive period of 7 years were transferred to the IEPF Account. Also shares held in physical and/ or dematerialised mode pertaining to the unpaid/unclaimed Dividend for FY 2011-2012 and which has remained unpaid/unclaimed for a consecutive period of 7 years shall be transferred to the IEPF Account. The List of shares transferred and to be transferred to the IEPF Account can be found on the Company's website on http://iimlindia.com/TransferShares_IEPF.aspx

Any further dividend on such shares shall be credited to the IEPF. The shareholders may claim the shares/dividend transferred to IEPF by making an application to IEPF in Form IEPF-5 as per the IEPF Rules. The said form is available on the website of IEPF viz. <http://www.iepf.gov.in/IEPFA/corporates.html>

In case the shareholders have any queries on the subject matter and the Rules, they may contact the Company at e-mail: investor.relations@ilfsindia.com or the Company's RTA, M/s Link Intime India Private Limited, Unit – IL&FS Investment Managers Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083; Tel. No.: +91-22-49186270; Fax No.: +91-22-49186060; E-mail: iepf.shares@linkintime.co.in

(11) With regard to the resolutions for the appointment of Directors :

Appointment of Mr Chitranjan Kahlon as an Independent Non-Executive Director, Mr Nand Kishore and Mr Kaushik Modak as Non-Executive Nominee Director and re-appointment of Mr S M Datta as an Independent Non-Executive Director and Chairman following particulars are provided pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR) :

Mr Chitranjan Kahlon

Mr Chitranjan Kahlon served as a member of Central Board of Direct Taxes, Government of India and as an Executive Director of Securities & Exchange Board of India and has worked in various capacities in the Indian Revenue Service. Mr Kahlon has hands-on experience in the field of Capital Market and is familiar with Tax administration in India particularly with regard to Tax policy. Mr Kahlon has been a member of the 'Speculative Transactions Committee' constituted by the Finance Minister of India and Member of the Committee to draft the Prevention of Money Laundering Act. Mr Kahlon has a Diploma from the University of Birmingham, United Kingdom and Master of Arts from Punjab University

Mr Kahlon is a member of the Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company

Mr Kahlon is not related to any Director of the Company and does not hold any shares in the Company

Other Directorships :

Name of Company	Position held	Membership of Committees*
Coldex Limited	Director	–
Shaolin Trusteeship Private Limited	Director	–

Note : The list of Directorships excludes Foreign Companies

* The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies as per Regulation 26 of the LODR

NOTICE

Mr Nand Kishore

Mr Nand Kishore is a member of the Indian Audit and Account Service and has been a senior bureaucrat holding key positions across various departments over the years. Mr Kishore has been the Deputy Comptroller and Auditor General (CAG) and looked after audit of Defence, Railways & Communications

Mr Kishore has a Bachelor of Engineering (Electrical) degree from University of Roorkee (now IIT Roorkee) and is also a Certified Internal Auditor from The Institute of Internal Auditors, Florida USA

Mr Kishore was appointed as one of the seven members on the Board of Infrastructure Leasing & Financial Services Limited (IL&FS) on October 1, 2018 by the Government of India

Mr Kishore is a member of the Audit Committee and the Stakeholders' Relationship Committee of the Company

Mr Kishore is not related to any Director of the Company and does not hold any shares in the Company

Other Directorships :

Name of Company	Position held	Membership of Committees*
Infrastructure Leasing & Financial Services Limited	Director	Chairman of the Audit Committee
IL&FS Financial Services Limited	Director	Member of the Audit Committee
IL&FS Transportation Networks Limited	Director	Member of the Audit Committee Member of the Stakeholders' Relationship Committee
IL&FS Infra Asset Management Limited	Director	–
IL&FS Environment Infrastructure & Service Limited	Director	Member of the Audit Committee
IL&FS Securities Services Limited	Director	–
ISSL Settlement & Transaction Services Limited	Director	–
IL&FS Technologies Limited	Director	Chairman of the Audit Committee

Note : The list of Directorships excludes Foreign Companies

* The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies as per Regulation 26 of the LODR

Mr Kaushik Modak

Mr Kaushik Modak was the CEO & Country Head of Rabobank India. He also worked for Bank of America as the Principal & Head – Debt Capital Markets in India and at Kotak Mahindra Finance as the VP & Head – Fixed Income Securities Group

Mr Modak is a Chartered Accountant. He is also the CEO of IL&FS Financial Services Limited. He has been inducted on the Board as a Nominee of Infrastructure Leasing & Financial Services Limited

Mr Modak is a member of the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee of the Company

Mr Modak is not related to any Director of the Company and does not hold any shares in the Company

Other Directorships :

Name of Company	Position held	Membership of Committees*
IL&FS Securities Services Limited	Director	–
ISSL Settlement & Transaction Services Limited	Director	–
IL&FS Portfolio Management Services Ltd	Director	–
CPG BPM Services Private Limited	Director	–

Note : The list of Directorships excludes Foreign Companies

* The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies as per Regulation 26 of the LODR

NOTICE

Mr S M Datta

Mr S M Datta graduated with Honours in Chemistry from the Presidency College, Kolkata and obtained his Post Graduate Degree in Science & Technology from the Kolkata University. He is a Chartered Engineer, Fellow of The Institution of Engineers (India), Fellow of the Indian Institute of Chemical Engineers, Member of the Society of Chemical Industry (London) and Honorary Fellow of All India Management Association

Mr Datta is a reputed management professional and is on the Board of a number of well-known corporates

Mr Datta was the Chairman of Hindustan Lever Limited as well as of the Unilever Group of Companies in India & Nepal from 1990 to 1996. He is also a Past President of Associated Chambers of Commerce and Industry, Council of EU Chambers of Commerce in India, the Bombay Chamber of Commerce & Industry and Indian Chemical Manufacturers Association

Mr Datta has vast experience in leading and managing multi-product, multi-cultural companies in the Unilever Group. He also has been mentoring senior managements of both Indian Corporates & MNCs as varied as Venture Capital, Pharmaceuticals, Consumer Electronics, Power, Hospital, Medical Research, Corporate Credit Rating & Home Finance

Mr Datta is the Independent Non-Executive Chairman of the Company, Chairman of the Audit Committee, Chairman of the Corporate Social Responsibility Committee, Member of the Nomination & Remuneration Committee and a Member of the Stakeholders' Relationship Committee of the Company. As on March 31, 2019, Mr Datta holds 34,00,000 Equity Shares of the Company. Mr Datta is not related to any Director of the Company

Other Directorships :

Name of Company	Position held	Membership of Committees*
Bhoruka Power Corporation Limited	Director	Chairman of the Audit Committee
Peerless Financial Products Distributors Limited	Director	–
Atul Limited	Director	–
Chandras Chemical Enterprises (Pvt). Ltd.	Director	–
SMD Management Consultants Private Limited	Director	–
Castrol India Limited	Chairman	Chairman of the Stakeholders' Relationship Committee Member of the Audit Committee
The Peerless General Finance & Investment Co. Ltd.	Director	Member of the Audit Committee
Philips India Limited	Chairman	–

Note : The list of Directorships excludes Foreign Companies

* The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies as per Regulation 26 of the LODR

(12) E-Voting Facility :

- In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the LODR, the Company is pleased to provide to the shareholders remote e-voting facility (i.e. voting electronically from a place other than the venue of the general meeting). The Company has appointed NSDL to provide e-voting facility to its shareholders
- The facility for voting through ballot paper shall be made available at the AGM and the shareholders attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper
- The shareholders who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again
- The remote e-voting period starts on Friday, September 27, 2019 at 9.00 a.m. and ends on Sunday, September 29, 2019 at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by a shareholder, the shareholder shall not be allowed to change it subsequently
The cut-off date (record date) for shareholders eligible for remote e-voting is September 24, 2019
- Mr Ronak Kalathiya failing him Mr Jagdish Patel of M/s Jagdish Patel & Co., Practicing Company Secretaries, has been appointed as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner

NOTICE

(f) The process and manner for remote e-voting are as under :

(A) How to Log-in to NSDL e-Voting website

- 1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile
- 2) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section
- 3) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically

4) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Shareholders who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Shareholders who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Shareholders holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5) Your password details are given below :

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address
- 6) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password :
- a) Click on "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) Physical User Reset Password" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address
- 7) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box
 - 8) Now, you will have to click on "Login" button
 - 9) After you click on the "Login" button, Home page of e-Voting will open

NOTICE

- (B) How to cast your vote electronically on NSDL e-Voting system
- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles
 - 2) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status
 - 3) Select "EVEN" of company for which you wish to cast your vote
 - 4) Now you are ready for e-Voting as the Voting page opens
 - 5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted
 - 6) Upon confirmation, the message "Vote cast successfully" will be displayed
 - 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
 - 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote
- (C) General Guidelines for shareholders
- 1) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jppvapi13@csjpc.in with a copy marked to evoting@nsdl.co.in
 - 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password
 - 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- (g) A person, whose name is recorded in the register of shareholders or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those shareholders who are present at the AGM but have not cast their votes by availing the remote e-voting facility
- (i) The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorised by Chairman in writing, who shall countersign the same and declare the result of the voting forthwith
- (j) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL immediately after the declaration of result

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 3 & 4

M/s B S R & Associates LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the 31st Annual General Meeting held on September 6, 2017. M/s B S R & Associates LLP resigned as the Auditors of the Company with effect from June 20, 2019 on account of the Audit firm's policies and revaluation of the Company done by the Auditors considering recent developments, including actions and investigations initiated by various regulatory authorities in relation to Infrastructure Leasing & Financial Services Limited

NOTICE

Post the resignation of M/s B S R & Associates LLP, the Board at its meeting held on July 31, 2019 appointed M/s Khimji Kunverji & Co. LLP, as the Statutory Auditors of the Company in a casual vacancy pursuant to Section 139(8) of the Companies Act, 2013, to hold office till the conclusion of the ensuing Annual General Meeting, on the recommendation of the Audit Committee and subject to the approval of the shareholders

According to Section 139(8) of the Companies Act, 2013 the appointment of Statutory Auditor in the casual vacancy shall also be approved by the Company at a general meeting convened within three months of the recommendation of the Board. As the ensuing Annual General Meeting of the Company is scheduled within the 3 months from the recommendation of the Board, it is proposed to pass ordinary resolution at item no 3 to approve the appointment of M/s Khimji Kunverji & Co. LLP, as the Statutory Auditor of the Company in casual vacancy pursuant to Section 139(8) of the Companies Act, 2013, to hold office till the conclusion of the ensuing Annual General Meeting

The Board at its meeting held on July 31, 2019 also recommended the appointment of M/s Khimji Kunverji & Co. LLP, as the Statutory Auditors of the Company for a term of five years from the conclusion of the 33rd Annual General meeting upto the conclusion of the 38th Annual General Meeting, subject to the approval of the shareholders

Accordingly, it is also proposed to appoint M/s Khimji Kunverji & Co. LLP, as the Statutory Auditors of the Company for a term of five consecutive years at the ensuing Annual General Meeting by passing an ordinary resolution at Item No 4

Written consent of M/s Khimji Kunverji & Co. LLP together with a certificate that the appointment, if made, shall be in accordance with the conditions specified under Section 139(1) and Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) has been received by the Company

Disclosure pursuant to Regulation 36(5) of LODR (for both terms) :

- (a) Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;

Comparative fees payable to the Old and New Statutory Auditor

Particulars	BSR	Khimji Kunverji
	2018-19	2019-20
Statutory Audit Fees	1,300,000	1,150,000
3 Limited Review Reports	1,050,000	825,000
Consolidation	600,000	500,000
	2,950,000	2,475,000

Terms of Appointment : 5 years from 33rd AGM to 38th AGM

Material Change in the fees paid and the rationale of change : The total fees paid to the new auditor is less by Rs. 4,75,000/-

- (b) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed:

Khimji Kunverji & Co LLP ('KKC') LLPIN AAP-2267 [Converted from Khimji Kunverji & Co (a partnership firm with registration no.46150) into LLP w.e.f. 8.5.2019] was established in 1936 in Mumbai and over a period spread its wings in Bangalore, Pune and Ahmedabad. KKC is led by 9 partners in Mumbai and have a team of over 130 members. KKC caters full bouquet of assurance, advisory and consultancy services to its clients across all industries. KKC has rich experience to serve multi-national companies (MNCs), large corporates, small and medium enterprises (SMEs) and Owner Managed Businesses. KKC are known for its quality of services and client relations as goodwill

The Board of Directors recommends the passing of the Ordinary Resolution at Item No 3 and 4 of the accompanying Notice. None of the Directors, Key Managerial Personnel or their relatives, in any way, concerned or interested financially or otherwise in the said resolution

Item No. 5

Mr Chitranjan Kahlon was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013, at the meeting of the Board of Directors of the Company held on August 28, 2018. The Board of Directors also appointed Mr Chitranjan Kahlon as an Independent Director of the Company, for a term of five consecutive years from August 28, 2018 to August 27, 2023 subject to the approval of the Shareholders of the Company

NOTICE

Mr Kahlon has given his consent to act as a Director of the Company and has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing (Obligations & Disclosure Requirements) Regulations (LODR)

Copy of the draft letter for appointment of Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, the same is also available on the website of the Company at http://iimlindia.com/Independent_Director.aspx

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr Chitranjan Kahlon for the office of Director

In the opinion of the Board, Mr Chitranjan Kahlon is independent of the management and fulfills all the conditions specified in the Companies Act, 2013 and LODR for appointment as an Independent Director of the Company. The Board considers continued association of Mr Chitranjan Kahlon in the interest of the Company and recommends passing of the resolution at Item No. 5

None of Directors/Key Managerial Personnel of the Company nor their relatives except, Mr Chitranjan Kahlon to the extent of his appointment, are concerned or interested in the resolution at Item No. 5

Item Nos. 6 & 7

Mr Nand Kishore and Mr Kaushik Modak were appointed as Additional Directors in the capacity of Nominee Directors of Infrastructure Leasing & Financial Services Limited of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013, by the Board of Directors of the Company on December 6, 2018

The Company has received notices in writing from a Member under Section 160 of the Companies Act, 2013, proposing the candidatures of Mr Nand Kishore and Mr Kaushik Modak for the office of Director of the Company

The Board considers the continued association of Mr Nand Kishore and Mr Kaushik Modak in the interest of the Company and recommends passing of the resolutions at Item Nos. 6 & 7

None of Directors/Key Managerial Personnel of the Company nor their relatives except, Mr Nand Kishore and Mr Kaushik Modak to the extent of their appointment, are concerned or interested in the resolutions at Item Nos. 6 & 7

Item No. 8 & 9

Mr S M Datta was appointed as an Independent Non-Executive Director of the Company at the 28th Annual General Meeting held on August 7, 2014 by the shareholders of the Company for a term of five consecutive years from April 1, 2014 to March 31, 2019

Mr Datta has given his consent to continue as a Director of the Company and has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing (Obligations & Disclosure Requirements) Regulations (LODR) and hence is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and LODR as an Independent Non-Executive Director of the Company

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors on March 28, 2019 approved the re-appointment of Mr Datta as an Independent Non-Executive Director for a second term of five consecutive years from April 1, 2019 to March 31, 2024, subject to the approval of the shareholders. In terms of Regulation 17(1A) of the LODR approval of the Shareholders is required by a Special Resolution for appointment of a Non-Executive Director over the age of 75 years. Accordingly, the Shareholders are requested to grant their approval for re-appointment of Mr Datta being over 75 (seventy five) years of age as an Independent Non-Executive Director of the Company for five years in terms of Regulation 17(1A) of the Amendment LODR

Copy of the draft letter for appointment of Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, the same is also available on the website of the Company at http://iimlindia.com/Independent_Director.aspx

The Company has received notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr S M Datta for the office of Director

In the opinion of the Board, Mr S M Datta is independent of the management and fulfills all the conditions specified in the Companies Act, 2013 and LODR for appointment as Independent Director of the Company. The Board considers continued association of Mr S M Datta in the interest of the Company and recommends passing of the special resolution at Item No. 8

At the 28th Annual General Meeting held on August 7, 2014, Mr S M Datta was also appointed as an Independent Non-Executive Chairman of the Company for a term of five years up to March 31, 2019 to coincide with Mr Datta's tenure as an Independent Non-

Executive Director of the Company. The Board of Directors on March 28, 2019 also approved the re-appointment of Mr Datta as an Independent Non-Executive Chairman of the company for a term of five years from April 1, 2019 to March 31, 2024, subject to the approval of the shareholders. Accordingly, with the proposed re-appointment of Mr Datta as an Independent Non-Executive Director for a second term, it is also proposed to re-appoint Mr Datta as an Independent Non-Executive Chairman of the Company for a term of five years from April 1, 2019 to March 31, 2024

The Board recommends passing of this resolution at Item No. 8 & 9

None of Directors/Key Managerial Personnel of the Company nor their relatives except, Mr S M Datta to the extent of his appointment, are concerned or interested in the resolutions at Item Nos. 8 & 9

By Order of the Board of Directors

Place : Mumbai

Date : July 31, 2019

SANJAY MITRA
Company Secretary

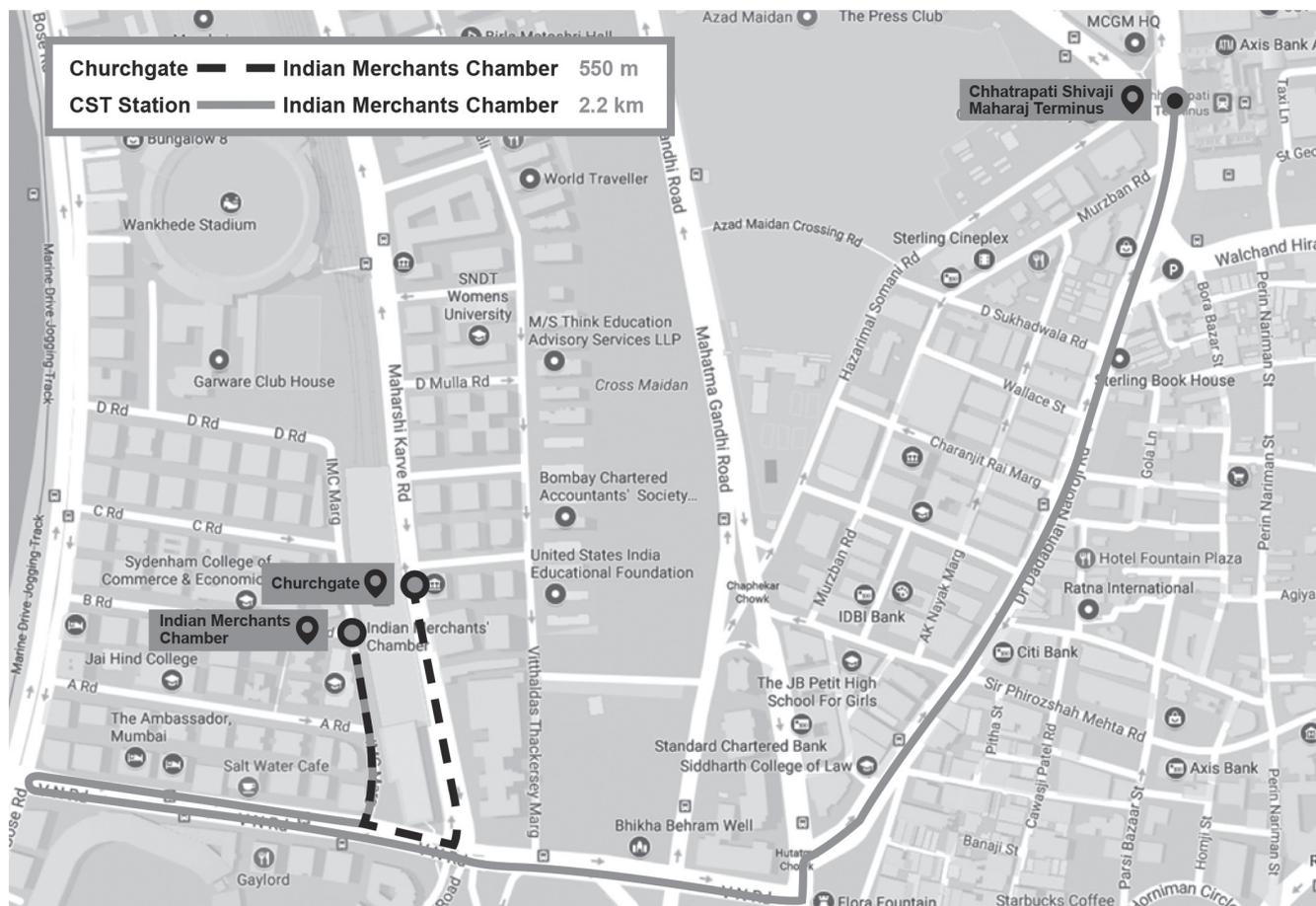
Registered Office :

The IL&FS Financial Centre

Plot No. C-22, G Block, Bandra-Kurla Complex

Bandra (East), Mumbai 400 051

AGM VENUE ROUTE MAP



Venue of the AGM : The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Marg, Churchgate, Mumbai 400 020

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L65999MH1986PLC147981
Name of Company : IL&FS Investment Managers Limited
Registered Office : The IL&FS Financial Centre, Plot No. C-22, G Block,
Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

Name of the shareholder(s) :	
Registered address :	
E-mail ID :	
Folio No/Client ID :	
DP ID :	

I/We, being the shareholder(s) of _____ shares of the above named Company, hereby appoint

- (1) Name : _____, Address : _____
_____ E-mail ID : _____, Signature : _____, or
failing him;
- (2) Name : _____, Address : _____
_____ E-mail ID : _____, Signature : _____, or
failing him;
- (3) Name : _____, Address : _____
_____ E-mail ID : _____, Signature : _____, or
failing him;

as my/our proxy to attend and vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 10.30 a.m. at The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business :

- (1) Adoption of the Audited Financial Statements for the financial year ended March 31, 2019
- (2) To declare Dividend on Equity Shares for the year ended March 31, 2019

Special Business :

- (3) Appointment of M/s Khimji Kunverji & Co. LLP as the Statutory Auditors in the casual vacancy
- (4) Appointment of M/s Khimji Kunverji & Co. LLP as the Statutory Auditors for a term of five years
- (5) Appointment of Mr Chitranjan Kahlon as a Director of the Company
- (6) Appointment of Mr Nand Kishore as a Nominee Director of the Company
- (7) Appointment of Mr Kaushik Modak as a Nominee Director of the Company
- (8) Re-appointment of Mr S M Datta as a Director of the Company
- (9) Re-appointment of Mr S M Datta as an Independent Non-Executive Chairman of the Company

Signed this _____ day of _____ 2019

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

Re 1/- Revenue Stamp
_____ Signature

Note : This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



IL&FS Investment Managers Limited
The IL&FS Financial Centre, Plot No. C-22,
G-Block, Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051, India

www.iimlindia.com