IL&FS | Private Equity

IL&FS Investment Managers Limited

The IL&FS Financial Centre
Plot C-22, G-Block
Bandra Kurla Complex
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Mumbai 400 051
India

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Corporate Identification No - L65999MH1986PLC147981

September 3, 2018

The Manager
The Listing Department
National Stock Exchange Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051

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

Re : Annual Report for the year ended March 31, 2018

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, 2018, duly approved and adopted in the Annual General Meeting of the Company held on August 28, 2018

Kindly acknowledge receipt of the same

Thanking You,

Yours sincerely,

Sanjay Mitra
Company Secretary

Encl: a/a

ANNUAL REPORT 2018



IL&FS | Private Equity

IL&FS Investment Managers Limited

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr S M Datta
Chairman

Mr Sunil Mehta

Ms Shubhalakshmi Panse

Mr Hari Sankaran

Mr Vibhav Kapoor

Mr Ramesh Bawa
Managing Director

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 B S R & Associates LLP
Chartered Accountants

INTERNAL AUDITORS

M/s Patel & Deodhar
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



S M Datta
Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders,

The global economy has been posting a strong growth of ~4% p.a. in the recent past, and the expectation has been that this growth trend would sustain. Risk to this growth are however tilted to the downside. Interest rate hikes by the US Federal Reserve and rising crude price is of concern. The rise of protectionism is evident from the tariff increases being enforced, citing unfair commercial practices and rising trade deficit. It is estimated that global gross domestic product growth could take a hit of around one percent if the tariff wars escalate. Needless to add, a global trade war would hit emerging markets the hardest as trade is a key factor in supporting developing economies

In India, growth in the first half of FY2018 was disappointing. The economy has recovered in the fourth quarter of FY2018 and has posted a 7.7% growth rate, enabling the country to retain its position as the fastest growing major economy. A faster pace of growth in manufacturing at 9.1%, compared with 6.1% a year ago, helped lift the overall economic growth during the quarter. The farm sector also grew at a healthy rate of 4.5%, while construction activity, powered by the government investments in the highways sector, clocked a double digit growth of 11.5% to give a fillip to the economy. The World Bank has forecast that the Indian economy will see a robust GDP growth of 7.3% in 2018-19 and 7.5% for the next two years

An environment of strong growth in the country is key to our ability in raising new funds. While we continuously strive to leverage the positive macro-economic conditions in our Fund raise, we also need to be cognizant of the various underlying risks. The banking sector is facing a significant challenge in terms of managing a large portfolio of non-performing loans. This may impact the bank's ability to grow the fresh loan book to the extent required to support the projected growth and investment in the country. In addition, a sustained rise in crude oil prices would curb the fiscal room available to the government to invest in key sectors like infrastructure. Furthermore, the resultant inflationary pressures, in turn, may adversely impact currency stability and also lead to upward movement in the interest rate curve. These factors would have a significant impact on investor and investment appetite

India is also heading into an election year. This will add to the complexity of decision making for the investors. The Private Equity Fund raise and investment environment for the coming year will reflect this uncertainty. The impact would vary across sectors. Certain sectors like consumer-tech, banking, insurance, Information Technology etc. may witness lower unpredictability. In other sectors like infrastructure and real estate, investors may adopt a wait and watch position – not just to see how the macro-economic and political situation pans out, but also to see how effectively the insolvency resolution is implemented across various stressed assets

In this context, your Company is seeking to work on products which either leverage on investor preferences or which effectively address their concerns. As regards the former, the next round expansion of your Company's infrastructure debt platform and the general purpose private equity fund is a case in point. As regards the latter, an infrastructure fund focused on operating assets or a real estate fund investing into yield generating properties can be considered as suitable product offerings

In parallel, your Company has also been focusing on de-risking its India centric business model. Some of the initiatives are beginning to bear fruit. We believe that by the end of this financial year, a meaningful component of revenues would begin to accrue from such offshore ventures of your Company

Many of the above products are being developed in partnership with marquee Institutions. We value these partnerships, and have been investing significant time and resources in nurturing these relationships. Likewise, we value the support and encouragement which you as shareholders have extended to us. We hope for success in building sustainable value for our partners, and foremost our shareholders, during the coming year

With Regards,

S M Datta
Chairman

July 5, 2018



> **“India is also heading into an election year. This will add to the complexity of decision making for the investors. The Private Equity Fund raise and investment environment for the coming year will reflect this uncertainty. The impact would vary across sectors”**



Ramesh Bawa
Managing Director

FROM THE OFFICE OF THE MANAGINGDIRECTOR

Dear Shareholders,

The economic deceleration during the first half of FY2018 had generated worried commentaries about India's growth potential. However, the Indian economy has reclaimed the status of the fastest growing major economy, shedding concerns over disruptive reforms such as Demonetisation and the Goods and Services Tax. Despite fluctuations in the GDP growth, India's long-term trend shows a stable, resilient and diverse economic growth. Economic indicators such as Fiscal Deficit, Current Account Deficit and Inflation remain within acceptable limits. Further, continued reforms led to India's improved rank in the World Bank's 'ease of doing business' category. India moved up 30 places in this ranking, and is now among the top 100 countries. The improvement in the overall economic environment resulted in Moody's upgrade of India's sovereign rating for the first time in 14 years

However, there are global headwinds from rising crude prices and potential fallout of the recent tariff wars. These developments may impact our currency stability and inflation targeting. Consequent adverse impact on interest rates and investments could therefore pose challenges to improving on the current growth levels

As we move forward into FY2019, sustaining growth levels of ~7.5% would depend on a host of factors. The growth would need to be broad-based, covering agriculture and industrial sectors. Measures to reversing the slowdown in investment, credit supply and exports would be key to achieving this year's growth target. To this end, the issues facing the banking sector would need to get addressed expeditiously

From a private equity perspective, investor interest in India was one of cautious optimism. Alternative Investment Funds (AIFs) have more than doubled in the last couple of years. There are now ~350 AIFs registered with the Securities and Exchange Board of India. These AIFs have raised ~US$ 5 bn in 2017, reflecting a significant growth over the previous year. Investments into distressed assets also gained momentum. Institutionalisation of the Insolvency and Bankruptcy Code has streamlined resolution of distressed assets

The Private Equity funds in India have a significant amount of deployable capital or 'dry powder' at their disposal, estimated at US$ 9 billion. However, the investment preference for this available capital is skewed in terms of target sectors. Consumer tech and Banking, Financial Services and Insurance segments were the largest sources of investment in India during 2017, aggregating to more than 50% of the entire deal value for the year. Deals in the manufacturing sector witnessed a decline during 2017. While both the infrastructure and real estate sectors attracted capital, the same was focused on operating and yield generating assets. Capital for new asset creation was largely targeted at the renewable energy sector, where shorter project development cycle and strong payment security mechanisms provide comfort to investors

Given these strong investor preferences, we have accordingly fine-tuned our product strategy. For instance, in the infrastructure space, we are defined in greater detail the sector which we would be targeting and the stage of such investments. Keeping in mind the preference for stable, visible yield income, we have pressed ahead in expanding our infrastructure debt funds. Consumer tech and other socially relevant sectors are already being targeted by our 4th generation private equity fund. We plan to fully deploy this fund during the course of the current year and thereafter start the process of raising a fresh fund

During the financial year 2018, we were successful in cementing a new and complementary aspect of our strategy. In January 2018 we signed a joint venture agreement with the Islamic Corporation for the Development of the Private Sector (ICD) for establishing a US$ 1 billion fund focused on providing shariah compliant infrastructure debt finance to projects in Africa. ICD is a multilateral development financial institution and is part of the Islamic Development Bank Group. This partnership provides a unique positioning to the Fund in targeting investments in this new frontier for your Company. The Fund has already raised over US$ 200 million and is expected to attain First Close shortly. Another interesting strategic development has been the establishment of a joint venture with Government of Andhra Pradesh to set-up an urban infrastructure fund. The Government has committed ₹ 1 billion to this Fund. Fund raise from domestic and international investor is now underway

The above mentioned initiatives have the potential of adding significant value to your Company going forward. As is the case with most strategic initiatives, the effect of these new products on the financial performance of your Company would only reflect with a lag. In the interim, the fund under management have been depleting on account of the divestments being undertaken from the existing funds. Consequently, fee income from these



“With this strong institutional backing and your encouragement and support, we are confident that we will emerge at the forefront of industry thought leadership, product innovation and value creation in the coming time”

funds has fallen. In order to maintain profitability, we have sought to negate the fall in fee income by way of cost reductions, which have largely been implemented by way of manpower rationalization

As we move forward in reorienting our strategy and bringing into play new product themes, it would be important to nurture and encourage the management team in overcoming the various challenges which are a natural part of such an effort. In this, we have the strength of the IL&FS Group, more particularly that of the financial services group of IL&FS, to draw upon. With this strong institutional backing and your encouragement and support, we are confident that we will emerge at the forefront of industry thought leadership, product innovation and value creation in the coming time

With Regards,

Ramesh Bawa
Managing Director

July 6, 2018

CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

In FY2018, IL&FS Investment Managers (IIML) provided a grant of ₹ 10.7 mn towards a healthcare programme in rural Maharashtra, educational initiatives in and around Mumbai, a pan India Skill Development Programme and a mentorship programme for women entrepreneurs



Skill Development Programme : The objective of the skill development programme is to provide gainful employment to urban unemployed and population below the poverty line. IIML supported a pan India skill development programme providing training to beneficiaries in the 18-35 years age group. Eligible beneficiaries include minimally educated people in the age group of 18-35 years, urban poor, women, persons with disabilities, disaster/ project affected people and those not covered under any government schemes. In the current year 2,300 candidates were trained and 1,600 obtained employment upto April 2018. Top sectors for placements include automotive, construction, retail and apparels



Educational Initiatives - Masoom : Masoom works with 60 night schools across Mumbai to improve the quality of education. In the current year, IIML supported 2 educational institutes - Vidya Vikas Night School, Ghatkopar and Sharda Night School, Vikhroli. Around 150 students were supported by IIML in these schools. Support by IIML included infrastructure support (books, libraries, laboratories, audio visual learning, nutrition etc), capacity building (training of various stakeholders such as trustees, headmasters, teachers, students, parents and non-teaching staff). The Masoom programme aimed at improved attendance, enrolment and academic performance



Healthcare at Palghar - Mobile Medical Unit (Savali) : The mobile medical unit ("MMU") started operations in January 2016. In the current financial year, the MMU catered to 30 villages covering 10,000 patients - ~74% of diseases diagnosed comprised muscular pain, skin diseases, diarrhoea and common cold. ~50% of diseases were communicable in nature. The gender mix comprises women (44%), men (25%) and children (31%). A deeper analysis revealed that the root cause of most diseases were drinking water and nutrition issues. Consequently, Savali has installed water purifiers on a pilot basis in 4 locations. Additionally, discussions have been held with IIT Center for Technology Alternatives for Rural Areas to resolve these issues



Introduction to Basic Technology (IBT) – (Savali)
The IBT programme was initiated in FY2016 and is being implemented in 5 schools in Maharashtra (Jawhar, Kudal, Murbad, Pune and Sindhudurg) covering 760 students. Students are being trained in Engineering, Agriculture, Energy & Environment and Health & Home science. In FY2018, IIML continued its support of operating expenses in the 5 schools. The children participated in various activities during the year including preparing models of rainwater harvesting, cropping using coco-peat, cloth bag making, making stools for schools, repair of school infrastructure etc.



Entrepreneurship Programme : A mentorship programme was carried out with 30 high achieving women entrepreneurs. The key features included :

- Annual turnover enhanced from ₹ 6.5 mn to ₹ 16 mn
- Loans aggregating ₹ 1.4 mn were availed by the women in the current year
- These women contribute ~60% of the family income

These entrepreneurs will be monitored in FY2019 for further progress



FINANCIAL STATEMENTS



(₹ mn)

Particulars	FY2014	FY2015	FY2016	FY2017	FY2018
Total Income	2,229	2,087	1,908	1,151	1,226
Total Expenses	1,222	1,122	1,160	1,013	1,012
PBT	1,007	965	748	139	214
PAT after MI	725	730	561	61	66
PAT (%)	33	35	29	5	5
EPS * (INR)	2.3	2.3	1.8	0.2	0.2

* Face Value of ₹ 2 per share

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DIRECTORS' REPORT

To The Shareholders of IL&FS Investment Managers Limited

Your Directors have pleasure in presenting for your consideration and approval the Thirty-second Annual Report with the Audited Financials of the Company for the year ended March 31, 2018

FINANCIAL ACHIEVEMENTS AND DIVIDEND

	For the year ended March 31, 2018 (₹ mn)	For the year ended March 31, 2017 (₹ mn)	**For the year ended March 31, 2018 (₹ mn)**	For the year ended March 31, 2017 (₹ mn)
	Standalone	Standalone	**Consolidated**	Consolidated
Total Income	546.50	688.84	1,225.58	1,151.72
Profit before Taxation	95.32	281.28	213.93	138.81
Provision for Taxation	55.60	41.58	119.43	70.32
Net Profit after Taxation	39.72	239.70	65.62*	61.26*
Dividend (inclusive of dividend tax)	197.05	195.25	197.05	195.25

* after Minority Interest

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

DIVIDEND

During the year, your Company achieved a Net Profit after tax of ₹ 39.72 mn. Your Directors recommend a Dividend of ₹ 0.60 per share of the Face Value of ₹ 2/- each. The total amount of Dividend is ₹ 197.05 mn (inclusive of dividend tax of ₹ 8.63 mn)

REVIEW OF OPERATIONS

The performance of the global economy has been encouraging, with global GDP growth picking up from 3.2% in CY2016 to 3.7% in CY2017. The growth is expected to further accelerate to 3.9% in CY2018. Increased demand driven by higher capital expenditure and accelerated manufacturing activity has led to a robust growth in global trade. However, protectionist measures announced by the US and retaliatory actions could exacerbate trade wars and undermine global growth, trade and welfare. Volatility in financial markets stemming mainly from the uncertainty over the pace of normalisation of monetary policy in Advanced Economies could also pose a challenge to the Emerging Market Economies

In India, real GDP growth is projected to improve from 6.6% in FY2018 to 7.4% in FY2019. The key factors which are expected to drive growth in FY2019 are robust implementation of GST, recapitalization of public sector banks and resolution of distressed assets under Insolvency and Bankruptcy Code. However, uncertainty over the pace and timing of monetary policy normalisation by the advanced economies, protectionist tendencies and fears of a global trade war pose significant risks to growth

The Private Equity (PE) environment in India was favourable during FY2018. Fund raising during FY2018 increased by 41% over the previous year to touch US$ 5.43 billion. This growth is in line with global trends with Emerging Market Private Equity funds having raised US$ 61 billion in CY2017 vis-à-vis US$ 48 billion raised during CY2016

On the investments front, the value of PE transactions grew 31% in FY2018, with a total investment of US$ 20.2 billion. On the other hand, transaction activity went down by 35% to 1,018 deals in FY2018, indicating a trend towards higher transaction ticket sizes. Likewise, exit activity (217 exits undertaken) reduced in number terms during FY2018 compared to the previous year (309 exits undertaken), while exit value (US$ 9.69 billion) increased by ~13% over the previous year

On a sectoral basis, investors have showcased a strong bias towards investing into operating assets which generate a running yield. Opportunities across operating road and renewable power projects on the infrastructure side and towards commercial real estate have witnessed a strong deal pipeline. The success of the Toll-Operate-Transfer model of auctioning Government owned road projects is a case in point. Likewise, the stressed asset space has emerged as a key area of investor interest. Products centered on these themes are likely to deliver success for asset managers in India

During the year, IIML undertook investments across a variety of sectors/businesses like neonatal healthcare, medical devices and diagnostics, e-governance, agri-technology and education. IIML also undertook divestments aggregating ₹ 9.42 billion during FY2018

On the debt side, IIML, through its subsidiary which operates in the Infrastructure Debt Fund (IDF) space, has now invested across 14 investments. Given the healthy deal flow, IDF has, during FY2018, raised an additional ₹ 1.4 billion from provident and retirement funds, thereby taking its AUM to ~₹ 18 billion

IIML is also working with Lone Star, a US based global private equity firm, to invest in distressed assets in the roads and thermal power space in India. IIML had also been working on establishing and managing an Infrastructure Investment Trust (InvIT). However, certain changes made to tax laws during FY2018 adversely impacted InvITs. Consequently, despite having built a reasonable demand for the product, the Fund raise efforts had to be suspended

During FY2018, IIML achieved significant progress in two of its new initiatives. First, IIML signed a joint venture agreement with the Islamic Corporation for the Development of the Private Sector (ICD) for establishing a US$ 1 billion fund focussed on providing Shariah Compliant infrastructure debt finance to projects in Africa. Second, IIML entered into a Joint Venture Partnership with the Government of Andhra Pradesh to manage an Urban Infrastructure Fund, which would focus on investing into smart cities, sewerage and water supply projects and other such urban infrastructure projects in the State. These new initiatives would help IIML build sustainable platforms and thereby accord long term revenue visibility for the Company. Fund raise efforts in these initiatives are progressing at a satisfactory pace and the outcomes are expected to add to the revenue line during the course of FY2019

IIML's fee earning assets under management (AUM) in relation to existing Funds has reduced on account of divestments undertaken during the course of FY2018. Furthermore, certain existing Funds have attained end of Fund Term, consequently, fee levels have reduced from the existing Funds. This reduction has been partly offset by cost reductions, effected largely by way of manpower rationalization and also by way of more robust financials posted by IIML subsidiaries which manage the Infrastructure Debt Fund and the Fund with the Government of Andhra Pradesh

On a consolidated basis, the Income from Operations of the Company for FY2018 was ₹ 1,124.93 mn, Income from Investment and Other Income was ₹ 100.65 mn. Accordingly, the Total Income on a consolidated basis for FY2018 was ₹ 1,225.58 mn. The resultant Profit after Tax on a consolidated basis for FY2018 was ₹ 65.62 mn

On a standalone basis, the Total Income of the Company for FY2018 was ₹ 546.50 mn and the Total Expenses for the year were ₹ 451.18 mn and the resultant Profit after Tax for FY2018 was ₹ 39.72 mn

There have been no 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

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

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 ₹ 1,125 mn, invested across seven investments. Six of these investments have been divested and the balance one investment is partially divested. The team at IAIML is working actively to fully divest from the residual investment of the Fund

The Total Income for FY2018 was ₹ 3.90 mn. The Total Expenses of IAIML for the year were ₹ 0.69 mn and the resultant Profit after Tax for the year was ₹ 2.49 mn

During the year, the Company acquired 49% equity stake in IAIML from ORIX Corporation, Japan. Accordingly, IAIML became a wholly owned subsidiary of the Company

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, 2018 was at ₹ 13.84 bn

The Total Income for FY2018 was ₹ 101.75 mn inclusive of Other Income of ₹ 12.05 mn. The Total Expenses of IUIML for the year were ₹ 107.73 mn and the resultant loss net of taxes for the year was ₹ 12.77 mn

IIML Asset Advisors Limited :

IIML Asset Advisors Limited (IAAL) acts as India Advisor to two Offshore Real Estate funds. It was also to act as the Manager for a road sector infrastructure investment trust (InvIT) being raised by IL&FS Transportation Networks Limited

The Total Income of IAAL for FY2018 was ₹ 57.07 mn inclusive of Income from Investments and Other Income of ₹ 11.12 mn. The Total Expenses of IAAL for the year were ₹ 39.67 mn and the resultant Profit after Tax for the year was ₹ 12.56 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 FY2018 was US$ 7.39 mn. The Total Expenses of IIAL for the year were US$ 7.80 mn and the resultant loss for the year was US$ 0.41 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 is currently acting as a Manager to a Fund and as an Advisor to another Fund

The Total Income of IFMPL for FY2018 was US$ 0.50 mn. The Total Expenses of IFMPL for the year were US$ 0.34 mn and the resultant profit for the year was US$ 0.16 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 Alternative Investment 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

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 ₹ 205,000 mn are under development of which projects of about ₹ 20,010 mn are in the tendering stage

The Total Income for FY2018 was ₹ 182 mn inclusive of Other Income of ₹ 9 mn. The Total Expenses for the year were ₹ 131 mn and the resultant Profit after Tax for the year was ₹ 37 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 ₹ 14,650 mn and ₹ 1,725 mn is yet to be drawn down as of March 31, 2018. The Fund has made 14 investments as on March 31, 2018 and AUM as of March 31, 2018 was ₹ 18,175 mn

The Total Income for FY2018 was ₹ 211.37 mn inclusive of Other Income of ₹ 17.04 mn. The Total Expenses for the year were ₹ 97.91 mn and the resultant Profit After Tax for the year was ₹ 80.53 mn

IL&FS AMC Trustee Limited :

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

The Total Income for FY2018 was ₹ 1.66 mn inclusive of Other Income of ₹ 0.05 mn. The Total Expenses for the year were ₹ 1.57 mn and the resultant Profit After Tax for the year was ₹ 0.09 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 FY2018 was US$ 1.76 mn. The Total Expenses of SCIMPL for the year were US$ 0.82 mn and the resultant Profit after Tax for the year was US$ 0.82 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 FY2018 was ₹ 1.14 mn inclusive of Income from Investments and Other Income of ₹ 1.14 mn. The Total Expenses of IMRAPL for the year were ₹ 2.18 mn and the resultant loss for the year was ₹ 1.04 mn

FUTURE OUTLOOK

The pace of economic activity is expected to accelerate in India in FY2019. This would be driven by revival in investment activity within the country and the improvement in global demand. Additionally, the long-term growth potential of the country is expected to be reinforced by various structural reforms introduced in the recent past such as the launch of the Good and Services Tax and consequently, the GDP growth is expected to strengthen from 6.6% in FY2018 to 7.4% in FY2019. On the downside, the deterioration in public finances could crowd out private financing and investment. Furthermore, rising trade protectionism and financial market volatility could derail the ongoing global recovery. In order to mitigate these risks, the focus of policy action needs to be on strengthening macroeconomic fundamentals, deleveraging stressed corporates and on rebuilding of bank balance sheets

In order to capture the opportunities which arise from a favorable outlook, IIML has been working on various new initiatives. Initiatives like the joint ventures with ICD and that with Government of Andhra Pradesh provide a platform for generating long term sustainable revenue streams for the Company. Other initiatives like the one with Lone Star for buying out stressed assets would provide incremental one-time income

Furthermore, while the primary focus of the teams managing the existing infrastructure and real estate funds will continue to divest from existing investments, IIML would also begin efforts to launching new products in these two verticals during FY2019. Likewise, the Private Equity Fund managed by IIML, which is currently in the investment stage, would attain full deployment in the next 6-9 months. IIML will therefore also focus on leveraging the investment experience in this space to develop a potentially larger sized follow-on Fund during the course of FY2019. Similarly, the Infrastructure Debt Fund is also expected to add to its AUM during FY2019 by way of launch of newer series/ rounds of capital raise from a diverse set of investors

The above initiatives are targeted to generate a higher revenue base for the Company. However, as is the case with any private equity fund raising, timelines for taking a product to a revenue generation stage are uncertain. It is likely that many of the above mentioned initiatives would only get to a revenue generation stage by the latter part of the current financial year

DIRECTORS & KEY MANAGERIAL PERSONNEL

Dr Archana Hingorani resigned as the Chief Executive Officer & Executive Director with effect from April 30, 2017; Mr Milind Patel resigned as a Non-Executive Director with effect from March 31, 2018 and Mr Krishna Kumar was appointed as the Chief Executive Officer, in the capacity of a Key Managerial Personnel of the Company with effect from May 29, 2017

Mr Hari Sankaran shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment

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 four times during the Financial Year ended March 31, 2018. The meetings were held during the year on May 29, 2017, July 31, 2017, November 10, 2017 and January 30, 2018. The details of the composition of the Board Committees and attendance of the Directors at the Board/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' 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, 2018, 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 1 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, 2018 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 and 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 steps identified for them

The Company has an adequate system of internal controls 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

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. 27 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. 27 of the Standalone Financial Statements

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Company has designated Mr Krishnakumar 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, 2018 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 of the Holding and Subsidiary Companies of the Company

During FY2018, 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 FY2018

The number of Options available for Grant in future under ESOP 2003, ESOP 2004 and ESOP 2006 are as follows :

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, 2018 and accordingly there is no employee compensation cost for the year ended March 31, 2018

The Auditors' Report for review of ESOP 2003, ESOP 2004 and ESOP 2006 is annexed as Annexure 3

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. Brief details of the Managerial Remuneration Policy are provided 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. They have confirmed that they are not disqualified from continuing as Auditors of the Company

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, 2018 is annexed herewith as Annexure 4

QUALIFICATIONS IN THE AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s B S R & Associates LLP, in their Statutory Audit report and by M/s Mehta & Mehta, Company Secretaries in Practice, in their Secretarial Audit Report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review

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, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company during FY2018

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 along with the Auditors' Certificate on compliance with the Corporate Governance requirements have been included in this Annual Report as separate sections

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 objective of ensuring that the benefits reach the targeted beneficiaries. The approach of the Company for implementation of the CSR activities is to identify and fund projects in response to the needs of the society, devise transparent monitoring mechanisms and ensure whole hearted commitment to get the desired results

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 at the Company's website at the link http://iimlindia.com/Policies.aspx

The Company has been actively involved in various CSR initiatives over the last few years, long before it was mandated by the Companies Act, 2013. With the advent of the Companies Act, 2013, it was thought prudent to channelise the Company's CSR effort along with the Infrastructure Leasing & Financial Services Limited (IL&FS) Group's CSR initiatives. The Company engages with Nalanda Foundation, a Charitable Trust, established by IL&FS for its group CSR activities, in order to make a more significant impact. The Company continues to support its earlier CSR initiatives in addition to the initiatives through Nalanda Foundation

The disbursement of the amounts is linked to the achievement of certain pre-identified milestones by the implementing agency. The implementing agencies have informed the Company that there have been lags in achieving the pre-identified milestones on account of delay in obtaining the necessary approvals, mobilisation of students and completion of training, etc. Consequently the Company is marginally falling short of expending the entire statutory amount

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 5

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 at the Company's website 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. 21(c) and 21(d) of the Notes to Accounts of the Standalone Financial Statements respectively

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 6

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

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations

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 : May 4, 2018

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)	1.80%
		Whole-time Director (WTD) #	-
2	The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) in the financial year	MD	-
		CEO*	0.27%
		CFO	0.34%
		CS	2.09%
3	The percentage increase in the median remuneration of employees in the financial year	5.57%	
4	The number of permanent employees on the rolls of the Company	41	
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	3.15%
		% 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	

Dr Archana Hingorani resigned as the Chief Executive Officer & Executive Director with effect from April 30, 2017 and hence, the ratio of her remuneration to the median remuneration of the other employees has not been provided

* Mr Krishnakumar Gangadharan was elevated as the CEO of the Company in May 2017 and hence the percentage increase in his remuneration is in comparison to his prior remuneration as an employee of the Company for FY 2016-2017

Note : Sitting fees and Commission paid to the Non-Executive Directors are not considered for the purpose of the above disclosure

For and on behalf of the Board

S M DATTA
CHAIRMAN

Place : Mumbai
Date : May 4, 2018

Annexure 2 to the Directors' Report

Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the Financial Year 2017-2018

Sr. No.	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)
Top Ten Employees employed throughout the Financial Year 2017-2018								
1	Manoj Borkar*	53	Chief Financial Officer	20,416,191	B.Com, ACA	30	01.04.2000	Infrastructure Leasing & Financial Services Limited
2	Krishna Kumar*	46	Chief Executive Officer	14,731,304	B.Com, MFM	26	01.04.2002	Infrastructure Leasing & Financial Services Limited
3	Saleh Afimiwalla*	48	Chief Operating Officer	12,895,343	BE (Electronics), MMS (Finance)	24	18.06.2007	Barclays Bank Plc
4	Vinod Thomas	47	Senior Vice President	10,129,433	MBA (Finance), IIT (Civil)	25	19.06.2006	Government of India
5	Sanjay Mitra	45	Company Secretary	9,905,792	M.Com, ACS, ICWA	20	01.05.2001	Larsen & Toubro Limited
6	Parag Baduni	44	Senior Vice President	9,243,574	MBA (Finance), B.Sc (Hons)	21	01.04.2005	IL&FS Education & Technology Services Limited
7	Amit Saraf	40	Senior Vice President	8,860,420	B.Com, ACA, DBF	19	16.07.2012	JM Financial Investment Managers Limited
8	Kamalesh Sarangi	46	Senior Vice President	8,366,528	PGDM (Finance and Marketing), BE	22	19.06.2006	ICICI Bank Limited
9	Rajesh Adhikary	48	Vice President	8,331,330	CFA, PGDBA, BE (Civil)	22	01.11.2006	Bennett Coleman & Co. Limited
10	V Chandrasekhar	54	Vice President	7,215,807	MFM, LLB, BE	32	01.06.2009	Concrete Ideas
* Employees employed throughout the Financial Year 2017-18 and in receipt of remuneration of not less than ₹ 10,200,000/- p.a. for the Financial Year 2017-18								
Employed for part of the year and in receipt of remuneration of not less than ₹ 850,000/- p.m. for the Financial Year 2017-2018								
1	Archana Hingorani	52	Chief Executive Officer & Executive Director	5,814,925	B.A. (Economics), MBA, PHD (Corporate Finance)	31	01.12.2002	Infrastructure Leasing & Financial Services Limited
2	Jaydeep Bakshi	47	Senior Vice President	4,129,229	MMS (Finance), BE (Construction)	21	29.11.2006	Shringar Cinemas Limited
3	Darshan Gangolli	48	Senior Vice President	9,257,718	BE Mech MBA, Full Bright Fellow	28	01.04.2014	Xrbia Developers Private Limited

Note :

1 All employees are in the permanent employment of the Company

2 None of the employees are related to any Director or Manager of the Company

3 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

4 Policy with Life Insurance Corporation of India has been taken to cover the liability of payment of Gratuity to employees. Contribution to Gratutity is excluded in above salary

5 None of the employees hold by himself/herself or along with his/her spouse and dependent children more than two percent of the equity shares of the Company

For and behalf of the Board

S M DATTA
CHAIRMAN

Place : Mumbai
Date : May 4, 2018

Annexure 3 to the Directors' Report

To,
The Board of Directors
IL&FS Investment Managers Limited
The IL&FS Financial Centre,
1st Floor, Plot C-22, G Block,
Bandra Kurla Complex,
Mumbai: 400051
INDIA

4 May 2018

Dear Sirs / Madam

Report on compliance with respect to framing and implementation of Employee Stock Option Scheme 2003, Employee Stock Option Scheme 2004 and Employee Stock Option Scheme 2006 together referred to as ("ESOP Schemes") in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the "SEBI (SBEB) Regulations)

We have been requested by IL&FS Investment Managers Limited (the "Company") having it's office at the IL&FS Financial Centre, 1st Floor, Plot C-22, G-Block, Bandra Kurla Complex, to verify the implementation of the ESOP Schemes of the Company for the year ended 31 March 2018 in accordance with the SEBI (SBEB) Regulations and the resolution of the Company passed by its shareholders and by the Nomination and Remuneration Committee of the Company.

Management's Responsibility for the report

The Company's management takes full and exclusive responsibility for the preparation of the ESOP Schemes in accordance with the SEBI (SBEB) Regulations and the resolution of the Company passed by its shareholders and by the Nomination and Remuneration Committee of the Company. This responsibility includes collecting, collating and validating data and the designing, implementing and maintaining internal control relevant to the preparation and implementation of the ESOP schemes, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Company's management is also responsible to ensure that the ESOP schemes are framed and implemented in accordance with the requirements of SEBI (SBEB) Regulations and resolution passed by the Company.

Auditors' Responsibility

Pursuant to the requirements of the SEBI (SBEB) Regulations, it is our responsibility to provide limited assurance as to whether the ESOP Schemes are implemented in accordance with the SEBI (SBEB) Regulations and the resolution of the Company passed by its shareholders and by the Nomination and Remuneration Committee of the Company.

In connection with the above, we have performed the following procedures:

a) read the annexed ESOP Schemes provided to us by the Company;

b) read the shareholders' resolution passed in the extra-ordinary general meetings, held on 26 July 2003, 19 March 2004 and 3 May 2006 approving the ESOP Schemes and amendments thereof and

c) inquired with the responsible officials of the Company and read the minutes of Nomination and Remuneration Committee held on 29 May 2017 and 31 July 2017 and noted that no grants were made under the ESOP schemes during the period 1 April 2017 to 31 March 2018

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. Our scope of work did not involve performance of any audit test in the context of our examination. Accordingly, we do not express an audit opinion.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Conclusion

Based on our procedures performed as set out in paragraph above and the information and explanations provided to us by management of the Company, we report that nothing has come to our attention that causes us to believe that the ESOP Schemes are not implemented in accordance with the SEBI (SBEB) Regulations and the resolution of the Company passed by its shareholders and by the Nomination and Remuneration Committee of the Company as stated above.

Restriction on Use

This certificate is issued solely to report on compliance with the Regulations and the Resolution for placing in the ensuing Annual General Meeting of shareholders of the Company and may not be suitable for any other purpose. Our certificate should not be quoted or referred to in any other document or made available to any other person(s) without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing

Yours faithfully

For B S R & Associates. LLP
Chartered Accountants
Firm's Registration No. 116231W/ W-100024

N Sampath Ganesh
Partner
Membership No. 042554

Annexure 4 to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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,
The Members,
IL&FS Investment Managers Limited
The IL&FS Financial Centre
Plot No. C-22, G Block,
Bandra-Kurla Complex,
Bandra (East)
Mumbai – 400 051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good 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 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 31 March, 2018, 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 31 March, 2018 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 there under to the extent of Foreign Direct Investment and Overseas 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, 2009 (during the year under review not applicable to the Company);

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the year 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 year 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 year under review not applicable to the Company); and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

(i) Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;

(j) Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;

(k) Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996;

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India for the period from April 1, 2017 to September 30, 2017 and Revised Secretarial Standards for the period from October 1, 2017 to March 31, 2018;

(b) 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 Act, Rules, Regulations, and Guidelines etc.

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.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.

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 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.

(i) The Supreme Court of Mauritius approved the Scheme of Arrangement and Amalgamation between IIML Advisors LLC and IL&FS Investment Advisors LLC, both wholly owned subsidiaries of IL&FS Investment Managers Limited, and the said court order was filed with the Registrar of Companies, Mauritius.

(ii) The Company acquired 49% equity stake in its subsidiary, IL&FS Asian Infrastructure Managers Limited (IAIML) from ORIX Corporation, Japan. Accordingly, IAIML became a wholly owned subsidiary of the Company.

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

Dipti Mehta
Partner
FCS No: 3667
CP No: 3202

Place: Mumbai
Date: May 4, 2018

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 4 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 (East)
Mumbai – 400 051

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of 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)

Dipti Mehta
Partner
FCS No: 3667
CP No: 3202

Place: Mumbai
Date: May 4, 2018

Annexure 5 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://iimlindia.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 Bansi Mehta (Non-Executive Independent Director) and Mr Hari Sankaran (Non-Executive Director)

3 Average Net Profit of the Company for the last three financial years (FY 2015-2017) : ₹ 563,950,928

4 Prescribed CSR expenditure (two percent of the amount as in item 3 above) : ₹ 11,279,019

5 Details of CSR spend during the financial year :

(a) Total amount to be spent for the financial year : ₹ 11,279,019

(b) Amount unspent, if any : ₹ 543,616

(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	5,000,000	4,251,624	13,312,523	Through Implementation Agency (Nalanda Foundation)
(b)	Mentorship Programme for Enterpreneurs (EDP - Mentoring)	(ii), Livelihood Enhancement/Skills	1. Local Area 2. Panchmahal, Gujarat	500,000	397,698	7,326,096	Through Implementation Agency (Nalanda Foundation)
(c)	Savali Charitable Trust (Introduction to Basic Training - IBT)	(ii), Promoting Education	1. Local Area 2. Jawahar; Palghar, Maharashtra	1,600,000	1,400,000	3,255,875	Through Implementation Agency (Nalanda Foundation)
(d)	Promoting Community Health through Savali Trust	(ii), Promoting Education	1. Local Area 2. Palghar, Maharashtra	2,300,000	2,000,000	2,000,000	Through Implementation Agency (Nalanda Foundation)
(e)	Masoom (Night School Education)	(ii), Promoting Education	1. Local Area 2. Mumbai, Maharashtra	1,469,218	1,336,081	4,759,144	Through Implementation Agency (Masoom)
	Overheads				**1,350,000**	**2,068,738**	
	Total			**10,869,218**	**10,735,403**	**32,722,376**	

Annexure 5 to the Directors' Report

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 :

Kindly refer to note in the Directors' Report for the reasons for not spending two per cent of the average net profit of the last three financial years on CSR activities

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

RAMESH BAWA
MANAGING DIRECTOR

For Corporate Social Responsibility Committee

S M DATTA
CHAIRMAN

Place : Mumbai
Date : May 4, 2018

Annexure 6 to the Directors' Report

Form No. MGT 9

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended March 31, 2018

[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. PRINCIPLE 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	68.93%

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	U65990MH1987PLC044571	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)

Annexure 6 to the Directors' Report

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
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	U74140MH2005PTC158416	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)
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 Limited 40-3-8, 1st Floor, Kaushalya, Gummadi Gopalarao Street, Labbipet Vijayawada Krishna AP 520010	U65999AP2016PLC103663	Subsidiary	51.00%	2(87)
8	IL&FS Investment Advisors LLC IFS Court, Bank Street, TwentyEight, 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 402A, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Bandra (East), Mumbai 400 051	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, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% 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)	0	0	0	0	0	0	0	0	0
(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**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds	3,432,780	0	3,432,780	1.09	4,215	0	4,215	0.00	-1.09
(b)	Banks/Financial Institutions	200,906	6,052	206,958	0.07	825,112	6,052	831,164	0.26	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	2,318,367	0	2,318,367	0.74	451,881	0	451,881	0.14	-0.60
	Sub Total (B)(1)	**5,952,053**	**6,052**	**5,958,105**	**1.90**	**1,281,208**	**6,052**	**1,287,260**	**0.40**	**-1.50**
[2]	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	10,055,165	105,901	10,161,066	3.24	14,141,352	75,809	14,217,161	4.53	1.29
(ii)	Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	59,829,039	9,547,915	69,376,954	22.09	72,072,104	7,981,104	80,053,208	25.50	3.41
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	41,715,126	0	41,715,126	13.28	34,212,390	0	34,212,390	10.89	-2.39

Annexure 6 to the Directors' Report

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Others (Specify)									
	Investor Education and Protection Fund	0	0	0	0	1,249,358	0	1,249,358	0.40	0.40
	Non Resident Indians	6,787,830	840	6,788,670	2.16	6,417,713	840	6,418,553	2.04	-0.12
	Directors	14,245,719	0	14,245,719	4.54	9,593,750	0	9,593,750	3.06	-1.48
	Hindu Undivided Family	5,973,849	0	5,973,849	1.90	6,185,651	0	6,185,651	1.97	0.07
	Trusts	60,000	0	60,000	0.02	56,000	0	56,000	0.02	0
	Govt. Nominees	0	562	562	0	0	187	187	0	0
	Clearing Member	1,348,582	0	1,348,582	0.43	2,352,193	0	2,352,193	0.75	0.32
	Market Maker	70,955	0	70,955	0.02	73,877	0	73,877	0.02	0
	Sub Total (B)(2)	**140,086,265**	**9,655,218**	**149,741,483**	**47.68**	**146,354,388**	**8,057,940**	**154,412,328**	**49.18**	**1.50**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**146,038,318**	**9,661,270**	**155,699,588**	**49.58**	**147,635,596**	**8,063,992**	**155,699,588**	**49.58**	**0**
(C)	**Shares held by Custodian for GDRs & ADRs**									
	None	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	**304,371,470**	**9,661,270**	**314,032,740**	**100.00**	**305,968,748**	**8,063,992**	**314,032,740**	**100.00**	**0**

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on March 31, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% 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	100.00	158,333,152	50.42	100.00	0
	Total	**158,333,152**	**50.42**	**100.00**	**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, 2017)		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	No Changes During 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.) :				
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, 2017)		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, 2018)
		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	3,404,800	1.08	21.04.2017	Buy	20,000	3,424,800	1.09	
				26.05.2017	Sale	-3,295	3,421,505	1.09	
				02.06.2017	Sale	-24,682	3,396,823	1.08	
				11.08.2017	Sale	-12,823	3,384,000	1.08	
				20.10.2017	Buy	50,800	3,434,800	1.09	
				27.10.2017	Sale	-28,253	3,406,547	1.08	
				03.11.2017	Sale	-22,547	3,384,000	1.08	
				10.11.2017	Sale	-20,000	3,364,000	1.07	
				22.12.2017	Buy	50,000	3,414,000	1.09	
				19.01.2018	Buy	50,800	3,464,800	1.10	
				23.02.2018	Sale	-10,000	3,454,800	1.10	
				16.03.2018	Sale	-30,000	3,424,800	1.09	3,424,800
2	Archana Niranjan Hingorani	4,195,719	1.34	10.11.2017	Sale	-50,000	4,145,719	1.32	
				24.11.2017	Sale	-590,987	3,554,732	1.13	
				01.12.2017	Sale	-534,817	3,019,915	0.96	
				08.12.2017	Sale	-24,196	2,995,719	0.95	
				22.12.2017	Sale	-400,000	2,595,719	0.83	
				29.12.2017	Sale	-162,300	2,433,419	0.77	
				12.01.2018	Sale	-97,021	2,336,398	0.74	
				19.01.2018	Sale	-88,600	2,247,798	0.72	
				25.01.2018	Sale	-29,686	2,218,112	0.71	
				02.02.2018	Sale	-2,766	2,215,346	0.71	
				16.02.2018	Sale	-200,000	2,015,346	0.64	2,015,346
3	Dr Sanjeev Arora	1,919,912	0.61	-	-	-	1,919,912	0.61	1,919,912
4	Yashodhan Sadashiv Sathe	1,649,340	0.53	23.03.2018	Sale	-7,500	1,641,840	0.52	1,641,840
5	Gautam Rajendra Trivedi	1,709,000	0.54	13.10.2017	Sale	-15,000	1,694,000	0.54	
				03.11.2017	Sale	-4,000	1,690,000	0.54	
				10.11.2017	Sale	-10,500	1,679,500	0.53	
				24.11.2017	Sale	-4,000	1,675,500	0.53	
				01.12.2017	Sale	-36,750	1,638,750	0.52	
				08.12.2017	Sale	-1,750	1,637,000	0.52	
				22.12.2017	Sale	-4,250	1,632,750	0.52	
				29.12.2017	Sale	-2,500	1,630,250	0.52	
				19.01.2018	Sale	-2,500	1,627,750	0.52	1,627,750

Annexure 6 to the Directors' Report

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year (As on March 31, 2017)		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, 2018)
		No. of shares	% of Total Shares of the Company	Date	Reason	Increase/ Decrease in shares	No. of Shares	% of Total Shares of the Company	
6	Angel Broking Private Limited	310,633	0.10	07.04.2017	Sale	-39,955	270,678	0.09	
				14.04.2017	Buy	7,617	278,295	0.09	
				21.04.2017	Buy	426,980	705,275	0.22	
				28.04.2017	Sale	-229,166	476,109	0.15	
				05.05.2017	Buy	48,330	524,439	0.17	
				12.05.2017	Buy	35,589	560,028	0.18	
				19.05.2017	Buy	173,721	733,749	0.23	
				26.05.2017	Sale	-73,787	659,962	0.21	
				02.06.2017	Sale	-61,727	598,235	0.19	
				09.06.2017	Buy	7,510	605,745	0.19	
				16.06.2017	Sale	-43,719	562,026	0.18	
				23.06.2017	Sale	-116,172	445,854	0.14	
				30.06.2017	Sale	-79,018	366,836	0.12	
				07.07.2017	Sale	-14,946	351,890	0.11	
				14.07.2017	Buy	54,755	406,645	0.13	
				21.07.2017	Sale	-14,909	391,736	0.12	
				28.07.2017	Buy	229,259	620,995	0.20	
				04.08.2017	Buy	58,671	679,666	0.22	
				11.08.2017	Sale	-11,773	667,893	0.21	
				18.08.2017	Sale	-32,599	635,294	0.20	
				25.08.2017	Sale	-31,189	604,105	0.19	
				01.09.2017	Sale	-60,795	543,310	0.17	
				08.09.2017	Buy	10,394	553,704	0.18	
				15.09.2017	Sale	-82,491	471,213	0.15	
				22.09.2017	Sale	-12,606	458,607	0.15	
				29.09.2017	Buy	51,693	510,300	0.16	
				06.10.2017	Buy	2,528	512,828	0.16	
				13.10.2017	Sale	-93,075	419,753	0.13	
				20.10.2017	Buy	12,439	432,192	0.14	
				27.10.2017	Buy	29,327	461,519	0.15	
				03.11.2017	Buy	102,088	563,607	0.18	
				10.11.2017	Buy	1,023,849	1,587,456	0.51	
				17.11.2017	Buy	42,304	1,629,760	0.52	
				24.11.2017	Buy	281,761	1,911,521	0.61	
				01.12.2017	Buy	65,916	1,977,437	0.63	
				08.12.2017	Buy	870,268	2,847,705	0.91	
				15.12.2017	Sale	-261,625	2,586,080	0.82	
				22.12.2017	Sale	-225,518	2,360,562	0.75	

Annexure 6 to the Directors' Report

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year (As on March 31, 2017)		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, 2018)
		No. of shares	% of Total Shares of the Company	Date	Reason	Increase/ Decrease in shares	No. of Shares	% of Total Shares of the Company	
				29.12.2017	Buy	223,816	2,584,378	0.82	
				29.12.2017	Sale	-3,200	2,581,178	0.82	
				05.01.2018	Sale	-283,762	2,297,416	0.73	
				12.01.2018	Sale	-95,965	2,201,451	0.70	
				19.01.2018	Buy	111,724	2,313,175	0.74	
				25.01.2018	Buy	1,524	2,314,699	0.74	
				02.02.2018	Sale	-140,327	2,174,372	0.69	
				09.02.2018	Sale	-23,188	2,151,184	0.69	
				16.02.2018	Sale	-71,980	2,079,204	0.66	
				23.02.2018	Sale	-119,370	1,959,834	0.62	
				02.03.2018	Sale	-99,892	1,859,942	0.59	
				09.03.2018	Sale	-22,288	1,837,654	0.59	
				16.03.2018	Sale	-130,055	1,707,599	0.54	
				23.03.2018	Buy	15,400	1,722,999	0.55	
				30.03.2018	Sale	-236,534	1,486,465	0.47	1,486,465
7	Kamalesh Sen	1,464,000	0.47	-	-	-	1,464,000	0.46	1,464,000
8	Mamta Himanshu Trivedi	1,284,866	0.41	28.04.2017	Sale	-366	1,284,500	0.41	
				12.05.2017	Sale	-250	1,284,250	0.41	
				21.07.2017	Sale	-500	1,283,750	0.41	
				28.07.2017	Sale	-500	1,283,250	0.41	
				13.10.2017	Sale	-250	1,283,000	0.41	
				03.11.2017	Sale	-250	1,282,750	0.41	
				10.11.2017	Sale	-1,750	1,281,000	0.41	
				01.12.2017	Sale	-4,000	1,277,000	0.41	
				08.12.2017	Sale	-1,000	1,276,000	0.41	
				22.12.2017	Sale	-2,000	1,274,000	0.41	
				29.12.2017	Sale	-1,000	1,273,000	0.41	1,273,000
9	Investor Education and Protection Fund Authority (IEPF)	-	-	22.12.2017	Transferred to IEPF	1,249,358	1,249,358	0.40	1,249,358
10	Rahul Dinesh Shah	1,735,522	0.55	10.11.2017	Sale	-10,000	1,725,522	0.55	
				01.12.2017	Sale	-70,000	1,655,522	0.53	
				08.12.2017	Sale	-330,000	1,325,522	0.42	
				22.12.2017	Sale	-325,000	1,000,522	0.32	1,000,522

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

Annexure 6 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, 2017)		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, 2018)
		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	-	-	0	4,750,000	1.51	4,750,000
2	Mr Ravi Parthasarathy	1,350,000	0.43	-	-	0	1,350,000	0.43	1,350,000
3	Mr Bansi Mehta	3,493,750	1.11	-	-	0	3,493,750	1.11	3,493,750
4	Mr Sunil Mehta	0	0	-	-	0	0	0	0
5	Mr Hari Sankaran	0	0	-	-	0	0	0	0
6	Mr Ramesh Bawa	0	0	-	-	0	0	0	0
7	Mr Vibhav Kapoor	343,750	0.11	30.11.2017	Sale	343,750	0	0	0
8	Mr Milind Patel *	112,500	0.03	07.12.2017	Sale	112,500	0	0	0
9	Ms Shubhalakshmi Panse #	0	0	-	-	0	0	0	0
10	Mr Krishnakumar Gangadharan @	489,250	0.16	17.11.2017	Sale	-62,000	427,250	0.14	
				20.11.2017	Sale	-38,000	389,250	0.12	
				20.11.2017	Sale	-35,361	353,889	0.11	
				21.11.2017	Sale	-110,300	243,589	0.08	
				22.11.2017	Sale	-14,338	229,251	0.07	
				23.11.2017	Sale	-175,521	53,730	0.02	
				24.11.2017	Sale	-53,730	0	0	0
11	Mr Manoj Borkar	946,995	0.30	30.11.2017	Sale	-100,000	846,995	0.27	
				01.12.2017	Sale	-75,000	771,995	0.25	
				04.12.2017	Sale	-25,000	746,995	0.24	
				05.12.2017	Sale	-25,000	721,995	0.23	
				06.12.2017	Sale	-10,000	711,995	0.23	
				07.12.2017	Sale	-75,000	636,995	0.20	
				08.12.2017	Sale	-10,000	626,995	0.20	
				11.12.2017	Sale	-62,010	564,985	0.18	
				13.12.2017	Sale	-10,000	554,985	0.18	
				18.12.2017	Sale	-20,000	534,985	0.17	
				19.12.2017	Sale	-75,000	459,985	0.15	
				20.12.2017	Sale	-150,000	309,985	0.10	
				22.12.2017	Sale	-10,000	299,985	0.10	
				26.12.2017	Sale	-10,000	289,985	0.09	
				01.01.2018	Sale	-15,000	274,985	0.09	
				03.01.2018	Sale	-100,000	174,985	0.06	174,985
12	Mr Sanjay Mitra	708,219	0.22	30.11.2017	Sale	-140,000	568,219	0.18	
				01.12.2017	Sale	-10,000	558,219	0.18	
				04.12.2017	Sale	-57,939	500,280	0.16	
				07.12.2017	Sale	-74,998	425,282	0.14	
				08.12.2017	Sale	-40,000	385,282	0.12	
				12.12.2017	Sale	-20,000	365,282	0.12	

Sr. No.	Name of Director/KMP	Shareholding at the beginning of the year (As on March 31, 2017)		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, 2018)
		No. of shares	% of Total Shares of the Company	Date	Reason	Increase/ Decrease in shares	No. of Shares	% of Total Shares of the Company	
				20.12.2017	Sale	-60,000	305,282	0.10	
				21.12.2017	Sale	-20,000	285,282	0.09	285,282

* Mr Milind Patel resigned as a Non-Executive Director with effect from March 31, 2018

Ms Shubhalakshmi Panse was appointed as a Non-Executive Independent Director with effect from July 31, 2017

@ Mr Krishnakumar Gangadharan was appointed as the Chief Executive Officer of the Company with effect from May 29, 2017

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 6 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 (1)	Dr Archana Hingorani * Chief Executive Officer & Executive Director (2)
		Total Amount (₹)	Total Amount (₹)
1	**Gross Salary**		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5,000,000	4,315,017
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	1,281,828
	(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, Superannuation Fund and Gratuity**		12,707,311
	Total	**5,000,000**	**18,304,156**
		Total (A) = (1) +(2)	**23,304,156**
	Ceiling as per the Act (being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)		**24,583,737**

* Dr Archana Hingorani resigned with effect from April 30, 2017

B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1	Independent Directors	Mr S M Datta	Mr Bansi Mehta	Mr Sunil Mehta	Ms Shubhalakshmi Panse*	
	Fee for attending Board and Committee Meetings (₹)	230,000	220,000	80,000	60,000	590,000
	Commission (₹)	600,000	300,000	200,000	200,000	1,300,000
	Others, please specify (₹)	-	-	-	-	-
	Total (1)					**1,890,000**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
2	Other Non-Executive Directors	Mr Ravi Parthasarathy	Mr Hari Sankaran	Mr Vibhav Kapoor	Mr Milind Patel #	
	Fee for attending Board and Committee Meetings	40,000	120,000	130,000	80,000	370,000
	Commission	400,000	150,000	150,000	-	700,000
	Others, please specify	-	-	-	-	-
	Total (2)					**1,070,000**
					Total (B)=(1+2)	**2,960,000**
					Total Managerial Remuneration (A+B)	**26,264,156**
	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) ***Note : As per Section 197(2) sitting fees paid to Directors is to be excluded while calculating the overall ceiling on Managerial remuneration***					**27,042,110**

* Ms Shubhalakshmi Panse was appointed as a Non-Executive Independent Director with effect from July 31, 2017

Mr Milind Patel resigned as a Non-Executive Director with effect from March 31, 2018

Note : The Commission payable to the Directors is proposed Commission and the same is subject to the approval of the shareholders

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer*	Company Secretary	Chief Financial Officer	Total (₹)
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	10,060,326	8,463,854	16,298,354	34,822,534
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,949,462	928,658	3,068,013	5,946,133
	(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 Fund	635,048	513,280	1,049,824	2,198,152
	Total	**12,644,836**	**9,905,792**	**20,416,191**	**42,966,819**

* Mr Krishnakumar Gangadharan was appointed as the Chief Executive Officer of the Company with effect from May 29, 2017 and accordingly above disclosed salary has been prorated

Annexure 6 to the Directors' Report

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

The Company has not been subjected to any penalty or punishment or compounding of offences during the FY 2017-18

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 behalf of the Board

S M DATTA
CHAIRMAN

Place : Mumbai

Date : May 4, 2018

(I) Business Overview

Global Growth : On the Upswing

The global economy has been witnessing a broadbased cyclical upturn. As per World Economic Outlook released by International Monetary Fund, global GDP growth is estimated to have picked up from 3.2% in CY2016 to 3.7% in CY2017, and is expected to further increase to 3.9% in CY2018. The composite Purchasing Managers' Index indicates that the economic growth remained robust across most economies in Q1CY2018. The indicators point to prospects of growth strengthening in the Euro region, Russia, Brazil, Japan and remaining stable in the US and China

Global trade, which has been picking up since late 2016 - early 2017, led by strengthening global demand, capital spending and robust manufacturing activity, accelerated further by the end of 2017. The forward-looking export orders index of the World Bank has reached its highest level since CY2011, pointing to sustained expansion in trade flows in the first half of CY2018

GDP growth and trade tend to feed off one another, and therefore an upswing in trade activities could start a virtuous cycle. However, protectionist measures announced by the US and retaliatory actions by China could exacerbate trade wars and undermine global growth, trade and welfare. Volatility in financial markets stemming mainly from the uncertainty over the pace of normalisation of monetary policy in Advanced Economies could also pose a challenge to the Emerging Market Economies

India : Favorable Outlook

In India, real GDP growth is projected to improve from 6.6% in FY2018 to 7.4% in FY2019. GDP growth in H1FY2018 was subdued on account of the disruption caused by the GST implementation and the lingering impact of demonetization. However, activities in the service sector picked up and became broad-based in H2FY2018, buoyed by recovery in construction activity and support from public sector expenditure. The recovery in the construction sector was also reflected in the robust growth in steel consumption and cement production

Consumption demand remains robust and the focus of the Union Budget 2018 on the rural and infrastructure sectors is expected to further support rural demand and investment. Global demand is also improving, which bodes well for India’s exports. The performance of manufacturing in the recent period has been encouraging

The key factors which are expected to drive growth in FY2019 are robust implementation of GST, recapitalization of public sector banks and resolution of distressed assets under Insolvency and Bankruptcy Code. However, uncertainty over the pace and timing of monetary policy normalisation by the Advanced Economies, protectionist tendencies and fears of a global trade war pose significant risks to growth

On the inflation front, CPI inflation had reached a peak of 5.2% in December 2017. Inflation is however expected to moderate to 5.1% in Q1FY2019 and further to 4.4-4.7% during the balance part of FY2019. Inflation faces upside risks from the rise in oil prices, the fiscal slippage, and the expected increases in HRAs by the state governments. The inflation trajectory will be key to determining the stand taken by the Reserve Bank of India with regards to the policy repo rates

Private Equity : Trends & Themes

The Private Equity (PE) environment in India was favourable during FY2018. Fund raising during FY2018 increased 41% over the previous year to touch US$ 5.43 billion. The number of funds raised was at a similar level as last year, with 49 funds being raised during the year, compared to 50 funds during FY2017. This growth is in line with trends in Emerging Markets with Emerging Market Private Equity funds having raised US$ 61 billion in CY2017 vis-à-vis US$ 48 billion raised during CY2016. The share of funds raised for Emerging Markets as a percentage of global funds raised in CY2017 (at 14.3%) was at the highest level in the last 5 years

On the investments front, PE transactions increased significantly in value terms during FY2018. The value of transactions in FY2018 increased by 31% over last year, with a total investment of US$ 20.2 billion. On the other hand, transaction activity went down by 35% to 1,018 deals in FY2018, indicating a trend towards higher transaction ticket sizes, which in turn is a reflection of a higher investor appetite for asset buyouts. Likewise, exit activity (217 exits undertaken) reduced in number terms during FY2018 compared to the

previous year (309 exits undertaken), while exit value (US$ 9.69 bn) increased by ~13% over the previous year. Despite the increase in private equity activity in emerging markets, it may be noted that investments in emerging markets is still less than 9% of global investments

On a sectoral basis, investors have avoided taking exposure to green-field investing in real estate and infrastructure, with the exception of investments into renewable energy, especially solar power. Investors have showcased a strong bias towards investing into operating assets which generate a running yield. Opportunities across operating road projects on the infrastructure side, and towards commercial real estate have witnessed a strong deal pipeline. The success of the Toll-Operate-Transfer model of auctioning government owned road projects is a case in point. Likewise, the stressed asset space has emerged as a key area of investor interest. Products centered on these themes are likely to deliver success for asset managers in India

(II) Analysis of Performance for the year ended March 2018

Business Review :

On the investment front, IIML is deploying funds from its growth vertical across various sectors of social relevance. Consequently, investments have been undertaken in a variety of sectors/businesses like neonatal healthcare, medical devices and diagnostics, e-governance, agri-technology and education. A significant part of the Fund has been committed and given the pace of investments, a follow-on Fund would be planned during the latter part of FY2019

On the debt side, IIML, through its subsidiary which operates in the Infrastructure Debt Fund (IDF) space, has now invested across 14 investments. Given the healthy deal flow, IIML IDF has, during FY2018, raised an additional ₹ 1.4 billion from provident and retirement funds, thereby taking its AUM to ~₹ 18 billion

IIML is also working with Lone Star, a US based global private equity firm, to invest in distressed assets in the roads and thermal power space in India. The investments would be made through a US$ 550 million facility established with Lonestar. During the course of FY2018, the joint team of IIML-Lonestar assessed a range of opportunities and is now in advanced discussion/diligence in some of these opportunities

IIML had also been working on establishing and managing an Infrastructure Investment Trust (InvIT), by putting together a mix of annuity and toll road assets. However, certain changes made to tax laws during FY2018 adversely impacted InvITs. Consequently, despite having built a reasonable demand for the product, the Fund raise efforts have been suspended and timelines for the product launch are uncertain at the current juncture

In terms of new initiatives,

- IIML, in January 2018, signed a joint venture agreement with the Islamic Corporation for the Development of the Private Sector (ICD) for establishing a US$ 1 billion fund focussed on providing shariah compliant infrastructure debt finance to projects in Africa. ICD is a multilateral development financial institution and is part of the Islamic Development Bank Group. ICD fosters sustainable economic growth in its 53 member countries by financing private sector investment and mobilizing capital in the international financial markets. Both IL&FS and ICD are co-sponsors to the Fund and have committed US$ 100 million as sponsor capital. An additional ~US$ 100 million has also been already raised from regional institutions. Consequently, First Close of the Fund is expected during FY2019

- IIML has also entered into a Joint Venture (JV) partnership with the Government of Andhra Pradesh to manage an urban infrastructure fund, which would focus on investing into smart cities, sewerage and water supply projects and other such urban infrastructure projects in the State. Government of Andhra Pradesh has, during the course of FY2018, committed ₹ 10 billion to the Fund, of which ₹ 1 billion has already been drawn. Discussions have now been initiated with various domestic and international investors including key development financial institutions

The new initiatives, highlighted above, showcase that significant work was undertaken during FY2018 to build sustainable platforms which would accord long term revenue visibility for the Company. Fund raise efforts in these initiatives are progressing at a satisfactory pace and the outcomes are expected to add to the revenue line during the course of FY2019

Financial Performance :

The fee earning Assets Under Management (AUM) in relation to existing Funds managed by IIML has reduced on account of divestments undertaken during the course of FY2018. This reduction in AUM has not been offset by fresh Funds raised from new initiatives. Furthermore, certain existing Funds have attained end of Fund Term. Consequently, fee levels have reduced. There has therefore been a reduction in revenue from existing Funds, which have been partly offset by cost reductions, effected largely by way of manpower rationalization

IIML subsidiaries which manage the Infrastructure Debt Fund and the Fund with the Government of Andhra Pradesh have posted higher profitability in FY2018 compared to the previous year. This has mitigated the negative impact from fee reductions from existing funds and has resulted in the Company, on a consolidated basis, posting a 7.12% increase in Profit After Tax and Minority Interest for FY2018 compared to the previous year

On a consolidated basis, the Income from Operation of the Company for FY2018 was ₹ 1,124.93 mn and Other Income was ₹ 100.65 mn. Accordingly, the Total Income on a consolidated basis for FY2018 was ₹ 1,225.58 mn. The resultant Profit after Tax and Minority Interest on a consolidated basis for FY2018 was ₹ 65.62 mn

(III) Outlook for the Financial Year 2018-2019 : Opportunities and Concerns

The Reserve Bank of India (RBI) expects that several factors would result in an accelerated pace of economic activity in FY2019. These factors include revival in investment activity as reflected in the sustained expansion in capital goods production and rising imports. Global demand has also been improving, which would encourage exports and boost fresh investment. The large mobilisation of resources from the primary capital market is also expected to support investment activity further. Additionally, the long-term growth potential of the country is expected to be reinforced by various structural reforms introduced in the recent past such as the launch of the Goods and Services Tax

Consequently, the RBI has projected that GDP growth would strengthen from 6.6% in FY2018 to 7.4% FY2019, with risks evenly balanced. Furthermore, growth acceleration is expected during the latter part of the financial year, with the projected growth in the second half of FY2019 expected in the range of 7.3-7.6%, compared to a growth of 7.3-7.4% in the first half

On the downside, the deterioration in public finances could crowd out private financing and investment. Furthermore, rising trade protectionism and financial market volatility could derail the ongoing global recovery. In this context, the focus of policy action needs to be on strengthening macroeconomic fundamentals, deleveraging stressed corporates and on rebuilding of bank balance sheets. Significant efforts have already been made in this regard, which augers well for steady recovery being witnessed in the economy

Against this backdrop of growth optimism, and to capture the opportunities which arise from the same, the Company has been working of various new initiatives. On one hand, initiatives like the joint ventures with ICD and that with the Government of Andhra Pradesh provide a platform for generating long term sustainable revenue streams for the Company. On the other hand, initiatives in buying out stressed assets would provide incremental one-time income, layered with the ability to generate a degree of ongoing asset management income. During the course of FY2019, operationalizing these three platforms and taking them to a revenue generation stage would be a key deliverable for IIML

With the Funds targeted at infrastructure and real estate investing having been substantially divested, there is need to focus the Company's efforts in launching new products in these verticals. Such products would need to be structured around themes which provide a compelling investment thesis for Fund investors. IIML will devote significant time and resources during FY2019 towards identifying such themes and in packaging them in a manner which presents an attractive proposition to domestic and global investors

IIML will therefore also focus on leveraging the investment experience in this space to develop a potentially larger sized follow-on Fund during the course of FY2019. Likewise, the Infrastructure Debt Fund is also expected to add to its AUM during FY2019 by way of launch of newer series/rounds of capital raise from a diverse set of investors

Fructification of the above efforts during the year is expected to provide a higher revenue base for the Company, which in turn should largely offset the revenue reduction expected from the existing Funds. More importantly, these new initiatives would provide a strong foundation for the Company and enable it to grow the assets under management at a faster pace going forward. However, as is the

case with any private equity fund raising, timelines for taking a product to a revenue generation stage are uncertain. Many of the above mentioned initiatives have been at a development stage during the previous financial year and it is likely that these initiative would only get to a revenue generation stage by the latter part of the current financial year

The private equity Fund managed by IIML, which is currently in the investment stage, would attain full deployment in the next 6-9 months. The current term of many of the funds will expire during this year and will be subject to extension with the consent of the fund investors. Any extension of fund life would typically result in reduction in fees and a large component of such fees shall be linked to divestments. As a result a significant part of revenues going forward from current funds under management would not be linked to funds under management but be linked to divestments achieved. Hence, a key priority for the Fund teams managing various private equity, infrastructure, and real estate funds has been portfolio divestments and return of capital to Fund investors. In this regard, divestments aggregating ₹ 9.42 billion were undertaken during FY2018

(IV) Business Segment and Human Resources

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

The remit of the various initiatives under development have a wide span. It straddles diverse themes and geographies – from a large infrastructure debt fund in Africa to a relatively modest sized private equity fund in India focussed on socially relevant sectors, debt and equity products, buyouts to minority control positions, focus on a continent (Africa) to focus on a State (Andhra Pradesh), and so on. Managing such a diverse set of products requires deep relationships at the local level, an ability to craft transactions on a preferred basis and the experience to build value into investee companies and thereafter extract value for its investors. In this context, the Company would need to continue to invest into its existing resources, as also attract fresh talent

The Company presently has 41 employees

(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

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) The Board currently comprises of eight Directors out of which seven Directors are Non-Executive Directors including one Independent Women Director. As at March 31, 2018 the Company has a Non-Executive Independent Chairman, Managing Director, three Independent Non-Executive Directors and three Non-Executive Directors

(b) None of the Directors of the Company are Directors of more than ten Indian Public Companies and none of the Directors are Directors of more than twenty Indian Companies

(c) None of the Directors are Independent Directors in more than seven Listed Companies or those Directors who are serving as a Whole-time Director in any Listed Company are Independent Directors in more than three Listed Companies and are in compliance with the requirements of Regulations 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

(d) None of the Directors hold Chairmanship of more than five Committees or Membership in more than ten Committees of Public Limited Companies and are compliant with the requirements of Regulation 26 of the 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) & Regulation 25(1) of the LODR

(2) **Board Meetings :**

(a) The Board of Directors met four times during the Financial Year ended March 31, 2018 and the gap between two meetings did not exceed 120 days. The meetings were held during the year on May 29, 2017, July 31, 2017, November 10, 2017 and January 30, 2018

(b) The category of Directors, their attendance record at the Board Meetings held during the Financial Year ended March 31, 2018 and at the previous Annual General Meeting along with their Memberships/Chairmanships on the Board Committees of Companies are as follows :

Name of the Director	Category of Director @	No. of Board Meetings attended	Attendance at the last AGM held on September 6, 2017	No. of Directorships *	Committee Memberships #	Committee Chairmanships #
Mr S M Datta (Chairman) DIN 00032812	NEID	4	Yes	10	7	2
Mr Ravi Parthasarathy DIN 00002392	NED	2	Yes	10	1	-
Mr Bansi Mehta DIN 00035019	NEID	4	Yes	9	8	3
Mr Sunil Mehta DIN 00065343	NEID	4	Yes	4	2	-
Mr Hari Sankaran DIN 00002386	NED	3	Yes	9	1	-
Ms Shubhalakshmi Panse $ DIN 02599310	NEID	3	NA	11	5	-

Name of the Director	Category of Director @	No. of Board Meetings attended	Attendance at the last AGM held on September 6, 2017	No. of Directorships *	Committee Memberships #	Committee Chairmanships #
Mr Vibhav Kapoor DIN 00027271	NED	3	Yes	5	4	1
Mr Ramesh Bawa DIN 00040523	MD	4	Yes	9	2	-
Mr Milind Patel + DIN 00058358	NED	4	Yes	-	-	-

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

* 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 Stakeholders Relationship Committee of Public Limited Companies as required under Regulation 26 of the LODR

$ Ms Shubhalakshmi Panse was appointed as a Non-Executive Independent Director of the Company with effect from July 31, 2017

\+ Mr Milind Patel resigned as a Non-Executive Director of the Company with effect from March 31, 2018

Note : Dr Archana Hingorani resigned as the Chief Executive Officer & Executive Director of the Company with effect from April 30, 2017

(c) Appointment/Re-appointment of Directors :

Pursuant to the provisions of Section 149, Section 152 and Section 162 of the Companies Act, 2013, Mr Hari Sankaran retires by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment

(d) 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 FY2018. As required by the LODR, the declaration on compliance of the Company's Code of Conduct signed by the Chief Executive Officer forms part of this Annual Report

(3) **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

(4) **Evaluation of Board's Performance** : The objective of this evaluation is to facilitate the review of performance of the individual Directors, Chairperson, Board Committees and the Board as a whole. 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 following activities were undertaken :

(a) The Independent Directors at their meeting reviewed the performance of the Non-Independent Directors, the Chairman and the Board as a whole. The Independent Directors briefed the Board on the evaluation assessment undertaken at the meeting of the Independent Directors

(b) The Nomination & Remuneration Committee evaluated the performance of all the Directors including the Executive Director and recommended their findings to the Board of Directors

(c) The Board reviewed the performance assessment undertaken by the Independent Directors and the Nomination & Remuneration Committee. The Board discussed and analysed the performance of the Executive, Non-Executive and Independent Directors and of its own performance during the year including suggestions for improvement

(d) The Board also reviewed the Charters of all Board Committees and the necessity of establishing any Committees and delegating certain of its responsibilities to the Committees

(e) Assessment Criteria for Independent Directors :

(i) Contribution/Guidance on business strategy

(ii) Well informed about the Company and external environment in which it operates

(iii) Exercising independent judgement

(iv) Scrutinizes the performance of management in meeting agreed goals and objectives

(v) Upholding of the statutory compliance/corporate governance

(vi) Availability and Attendance

(vii) Contribution at Committees (of which he/she is member)

(5) **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.iimlindia.com/Independent_Director.aspx

(6) **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://iimlindia.com/Policies.aspx

(7) **Independent Directors' Meeting** : The Independent Directors met on May 2, 2018, inter alia :

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

(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 is correct, sufficient and credible

(b) Recommend to the Board, the appointment, remuneration, terms of appointment of the Auditors of the Company

(c) Review and monitor the Auditor's independence and performance and effectiveness of the audit process

(d) Approval of payment to the statutory auditors for any other services rendered by the statutory auditors

(e) Review with the management, the annual financial statements and the auditors' report thereon, before submission to the Board for approval, with particular reference to :

(i) Matters required to be included in the Director's 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 transaction

(vii) Modified Options in the draft audit report

(f) Review with the Management, the quarterly financial statements before submission to the Board for approval

(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, monitoring related matters and making appropriate recommendations to the Board to take up steps in this matter

(h) Approval of any subsequent modification of transactions of the Company with related parties

(i) Scrutiny of inter-corporate loans and investments

(j) Valuation of undertakings or assets of the Company, wherever it is necessary

(k) Review with the Management, performance of statutory and internal auditors and adequacy of the internal control systems

(l) Evaluation of the internal financial controls and risk management systems

(m) Review the adequacy of the 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

(n) Discussion with Internal Auditors on any significant findings and follow up there on

(o) 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

(p) 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

(q) 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

(r) Review the functioning of the whistle blower mechanism/vigil mechanism

(s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

(t) Review the financial statements, in particular, the investments made by the unlisted subsidiary companies

(u) Carrying out any other function as is referred to it by the Board of Directors

(v) 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

(vi) Statement of deviations :

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the LODR
- annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the LODR

(2) **Audit Committee Meetings :** The Audit Committee met four times during the Financial Year ended March 31, 2018 on May 29, 2017, July 31, 2017, November 10, 2017 and January 30, 2018

(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 Bansi Mehta, the Chairman of the Committee is a Chartered Accountant by profession and has expertise in the taxation, accounting and financial management domain

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 Bansi Mehta	Chairman	4
Mr S M Datta	Member	4
Mr Vibhav Kapoor	Member	3

(4) **Attendees :** The Statutory Auditors, the Internal Auditors, the Managing Director, the Chief Executive Officer & 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

(D) NOMINATION & REMUNERATION COMMITTEE

(1) **Terms of Reference :** The terms of reference of the Nomination & Remuneration Committee include the following :

(a) 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

(b) Formulation of criteria for evaluation of Independent Directors and the Board

(c) Devise a policy on Board Diversity

(d) 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

(e) Approve criteria and quantum of compensation for Whole-time Directors

(f) Recruitment of key management employees and their compensation

(g) Determination of the annual increments and performance related pay of the employees

(h) Administration of the various Employee Stock Option Plans of the Company

(i) Decision to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

(j) Such other matters as the Board may from time to time request the Committee to examine, recommend and approve

(2) **Managerial Remuneration Policy :** The Board has adopted the Managerial Remuneration Policy to attract and retain competent personnel and to provide competitive performance based compensation and benefits depending on various factors such as the market scenario, business performance of the Company and the remuneration practices in the financial service sector. The Policy is posted on the website of the Company at http://www.iimlindia.com/Policies.aspx

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

(i) Fixed Remuneration : Monthly base salary based on seniority and experience

(ii) Performance linked incentives : Variable component determined by the Nomination & Remuneration Committee based on performance

(iii) Issue of ESOPs from time to time : At the discretion of the Nomination & Remuneration Committee

(iv) Retiral Benefit : Paid post separation from the Company as per the Rules of the Company and the relevant statutory provisions

(v) Perquisites and Benefits : All other benefits including perquisites are as per the Rules of the Company

(b) Remuneration structure of the Key Management Personnel :

(i) Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay, Special Allowance, Other Allowances and Perquisites as per the Rules of the Company

(ii) Variable Remuneration : This is based on the Company's and the individual's performance

(iii) Retiral Benefits : This includes contribution to the Provident Fund, Gratuity and Superannuation Fund

(c) Remuneration structure of the Senior Management :

(i) Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay, Special Allowance, Other Allowances and Perquisites as per the Rules of the Company

(ii) Variable Remuneration : This is based on the Company's and the individual's performance

(iii) Retirals Benefits : This includes contribution to the Provident Fund, Gratuity and Superannuation Fund

(d) Remuneration structure of Non-Executive Directors :

Non-Executive Directors are paid Sitting Fees for attending the Board/Committee Meetings. They are also paid commission which is based on the profits of the Company

(e) Succession Planning :

(i) Succession Plan ensures continuity in operation and services, in the event of exit of key members of the organisation, by supply of suitably qualified and motivated employees who can take up higher roles and responsibilities

(ii) The Company is committed to creating a system of identifying, monitoring, assessing and developing a pipeline of talent. The Company shall continuously engage in the process of developing career path of employees, to recruit and retain top-performing or high talent employees; and gearing them up for the future organisational requirements

(iii) If the Company is unable to fill a key position through internal promotions, the Company shall close the position by recruiting an external candidate whose experience and expertise best matches with his/her predecessor, in a time bound manner

(3) **Nomination & Remuneration Committee Meetings :** The Nomination & Remuneration Committee met two times during the Financial Year ended March 31, 2018 on May 29, 2017 and July 31, 2017

(4) **Composition :** The Committee 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 Bansi Mehta	Chairman	2
Mr S M Datta	Member	2
Mr Hari Sankaran	Member	2

(5) **Details of Remuneration :**

Details of Remuneration paid to the Whole-time Directors during the Financial Year 2017-18 :

(a) The salary paid to Mr Ramesh Bawa and Dr Archana Hingorani is inclusive of their retirement benefits

Particulars	Mr Ramesh Bawa (₹)	Dr Archana Hingorani * (₹)
Salary	5,000,000	17,022,328
Perquisites	-	1,281,828
Total	5,000,000	18,304,156

* Dr Archana Hingorani resigned as the Chief Executive Officer & Executive Director of the Company with effect from April 30, 2017

(b) 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

(c) Performance of the Executive Directors is evaluated on the basis of individual performance and the performance of the Company

(d) During FY2018, the Company did not grant any stock options

(e) Services of the Managing Director and Executive Director may be terminated by giving one month's notice. There is no separate provision for payment of severance fees

(6) **Details of payment made to the Non-Executive Directors :**

(a) 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

(b) During FY2018, 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

(c) 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

(d) Details of Sitting Fees and Commission to the Non-Executive Directors for FY2018 are as below :

Name of the Non-Executive Director	Sitting Fees (₹)	Commission * (₹)
Mr S M Datta	230,000	600,000
Mr Ravi Parthasarathy	40,000	400,000
Mr Bansi Mehta	220,000	300,000
Mr Sunil Mehta	80,000	200,000
Ms Shubhalakshmi Panse	60,000	200,000
Mr Hari Sankaran	120,000	150,000
Mr Vibhav Kapoor	130,000	150,000
Mr Milind Patel	80,000	-
Total	**960,000**	**2,000,000**

* The Commission payable to the Directors is proposed commission and the same is subject to the approval of the shareholders

(7) **Details of Options Granted :**

(a) Details of Options granted to Non-Executive Directors during the year :

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

(b) The shareholding of the Non-Executive Directors as on March 31, 2018 :

Name of the Director	No. of Shares
Mr S M Datta	4,750,000
Mr Ravi Parthasarathy	1,350,000
Mr Bansi Mehta	3,493,750

(E) STAKEHOLDERS RELATIONSHIP COMMITTEE

(1) The Stakeholders Relationship Committee oversees the following functions :

(a) Redressing grievances received from the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends

(b) Allotment of shares upon exercise of options under Employee Stock Option Schemes

(c) 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 one Non-Executive Independent Director and one Non-Executive Director. The Chairman of the Committee is a Non-Executive Director. The Committee met five times during the Financial Year ended March 31, 2018 on May 29, 2017, July 31, 2017, August 31, 2017, October 11, 2017 and January 31, 2018. 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 Vibhav Kapoor	Chairman	5
Mr S M Datta	Member	5

(3) Mr Sanjay Mitra, Company Secretary, has been designated as the Compliance Officer

(4) During FY2018 the Company received 35 complaints from shareholders. There were no complaints 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	30	30
Mr Sanjay Mitra	30	30

(F) 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

(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 29, 2017

(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 :

Name of the Member	Number of Meetings held	Number of Meetings Attended
Mr S M Datta - Chairman	1	1
Mr Bansi Mehta	1	1
Mr Hari Sankaran	1	1

(G) WHISTLE BLOWER POLICY/VIGIL MECHANISM

Whistle Blower Policy 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 Vigil Mechanism of the Company. It is affirmed that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy 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

(H) SUBSIDIARY COMPANY

During the year ended March 31, 2018, the Company did not have any material listed/unlisted Indian Subsidiary Company as defined under the LODR. 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

CORPORATE GOVERNANCE REPORT

(I) GENERAL BODY MEETINGS

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

Date	Time	Location/Venue	Special Resolutions passed
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
August 11, 2015	3.00 p.m.	Rangaswar Hall, Y B Chavan Centre	1) Appointment of Mr Ramesh Bawa as the Managing Director of the Company for a term of five years

(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) 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 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

(4) None of the Directors of the Company are related to each other except the Directors nominated by Infrastructure Leasing & Financial Services Limited

(5) 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

(6) The Company has followed all relevant Accounting Standards while preparing the Financial Statements

(7) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large

(8) 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

(9) The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans

(K) 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 Loksatta. Simultaneously they are also put on the Company's website and can be accessed at http://iimlindia.com/financials.aspx

(2) **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://www.iimlindia.com/presentations.aspx

(3) **Website :** The Company's website 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.

(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@ilfsinda.com exclusively for servicing to the investors

(L) GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting Day, Date and Time	:	Tuesday, August 28, 2018 at 11.00 a.m.
Annual General Meeting Venue	:	The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai 400 020
Financial Year	:	The Company follows April-March as its Financial Year
Book Closure	:	Wednesday, August 22, 2018 to Tuesday, August 28, 2018 (both days inclusive)
Dividend Payment	:	The dividend, if declared, by the Shareholders at the AGM shall be paid/ credited on or after August 28, 2018
Listing on Stock Exchanges	:	The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has already paid the annual listing fees for the Financial Year 2018-19 to BSE and NSE as well as custodian fees to the National Securities Depository Limited and Central Depository Services (India) Limited within the prescribed time
Security Identification Number (ISIN)	:	INE050B01023
Scrip Code/Symbol	:	BSE : 511208, NSE : IVC
Corporate Identification Number (CIN)	:	L65999MH1986PLC147981
Outstanding warrants/ADRs/GDRs/ Convertible instruments	:	Not Applicable

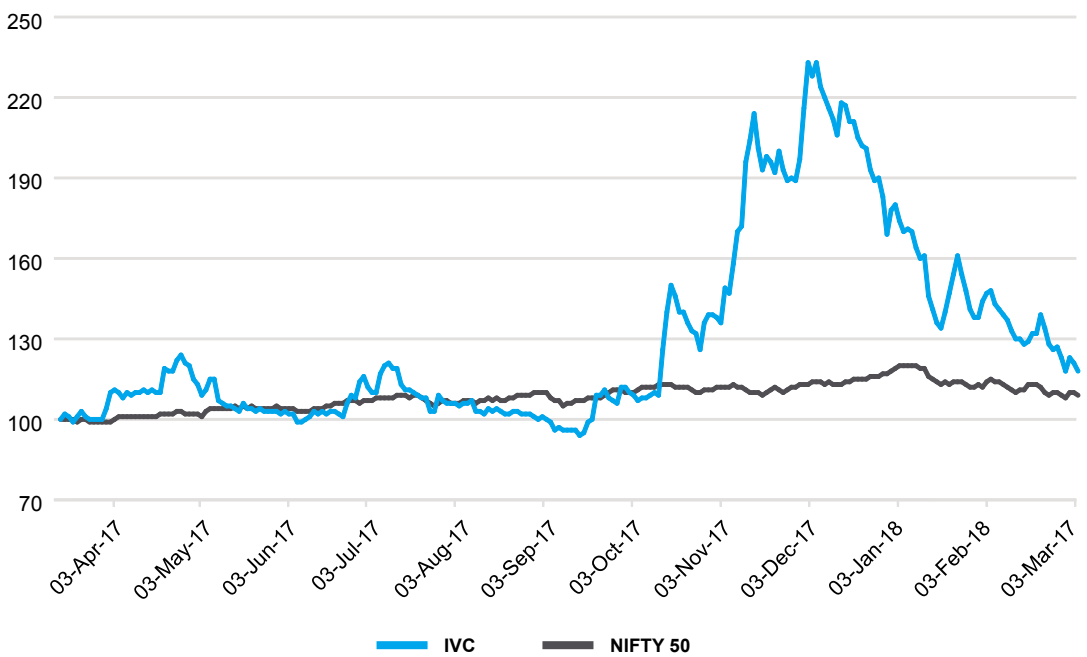
Board Meeting to be held for approving financial statements for the quarter ending :

June 30, 2018	On or before September 14, 2018
September 30, 2018	On or before December 14, 2018
December 31, 2018	On or before February 14, 2019
March 31, 2019	On or before May 30, 2019

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 are as follows :

	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
Month	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-2017	16.65	13.80	4,211,612	16.65	13.80	16,657,569
May-2017	18.45	14.75	7,926,148	18.40	14.60	27,546,644
Jun-2017	15.60	14.00	2,400,732	15.65	13.95	6,173,997
Jul-2017	18.40	14.50	6,063,131	18.40	14.55	20,847,076
Aug-2017	17.05	14.45	2,424,224	17.00	14.40	8,452,742
Sep-2017	15.29	13.67	1,539,106	15.35	13.50	700,269
Oct-2017	17.09	13.64	4,165,466	17.10	13.60	16,415,486
Nov-2017	29.45	15.75	30,166,826	29.40	15.70	103,743,732
Dec-2017	35.15	25.00	27,915,473	35.25	24.90	100,017,605
Jan-2018	32.60	22.85	11,182,674	32.65	22.95	37,677,634
Feb-2018	24.00	18.55	6,272,874	24.00	18.90	22,527,059
Mar-2018	20.75	16.50	4,205,380	20.75	16.55	13,455,086

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



(N) SHARE TRANSFER SYSTEM

The Registrars and Transfer Agents (RTA) of the Company receives applications for transfer of shares held in physical form. They attend to share transfer formalities every week

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, 2018

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	831,164	0.26
4	Foreign Portfolio Investors	451,881	0.14
5	Individuals	114,265,598	36.39
6	Investor Education and Protection Fund	1,249,358	0.40
7	Non Resident Indians	6,418,553	2.04
8	Hindu Undivided Family	6,185,651	1.97
9	Directors	9,593,750	3.06
10	Bodies Corporate	14,217,161	4.53
11	Others	2,482,257	0.79
	Total	**314,032,740**	**100.00**

(P) DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2018

No. of Equity Shares	No. of Shareholders	% of Total	No. of Shares	% of Total
1 – 500	24055	46.17	5,463,835	1.74
501 – 1000	11072	21.25	9,234,418	2.94
1001 – 2000	7429	14.26	11,857,458	3.78
2001 – 3000	3238	6.21	8,162,888	2.60
3001 – 4000	1251	2.40	4,507,374	1.43
4001 – 5000	1332	2.56	6,339,981	2.02
5001 – 10000	1950	3.74	14,747,777	4.70
10001 – above	1774	3.41	253,719,009	80.79
Total	**52101**	**100.00**	**314,032,740**	**100.00**

(Q) DEMATERIALISATION OF SHARES

As on March 31, 2018, the Share Capital of the Company was held in dematerialised form with NSDL 258,461,180 (82.30%) and CDSL 47,507,568 (15.13%) totalling to 305,968,748 (97.43%) and only 8,063,992 (2.56%) shares were being held in physical form. SEBI at its meeting held on March 28, 2018 has decided that securities of listed companies can be transferred only in the dematerialised form, from a cut-off date to be notified. 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

(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 FY 2017-18 are given below :

Particulars	BSE	NSE	Total
Shares	440,950	1,546,809	1,987,759
Value (₹)	10,213,729	35,824,819	46,038,548

(Source : This information is complied from the data available on the websites of BSE and NSE)

(S) 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, 2017	3,776	2,650,891
Shareholders who approached the RTA and Shares were transferred to them during the year	10	12,916
Shares transferred to IEPF Authority during the year	1,042	940,400
Shares allocated as Unclaimed Shares during the year	3	3,397
Balance as on March 31, 2018	2,727	1,700,972

(T) THE INVESTOR EDUCATION AND PROTECTION FUND

Unclaimed Dividend :

The Dividend declared and distributed by the Company to its shareholders which remains unclaimed gets accumulated with the Company. As per Section 125 of the Companies Act, 2013, such unclaimed dividend lying with the companies for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF)

Unclaimed dividend for the year 2009-2010 of ₹ 4,043,059/- was transferred to IEPF Account. Unclaimed dividend for the year 2010-2011 is due for transfer to IEPF Account in September 2018. Details of Unpaid Dividend are available on the Company's website at http://www.iimlindia.com/unclaimed_dividend.aspx

Shares :

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 IEPF after completion of seven years

As per the Amended Rules, the due date for transfer of Equity Shares was October 31, 2017. Accordingly the Company transferred 1,249,358 equity shares whose dividend had remained unpaid or unclaimed for a period of seven consecutive years as on October 31, 2017 to the IEPF Account

Further Equity Shares pertaining to the unpaid/unclaimed dividend for the FY 2010-11 and which has remained unpaid/unclaimed for a consecutive period of seven years will be transferred to the IEPF Account. Details of Equity Shares transferred to the IEPF Account last year and the details of Equity Shares liable to be transferred to the IEPF Account this year can be found at the Company's website on http://iimlindia.com/TransferShares_IEPF.aspx

(U) REGISTRARS AND TRANSFER AGENTS

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

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 :

The IL&FS Financial Centre, Plot No. C-22, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051
Tel. No. : +91 22 26533333
Fax No. : +91 22 26533056
Email id : investor.relations@ilfsindia.com
Website : www.iimlindia.com

(V) The Company engages in hedging activities to adequately safeguard against foreign exchange risks

(W) The Company has complied with all the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the LODR

(X) Non Mandatory Requirements :

(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) **Separate posts of Chairperson and Chief Executive Officer :** The Company has appointed separate persons as Non-Executive Independent Chairman, Managing Director and Chief Executive Officer

(4) **Reporting of Internal Auditor :** The Internal Auditor reports directly to the Audit Committee

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 : May 4, 2018

INDEPENDENT AUDITOR'S CERTIFICATE

To,
The Members of
IL&FS Investment Managers Limited

We have examined the compliance of conditions of Corporate Governance by **IL&FS Investment Managers Limited** ('the Company'), for the year ended on March 31, 2018, as per Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and Paragraph C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') pursuant to the listing agreement of the Company with Stock Exchanges.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

Pursuant to the requirements of the Listing Regulations, it is our responsibility to certify whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31 March 2018.

Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

Opinion

In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and Paragraph C, D, and E of Schedule V of the Listing Regulations, as applicable.

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 purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Yours faithfully

For B S R & Associates. LLP
Chartered Accountants
Firm's Registration No. 116231W/W-100024

N Sampath Ganesh
Partner
Membership No. 042554

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IL&FS INVESTMENT MANAGERS LIMITED

Report on the audit of the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of IL&FS Investment Managers Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

3. In preparing the standalone financial statements, management is 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.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing, specified under Section 143 (10) of the Act, issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

7. We are also responsible to 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 the auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

INDEPENDENT AUDITORS' REPORT

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e) on the basis of the written representations received from the Directors as on 31 March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 from being appointed as a Director in terms of Section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g) 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, as amended, 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; and

   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 since they do not pertain to the financial year ended 31 March 2018.

For **B S R & ASSOCIATES LLP**
Chartered Accountants
(Firm's Registration No. 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No.042554

Mumbai
4 May 2018

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, employees' state insurance, income tax, service 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.

As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) There are no dues of provident fund, employees' state insurance, income tax, service tax, goods and services tax, cess as on 31 March 2018 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. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions 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
4 May 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of IL&FS Investment Managers Limited (the 'Company') as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for internal financial controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). 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 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

Meaning of internal financial controls over financial reporting

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

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & ASSOCIATES LLP**
Chartered Accountants
(Firm's Registration No. 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No.042554

Mumbai
4 May 2018

BALANCE SHEET

As At 31st March 2018

Amount (₹)

Particulars	Note No	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	628,085,480		628,085,480	
Reserves and Surplus	3	694,929,074	1,323,014,554	850,457,777	1,478,543,257
Non-Current Liabilities					
Long-term provisions	4		17,297,739		20,777,720
Current Liabilities					
Trade Payables	26				
(a) total outstanding dues of micro enterprises and small enterprises		-		-	
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,039,023		23,676,518	
Other current liabilities	5	36,740,384		37,430,700	
Short-term provisions	6	40,004,338	95,783,745	42,947,211	104,054,429
Total			**1,436,096,038**		**1,603,375,406**
ASSETS					
Non-current assets					
Property, Plant and Equipment	7	6,082,259		9,129,656	
Intangible assets	7	10		10	
Non-current investments	8	648,584,263		744,219,017	
Deferred tax assets	9	10,665,000		13,968,000	
Long-term loans and advances	10	70,366,311	735,697,843	67,030,123	834,346,806
Current assets					
Current investments	11	392,500,000		511,306,515	
Trade receivables	12	160,269,443		100,137,594	
Cash and Cash Equivalents	13	57,875,595		116,331,080	
Short-term loans and advances	14	73,556,374		24,326,356	
Other current assets	15	16,196,783	700,398,195	16,927,055	769,028,600
Total			**1,436,096,038**		**1,603,375,406**

The accompanying Notes 1 to 32 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
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March, 2018

Amount (₹)

Particulars	Note No	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue:			
Revenue from Operations	17	376,722,645	460,713,798
Other Operating Income	18	130,435,482	154,532,793
Other Income	19	39,344,403	73,593,884
Total Revenue		**546,502,530**	**688,840,475**
Expenses:			
Employee benefit expense	20	188,782,064	220,885,417
Depreciation and amortisation expense	7	5,525,941	6,162,760
Other Administrative and Operating Expenses	21	256,868,998	180,514,583
Total Expenses		**451,177,003**	**407,562,760**
Profit before tax		**95,325,527**	**281,277,715**
Tax expense:			
- Current tax		52,300,000	62,500,000
- Deferred tax	9	3,303,000	777,000
- Short/(Excess) provision for tax relating to prior years		-	(21,702,842)
Profit for the year		**39,722,527**	**239,703,557**
Earning per equity share: (Equity shares of Face value ₹ 2/- each)			
- Basic	22	0.13	0.76
- Diluted		0.13	0.76

The accompanying Notes 1 to 32 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
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

CASH FLOW STATEMENT

For The Year Ended 31st March, 2018

Amount (₹)

			For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**			
	PROFIT BEFORE TAX*		95,325,527	281,277,715
	Adjustments for:			
	Depreciation and Amortisation		5,525,941	6,162,760
	Provision for Employee Benefits (Net of reversal)		(9,370,116)	1,819,204
	Provision for Diminution in value of Non-current Investments		108,500,000	5,000,000
	Net Profit on Sale of Investments		(18,071,214)	(48,418,790)
	Liabilities no longer required, written back		-	(295,210)
	Interest Income		(855,919)	(1,648,244)
	Dividend Income from Current Investments		(61,676)	(17,167,631)
	(Profit)/Loss on sale of Fixed Assets (Net)		(249,832)	(158,048)
	Operating Profit before working capital changes		**180,742,711**	**226,571,756**
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Trade Receivables		(60,131,849)	(19,984,234)
	Short Term Loans & Advances		3,778,283	2,525,971
	Long Term Loans & Advances		719,583	2,531,547
	Other Current Assets		779,029	-
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade Payables		(4,637,495)	(4,106,828)
	Other Current Liabilities		(1,652,986)	397,062
	Cashflow after working capital changes		119,597,276	207,935,274
	Payment of Taxes (Net)		(56,416,810)	(67,199,203)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**A**	**63,180,466**	**140,736,071**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Non-Current non-trade Investments			
	- Subsidiaries		(27,765,000)	(354,766,500)
	- Others		(23,541,752)	(11,459,889)
	Proceeds from sale of Other Non-Current Investments		22,443,988	9,611,816
	Decrease in Current Non-trade Investments (Net)		152,875,247	531,377,775
	Dividend received on Current Non-trade Investments		61,676	17,167,631
	Capital Expenditure on Fixed Assets		(3,130,649)	(2,646,135)
	Proceeds from Sale of Fixed Assets		901,937	937,560
	Interest received		807,162	1,986,314
	Inter Corporate Deposits placed		(50,000,000)	-
	NET CASH GENERATED FROM INVESTING ACTIVITIES	**B**	**72,652,609**	**192,208,572**
(C)	**CASHFLOW FROM FINANCING ACTIVITIES**			
	Dividend on Equity Shares		(188,419,644)	(376,839,288)
	Payment of Dividend Distribution tax		(6,831,586)	(23,110,249)
	NET CASH USED IN FINANCING ACTIVITIES	**C**	**(195,251,230)**	**(399,949,537)**

CASH FLOW STATEMENT

For The Year Ended 31st March, 2018

Amount (₹)

			For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(D)	**Net Increase/(Decrease) in Cash and Cash Equivalents**	**(A+B+C)**	**(59,418,155)**	**(67,004,894)**
	Cash and Cash Equivalent at the beginning of the year as per Balance Sheet (Refer Note 13)		83,456,214	150,461,108
	Cash and Cash Equivalent at the end of the year (Refer Note 13)		**24,038,059**	**83,456,214**
	Reconciliation of Cash and cash equivalents with the Balance Sheet :			
	Cash and cash equivalents as per Balance Sheet (Refer Note 13)		57,875,595	116,331,080
	Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) :			
	(i) In earmarked accounts (Refer Note (i) below)			
	- Unpaid dividend accounts		(33,837,536)	(32,874,866)
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13 #		**24,038,059**	**83,456,214**
	Cash and Cash Equivalent at the end of the year (Refer Note 13)		**24,038,059**	**83,456,214**
	# Comprises			
	(a) Cash on hand		18,160	28,038
	(b) Balances with banks			
	(i) In current accounts		13,184,963	72,593,240
	(ii) In demand deposit accounts		10,834,936	10,834,936
			24,038,059	**83,456,214**

*Includes amount spent towards Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (Refer Note 30)

Notes:

(i) These earmarked account balances with banks can be utilised only for the specific identified purposes

(ii) The accompanying Notes 1 to 32 are an integral part of the Financial Statement

In terms of our report attached of even date
For B S R & Associates LLP
Chartered Accountants
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

Corporate Information

IL&FS Investment Managers Limited (IIML) is incorporated in India as a public limited company under the provisions of the Companies Act, 1956. IIML is a domestic private equity fund management companies which manages funds on behalf of leading Indian and International Institutions

1) Significant Accounting Policies

(a) Basis of accounting and preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards, specified under Section 133 of the Companies Act, 2013 (the "CA 2013"). The Financial Statements have been prepared on accrual basis under the historical cost convention and going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in previous year except as otherwise stated

(b) Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make certain estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as on the date of the Financial Statements and the reported Income and Expenses during the reporting period. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any changes in such estimates are recognised prospectively

(c) Property, Plant and Equipment, Intangible Assets and Depreciation/Amortisation

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. Profit or Losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is disposed

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

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 ₹ 5,000 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

(d) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss to the extent the amount was previously charged to the Statement of Profit and Loss, except in case of revalued assets

(e) 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 is equated over the lease period

(f) Investments

(i) Investments are recognised at actual cost including costs incidental to acquisition such as brokerage fees and duties

(ii) Investments are classified as non-current or current at the time of acquisition of such investments

(iii) Non current investments are individually valued at cost less provision for diminution, other than temporary

(iv) Current investments are valued at lower of cost or fair value, computed scrip-wise

(g) Foreign Currency Transactions and Translations

(i) **Initial recognition**

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

Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction

(ii) **Measurement at the balance sheet date**

Foreign currency monetary items outstanding as at the Balance Sheet date are restated at the closing rate

Non-Monetary items which are carried in terms of historical cost denominated in foreign currency at the Balance Sheet date are reported using the exchange rate at the date of the transaction

(iii) **Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

(i) Management fee income from Private Equity Funds (PEF) under management and advisory fee income are recognised based on contractual arrangements

(ii) Income from Investment in Units of PEF is recognised on the basis of income distributed by the respective PEFs

(iii) Dividend income is recognised once the unconditional right to receive dividend is established

(iv) Interest income on fixed deposits / inter corporate deposits is accrued proportionately based on period for which the same is placed

(v) Profit or loss on sale of Mutual Fund Units is recognised as and when mutual funds units are redeemed

(i) Employee Benefits

(i) The Company's contribution to Provident Fund, Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees

(ii) The Company has taken a Group Gratuity cum life assurance scheme with Life Insurance Corporation of India for gratuity payable to the employees. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged as expenses in the Statement of Profit and Loss

(iii) The leave balance is classified as short term and long term based on the leave policy. The compensated absence liability for the expected leave to be encashed has been measured on actual components eligible for leave encashment and expected leave to be availed is valued based on the total cost to the Company. The short term and long term leave have been valued on actuarial basis as per the projected unit credit method as at the reporting date

(j) Taxation

Tax Expense comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the year. Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only when there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised

(k) Provisions, Contingent Liabilities and Contingent Assets

In accordance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), provisions comprise liabilities of uncertain timing or amount. A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date

A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements

(l) Cash flow Statements

(i) Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

(ii) Since the Company is in the business of asset management and other related services, the transactions related to advances and loans are shown under investing activities as required by provisions of Accounting Standard on "Cash Flow Statements" (AS-3)

(iii) Cash comprises of cash on hand and demand deposits with banks which are subject to insignificant risk of changes in value as defined in Accounting Standard on "Cash Flow Statements" (AS-3)

(m) Earnings Per Share

Earnings Per Share is computed in accordance with the Accounting Standard on "Earnings Per Share" (AS-20). In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. 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 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

(n) 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

(o) 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

2) Share Capital

i) Share Capital of the Company consist of the following:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Authorised Share Capital		
325,000,000 Equity shares of ₹ 2/- each	650,000,000	650,000,000
(Previous Year 325,000,000 Equity shares of ₹ 2/- each)		
Issued , Subscribed and Fully Paid-up Capital		
314,032,740 Equity shares of ₹ 2/- each (As at March 31, 2017: 314,032,740 Equity shares of ₹ 2/- each) with voting rights	628,065,480	628,065,480
Add: Forfeited shares	20,000	20,000
	628,085,480	**628,085,480**

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
At the beginning of the year	314,032,740	628,065,480	314,032,740	628,065,480
At the end of the year	**314,032,740**	**628,065,480**	**314,032,740**	**628,065,480**

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

	As at March 31, 2018		As at March 31, 2017	
Name of the Shareholder	No of Shares held	% of Holding	No of Shares held	% of Holding
Infrastructure Leasing & Financial Services Limited, the Holding Company	158,333,152	50.42	158,333,152	50.42

iv) Rights, preference and restrictions attached to equity shares:

The Company 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 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

v) 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 (₹)
2016-17	-	-	-
2015-16	-	-	-
2014-15	-	-	-
2013-14	2	104,530,705	209,061,410
2012-13	-	-	-

vi) 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/-

vii) No shares were bought back by the Company during the last five years

viii) 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

ix) 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

Particulars	ESOP 2003	ESOP 2004	ESOP 2006
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	130,928	1,935,000

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

	ESOP 2006	
Particulars	**No of Options**	**Weighted Average Exercise Price (₹)**
Authorised to be Granted	16,875,000	-

- 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, 2018 (Previous year : Nil). Further, no Options were outstanding as at the start of the year

3) Reserves & Surplus

The movement in Reserves and Surplus are as under:

	Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
a)	**Securities Premium Reserve**		
	Balance at beginning of the year	4,758,750	4,758,750
	Balance at the end of the year	**4,758,750**	**4,758,750**
b)	**General Reserve**		
	Balance at beginning of the year	301,823,844	301,823,844
	Balance at the end of the year	**301,823,844**	**301,823,844**
c)	**Surplus in Statement of Profit and Loss**		
	Balance at beginning of the year	543,875,183	304,171,626
	Add: Profit for the year	39,722,527	239,703,557
	Less : Appropriation for Dividend	(188,419,644)	-
	Less : Appropriation for Dividend tax	(6,831,586)	-
	Balance at the end of the year	**388,346,480**	**543,875,183**
		694,929,074	**850,457,777**

The Company has paid dividend for the year ended March 31, 2017, on Equity Shares @ ₹ 0.60/- per share aggregating ₹ 195,251,230/- inclusive of dividend distribution tax of ₹ 6,831,586/-

4) Long Term Provisions

Long Term provision consists of provision for amounts due to be settled beyond twelve months after the balance sheet date :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Provision for compensated absences	17,297,739	20,777,720
	17,297,739	**20,777,720**

Particulars relating to Accounting Standard 15 "Employee Benefits" (Revised) is provided below:

(i) Defined-Contribution Plans:

The Company has recognised ₹ 7,573,089 /- (Previous year – ₹ 9,292,080/-) 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 ₹ 2,944,921 /- (Previous year ₹ 3,405,892/-) as Company's contribution to Superannuation Fund maintained with Life Insurance Corporation of India

(ii) Defined–Benefit Plans:

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

		For the year ended March 31, 2018	For the year ended March 31, 2017
I.	**Assumptions:**		
	Discount Rate	7.80%	7.27%
	Rate of Return on Plan Assets	7.80%	7.27%
	Salary Escalation	6.50%	6.50%
	Attrition Rate	2%	2%
	Mortality Table	Indian Assured Lives mortality (2006-2008) ultimate	Indian Assured Lives mortality (2006-2008) ultimate
II.	**Table Showing Change in Benefit Obligation:**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
	Liability at the beginning of the year	97,150,465	93,413,090
	Interest Cost	7,057,833	7,342,269
	Current Service Cost	5,126,389	6,642,257
	Liability Transfer In	2,002,932	-
	Benefit Paid	(30,354,808)	(9,828,923)
	Actuarial (Gain)/Loss on obligations	(10,172,682)	(418,228)
	Liability at the end of the year	70,810,682	97,150,465
III.	**Tables of Fair value of Plan Assets:**	**For the year ended March 31, 2018 (₹)**	**For the year ended March 31, 2017 (₹)**
	Fair Value of Plan Assets at the beginning of the year	101,016,829	102,241,908

	Expected Return on Plan Assets	7,338,718	8,036,214
	Contributions	1,393,371	691,763
	Transfer from other Company	-	-
	Benefit Paid	(30,354,808)	(9,828,923)
	Actuarial Gain/(Loss) on Plan Assets	(1,709,316)	(124,133)
	Fair Value of Plan Assets at the end of the year	77,684,794	101,016,829
	Total Actuarial Gain/(Loss) to be recognised	8,463,366	294,095
IV.	**Actual Return on Plan Assets:**	**For the year ended March 31, 2018 (₹)**	**For the year ended March 31, 2017 (₹)**
	Expected Return on Plan Assets	7,338,718	8,036,214
	Actuarial Gain/(Loss) on Plan Assets	(1,709,316)	(124,133)
	Actual Return on Plan Assets	5,629,402	7,912,081
V.	**Amount Recognised in the Balance Sheet:**	**For the year ended March 31, 2018 (₹)**	**For the year ended March 31, 2017 (₹)**
	Liability at the end of the year	70,810,682	97,150,465
	Fair Value of Plan Assets at the end of the year	77,684,794	101,016,829
	Difference	6,874,665	3,866,364
	Unrecognised Past Service Cost	-	-
	Amount Recognised in the Balance Sheet	6,874,665	3,866,364
VI.	**Expenses Recognised in the Statement of Profit and Loss:**	**For the year ended March 31, 2018 (₹)**	**For the year ended March 31, 2017 (₹)**
	Current Service Cost	5,126,389	6,642,257
	Interest Cost	7,057,833	7,342,269
	Expected Return on Plan Assets	(7,338,718)	(8,036,214)
	Net Actuarial (Gain)/ Loss To Be Recognised	(8,463,366)	(294,095)
	Expense Recognised in Statement of Profit and Loss	(3,617,862)	5,654,217
VII.	**Balance Sheet Reconciliation:**	**For the year ended March 31, 2018 (₹)**	**For the year ended March 31, 2017 (₹)**
	Opening Net Liability/(Asset)	(3,866,364)	(8,828,818)
	Expense as above	(3,617,862)	5,654,217
	Employers Contribution	1,393,371	(691,763)
	Net Liability/(Asset) Transfer In	2,002,932	-
	Amount Recognised in Balance Sheet	(6,874,665)	(3,866,364)

VIII.	Description of Plan Assets :		
	Insurer Managed Funds	100%	100%

IX. Experience Adjustments:

		March 31, 2018 (₹)	March 31, 2017 (₹)	March 31, 2016 (₹)	March 31, 2015 (₹)	March 31, 2014 (₹)
	Experience adjustments on plan liabilities (gain) / loss	(6,788,985)	(4,787,594)	(4,323,979)	4,687,717	3,955,888
	Experience adjustments on plan assets gain / (loss)	(1,709,316)	(124,133)	(393,640)	(195,233)	(27,058)

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 ₹ 2,421,892/-)

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

5) Other Current Liabilities:

i) Other Current Liabilities consists of:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Unclaimed Dividend	33,837,536	32,874,866
Others:		
Statutory Liabilities	2,025,320	2,928,582
Other Payables	877,528	1,627,252
	36,740,384	**37,430,700**

ii) Other Payables pertains to amount payable for employees Provident Fund, Professional Tax and employee reimbursements

iii) Unclaimed Dividend of ₹ 33,837,536/- relates to the period from FY 2010-2011 to FY 2016-2017. During the year ended March 31, 2018 an amount of ₹ 4,043,059/- (Previous year: ₹ 3,502,324/-) has been transferred to the Investor Education and Protection Fund relating to amounts for the year ended March 31, 2010 (Previous year March 31, 2009)

6) Short Term Provisions:

a) Short Term provision consists of provision for amounts due to be settled within twelve months after the balance sheet date:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Provision for Employee Benefits:		
Provision for compensated absences	2,471,831	2,653,665
Provision for other employee benefits	33,300,000	36,000,000
Others:		
Provision for Tax (net of advance tax ₹ 58,951,364/- Previous year ₹ 58,890,325/-)	4,232,507	4,293,546
	40,004,338	**42,947,211**

7) Property, Plant and Equipment and Intangible Assets:

Current year : April 1, 2017 to March 31, 2018

Amount (₹)

	GROSS BLOCK (At cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	As on 01.04.2017	Additions/ Adjustments	Deductions/ Adjustments	As on 31.03.2018	Up to 31.03.2017	For the Year	Deductions/ Adjustments	Up to 31.03.2018	As At 31.03.2018
Property, Plant and Equipment (Owned) :									
Furniture and Fixtures	6,460,687	846,273	(1,372,631)	5,934,329	4,968,311	745,102	(907,510)	4,805,903	1,128,426
Vehicles	10,855,606	996,429	(607,061)	11,244,974	4,843,378	2,636,082	(488,973)	6,990,487	4,254,487
Office Equipments	4,272,858	1,155,968	(777,245)	4,651,581	4,147,429	1,144,360	(777,231)	4,514,558	137,023
Data Processing Equipments (Others)	6,909,791	131,979	(805,507)	6,236,263	5,410,177	1,000,397	(736,625)	5,673,949	562,314
Lease Improvements	7,952,435	-	-	7,952,435	7,952,426	-	-	7,952,426	9
Total (A)	**36,451,377**	**3,130,649**	**(3,562,444)**	**36,019,582**	**27,321,721**	**5,525,941**	**(2,910,339)**	**29,937,323**	**6,082,259**
Intangible Assets (Other than internally generated):									
Computer Software	6,183,397	-	-	6,183,397	6,183,387	-	-	6,183,387	10
Total (B)	**6,183,397**	**-**	**-**	**6,183,397**	**6,183,387**	**-**	**-**	**6,183,387**	**10**
Total (A+B)	**42,634,774**	**3,130,649**	**(3,562,444)**	**42,202,979**	**33,505,108**	**5,525,941**	**(2,910,339)**	**36,120,710**	**6,082,269**

NOTES Forming Part Of Financial Statements For The Year Ended 31st March, 2018

Previous Year – April 1, 2016 to March 31, 2017

Amount (₹)

	GROSS BLOCK (At cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	As on 01.04.2016	Additions/ Adjustments	Deductions/ Adjustments	As on 31.03.2017	Up to 31.03.2016	For the Year	Deductions/ Adjustments	Up to 31.03.2017	As At 31.03.2017
Property, Plant and Equipment (Owned) :									
Furniture and Fixtures	7,308,466	1,234,250	(2,082,029)	6,460,687	6,165,679	827,922	(2,025,290)	4,968,311	1,492,376
Vehicles	11,744,751	-	(889,145)	10,855,606	2,297,226	2,811,373	(265,221)	4,843,378	6,012,228
Office Equipments	3,915,080	793,250	(435,472)	4,272,858	3,621,788	949,658	(424,017)	4,147,429	125,429
Data Processing Equipments (Others)	7,039,830	618,635	(748,674)	6,909,791	4,588,524	1,482,933	(661,280)	5,410,177	1,499,614
Lease Improvements	7,952,435	-	-	7,952,435	7,952,426	-	-	7,952,426	9
Total (A)	**37,960,562**	**2,646,135**	**(4,155,320)**	**36,451,377**	**24,625,643**	**6,071,886**	**(3,375,808)**	**27,321,721**	**9,129,656**
Intangible Assets (Other than internally generated):									
Computer Software	6,183,397	-	-	6,183,397	6,092,513	90,874	-	6,183,387	10
Total (B)	**6,183,397**	**-**	**-**	**6,183,397**	**6,092,513**	**90,874**	**-**	**6,183,387**	**10**
Total (A+B)	**44,143,959**	**2,646,135**	**(4155,320)**	**42,634,774**	**30,718,156**	**6,162,760**	**(3,375,808)**	**33,505,108**	**9,129,666**

8) Non Current Investments:

Non Current investment consists of :

			As at March 31, 2018		As at March 31, 2017	
	Particulars	**Face Value**	**Quantity**	**Cost (₹)**	**Quantity**	**Cost (₹)**
	Non Trade Investments					
I)	**Investment in Equity Instruments (Unquoted) (Fully Paid-up)**					
(i)	**Investment in subsidiaries**					
	IL&FS Asian Infrastructure Managers Ltd	₹ 10	4,591,837	51,183,370	2,341,837	23,418,370
	IL&FS Urban Infrastructure Managers Ltd	₹10	1,000,000	10,000,000	1,000,000	10,000,000
	IL&FS Investment Advisors LLC	$ 1	57,001	855,235	57,001	855,235
	IIML Asset Advisors Limited (Class A equity shares)	₹ 100	424,762	79,464,117	424,762	79,464,117
	IIML Asset Advisors Limited (Class B equity shares)	₹ 100	215,948	8,400,000	215,948	8,400,000
	IIML Fund Managers (Singapore) Pte Ltd	$ 10	195,000	118,362,823	195,000	118,362,823
	Andhra Pradesh Urban Infrastructure Asset Management Limited	₹ 10	10,200,000	102,000,000	10,200,000	102,000,000
	IL&FS Infra Asset Management Limited	₹ 10	16,800,000	178,584,000	16,800,000	178,584,000
	IL&FS AMC Trustee Limited	₹ 10	250,000	2,527,500	250,000	2,527,500
				551,377,045		**523,612,045**
ii)	**Investment in joint venture (Fully Paid-up)**					
	IL&FS Milestone Realty Advisors Private Limited	₹ 10	400,000	800,000	400,000	800,000
	Standard Chartered IL&FS Management (Singapore) Pte Ltd	$ 1	50,000	2,218,500	50,000	2,218,500
				3,018,500		**3,018,500**
iii)	**Investment in Others**					
	Avantika Gas Limited	₹ 10	8,250	82,500	8,250	82,500
	Total Investment in Equity Instruments			**554,478,045**		**526,713,045**
II)	**Investment in Unquoted Redeemable Participating Shares (Fully Paid-up)**					
	- Investment in subsidiaries					
	IL&FS Investment Advisors LLC	$ 0.01	100,000	45,010	100,000	45,010
	Total Investment in Participating Shares			**45,010**		**45,010**

III)	Investment in Unquoted Redeemable Participating Shares –Series I (Fully Paid-up)					
			As at March 31, 2018		As at March 31, 2017	
	Particulars	**Face Value**	**Quantity**	**Cost (₹)**	**Quantity**	**Cost (₹)**
	Investment in subsidiaries					
	IL&FS Investment Advisors LLC Series I	$ 0.01	24,999,900	12,599,953	24,999,900	12,599,953
	Total Investment in Participating Shares - Series I			**12,599,953**		**12,599,953**
IV)	Investment in Units of Venture Fund (Unquoted) (Fully Paid-up)					
	Leverage India Fund	₹ 1,000	100	100,000	100	100,000
	Infrastructure Leasing & Financial Services Realty Fund (Class C Units)	₹ 100	500	50,000	500	50,000
	Infrastructure Leasing & Financial Services Realty Fund (Class A Units)	₹ 100,000	456.26	45,626,026	694.52	69,451,665
	IFIN Realty Trust (Class C Units)	₹ 10,000	10	100,000	10	100,000
	IFIN Realty Trust (Class A Units)	₹ 1,000,000	60.28	60,275,900	65.78	65,780,000
	TARA India Fund III Trust (Class C Units)	₹ 10,000	50	500,000	50	500,000
	TARA India Fund III Trust (Class D Units)	₹ 1,000,000	-	-	3.10	3,101,409
	TARA India Fund III Trust (Class A Units)	₹ 1,000,000	65.71	65,707,688	71.72	71,718,046
	TARA India Fund III Domestic Trust	₹ 1,000	500	500,000	500	500,000
	Urjankur Nidhi Trust	₹ 100	1,000	100,000	1,000	100,000
	Tara India Fund IV Trust (Class A Units)	₹ 1,000,000	37.50	37,501,641	13.96	13,959,889
	Tara India Fund IV Trust (Class C Units)	₹ 10,000	50	500,000	50	500,000
	Total Investment in Units of Venture Fund			**210,961,255**		**225,861,009**
	Total Investments (I + II+III)			**778,084,263**		**765,219,017**
	Less : Provision for diminution in value of investments			(129,500,000)*		(21,000,000)
				648,584,263		**744,219,017**
	Aggregate book value of unquoted investments			**778,084,263**		**765,219,017**

*Includes provision of ₹ 80,000,000/- towards IIML Fund Managers (Singapore) Pte Ltd

9) Deferred Tax Asset (net):

Deferred Tax provision has been made in accordance with the requirements under the Accounting Standard – 22 "Accounting for Taxes on Income"

i) During the current year ended March 31, 2018 the timing difference has resulted in a net deferred tax charge of ₹ 3,303,000/- (Previous year net deferred tax charge of ₹ 777,000/-)

ii) The net deferred tax asset realised in the accounts as of March 31, 2018 are as follows:

Nature of Timing Differences	March 31, 2017 Asset/(Liability) (₹)	Adjusted during the year (₹)	March 31, 2018 Asset/(Liability) (₹)
Net Depreciation	5,921,000	(540,000)	5,381,000
Retirement Benefits	8,047,000	(2,763,000)	5,284,000
Total	**13,968,000**	**(3,303,000)**	**10,665,000**
Previous year – April 1, 2016 to March 31, 2017	14,745,000	(777,000)	13,968,000

10) Long term Loans and Advances:

Long Term Loans and advances consist of amounts expected to be realised beyond twelve months of the Balance Sheet date :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Secured, considered good		
Staff Loan	-	47,106
Unsecured, considered good		
Advance Tax net of provision of ₹ 646,805,000/- (Previous year ₹594,505,000/-)	66,384,933	62,329,162
Security Deposits	60,960	60,960
Prepaid Expenses	3,920,418	4,592,895
	70,366,311	**67,030,123**

11) Current Investments:

The details of Current Investments are provided below:

Particulars	As at March 31, 2018 (₹)			As at March 31, 2017 (₹)		
Non Trade - Unquoted (at cost)						
Investment in Mutual Funds	**Units**	**Face Value**	**Amount**	**Units**	**Face Value**	**Amount**
Kotak Treasury Advantage Fund - Growth	3,280,752	10	92,500,000	1,590,658	10	41,882,980
UTI Treasury Advantage - Regular - Growth	41,801	1,000	100,000,000	-	-	-
Reliance Money Manager Fund - Growth	41,845	1,000	100,000,000	-	-	-
Kotak Low Duration Fund - Direct Growth	45,707	1,000	100,000,000	57,658	1,000	117,003,771
ICICI Prudential Flexible Income – Growth	-	-	-	297,677	100	92,607,015
Kotak Bond Short Term-Direct Plan – Growth	-	-	-	3,702,761	10	117,064,256
Kotak Banking & PSU Debt Fund -Direct-Growth	-	-	-	1,473,292	10	54,756,801
Birla Sun Life Savings Fund - Growth-Regular Plan	-	-	-	180,165	100	57,374,773
Birla Sun Life Floating Rate Fund - Long Term - Growth-Regular Plan	-	-	-	127,958	100	25,420,840
ICICI Prudential Savings Fund - Growth	-	-	-	21,273	100	5,196,079
			392,500,000			**511,306,515**
Aggregate book value of unquoted investments			**392,500,000**			**511,306,515**

12) Trade Receivables:

Trade Receivables consist of dues arising from services rendered in the normal course of business of the Company:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Unsecured, considered good:		
(outstanding for more than 6 months from the date they are due for payment)	73,620,864	72,797,482
(outstanding for less than 6 months from the date they are due for payment)	86,648,579	27,340,112
	160,269,443	**100,137,594**

13) Cash and Cash Equivalents:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Cash and Cash Equivalent:		
Cash in hand	18,160	28,038
Balance with Banks		
- in Current Accounts	13,184,963	72,593,240
Other Bank Balances:		
- In Demand Deposit Accounts	10,834,936	10,834,936
- In earmarked Accounts - Current Accounts referring to unclaimed dividend accounts	33,837,536	32,874,866
	57,875,595	**116,331,080**

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS-3 "Cash Flow Statements" are Cash on hand, Balances with bank in Current account, and Demand Deposits amounting to ₹ 24,038,059/- (Previous year ₹ 83,456,214/-)

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since it does not pertain to financial year ended 31 March 2018

14) Short Term Loans and Advances:

i) Short Term Loans and Advances consist of amounts expected to be realised within twelve months of the Balance Sheet date:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Secured, considered good		
Staff Loan	77,816	115,511
Unsecured, considered good		
Prepaid Expenses	10,285,380	11,879,479
Inter Corporate Deposits placed	50,000,000	-
Goods and Services Tax/ Service Tax credit available	11,008,945	10,645,598
Others	2,184,233	1,685,768
	73,556,374	**24,326,356**

ii) Others includes advance recoverable on account of reimbursement of out of pocket expenses and travel advance given to employees

iii) Inter Corporate Deposits given to related parties represents the companies short term surplus funds placed with the IL&FS Transportation Networks Ltd.

As at March 31, 2018 (₹)			As at March 31, 2017 (₹)		
Amount (₹)	**Interest**	**Tenor**	**Amount (₹)**	**Interest**	**Tenor**
50,000,000	11%	30 days	-	-	-

15) Other Current Assets:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Interest accrued	404,531	355,774
Other recoverable	15,792,252	16,571,281
	16,196,783	**16,927,055**

16) Capital Commitments:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Capital Commitments:		
Uncalled commitments on units of Venture Capital Fund	62,498,359	86,040,111

17) Revenue from Operations:

	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Fees from Fund Management and Advisory Services	376,722,645	460,713,798
	376,722,645	**460,713,798**

18) Other Operating Income:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Dividend Income		
From Non-Current Non-Trade Investments		
- Subsidiaries	146,433,000	154,867,400
Total (a)	**146,433,000**	**154,867,400**
Net gain / (loss) on sale of Non – Current Non-Trade Investments:		
Venture Capital Fund units	(15,997,518)	(334,607)
Total (b)	**(15,997,518)**	**(334,607)**
Total (a + b)	**130,435,482**	**154,532,793**

19) Other Income:

Other Income comprises of:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Interest Income		
Interest Income on		
- Demand Deposits with Banks	770,107	1,633,376
- Other Deposits / Loans	85,812	14,868
	855,919	**1,648,244**
Dividend income from Current non-trade Investments	61,676	17,167,631
Net gain / (loss) on sale of investments		
Profit on current non-trade investments	34,068,732	48,753,397
Profit on sale of Fixed Asset	249,832	158,048
Miscellaneous Income	4,108,244	5,866,564
	39,344,403	**73,593,884**

Miscellaneous Income includes ₹ 2,875,000/- (Previous year ₹ 1,767,000/-) being the reversal of excess provision for Performance Pay for the previous year

20) Employee Benefit Expense :

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Salaries and Allowances	182,407,382	203,792,803
Contribution to Provident fund and other Funds	7,346,424	18,776,696
Staff Training and Welfare Expenses	1,628,258	1,215,918
	191,382,064	**223,785,417**
Less : Recovery on deputation cost	(2,600,000)	(2,900,000)
	188,782,064	**220,885,417**

21) Other Administrative and Operating Expenses:

a) Other Administrative and Operating Expenses consists of:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Rent	26,004,529	31,697,871
Rates and Taxes	5,136,017	1,812,838
Electricity and Water Charges	802,578	919,393
Travelling and Conveyance	7,401,465	7,900,597
Insurance	4,496,225	3,667,136
Repairs and Maintenance	6,354,999	6,176,103
Audit Fees	5,234,945	5,110,000
Legal and Professional Expenses	33,254,661	35,199,593
Sub advisory Fees	20,629,724	31,549,569
Brand Subscription Fees	8,610,504	13,386,964
Expenditure on Corporate Social Responsibility	10,735,503	13,947,219
Miscellaneous Expenses	12,846,361	17,111,954
Provision for Diminution in value of Investments	108,500,000	5,000,000
Foreign Exchange Loss	1,551,962	1,218,426
General Office Expenses	5,309,525	5,816,920
	256,868,998	**180,514,583**

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 :

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
As Auditors*	4,275,000	3,350,000
In any other capacity		
For other services, certification etc.*	959,945	1,760,000
	5,234,945	**5,110,000**
The above fees are exclusive of GST/ Service tax as applicable		

* Amount includes amount of ₹ 632,745/- paid to predecessor Auditors

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

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Management Fee Income	251,293,924	267,127,902
Dividend Income	146,433,000	99,915,000

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

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Books and Periodicals	481,613	1,630,031
Subscription to Association	642,325	2,339,392
Legal and Professional fees	-	6,059,703

22) Earnings Per Share:

In accordance with the Accounting Standard on 'Earnings Per Share' (AS-20), 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 period as under:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Profit After Tax (₹)	39,722,527	239,703,557
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	314,032,740	314,032,740
(i) Nominal Value per share (₹)	2.00	2.00
(ii) Basic Earnings per share (₹)	0.13	0.76
(iii) Diluted Earnings per share (₹)	0.13	0.76

23) 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 periods is as follows:

Future Lease rentals	March 31, 2018 (₹)	March 31, 2017 (₹)
Not later than one year	20,841,473	23,624,668
Later than one year but not later than 5 years	2,073,171	22,058,903
Amount charged to the Statement of Profit and Loss (on non- cancellable lease)	23,778,829	24,619,071

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

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

25) Derivatives and foreign currency Exposures:

a) There are no forward exchange contracts outstanding as at March 31, 2018

b) Foreign currency exposures:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables	$ 970,000	$ 125,000
Amount in ₹	63,092,778	8,104,825
Other Advances Receivables	$ 41,442	$ 45,047
Amount in ₹	2,695,558	2,920,784

26) 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

27) 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.	**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
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 [IIF]
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 Network Limited [ITNL]
13	IL&FS Financial Service Limited [IFIN]

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
2	Dr Archana Hingorani - Chief Executive Officer & Executive Director (till 30th April 2017)

* As certified by the holding company

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

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiaries (₹)	Joint Ventures (₹)	Key Management Personnel (₹)
Advisory/Management Fee Income					
IIAL	-	251,293,924	-	-	-
IFINRT	-	-	4,307,105	-	-
IIF	-	-	700,000	-	-
IIEF-1	-	-	26,798,683	-	-
Dividend paid					
IL&FS	94,999,891	-	-	-	-
Dividend received					
IIAL	-	146,433,000	-	-	-
Interest income					
ITNL	-	-	75,342	-	-
Other Expenses					
ISSL	-	-	42,898	-	-
Insurance					
IL&FS	799,270	-	-	-	-
Professional Expenses					
ITL	-	-	351,978	-	-
Livia	-	-	300,114	-	-
ITNL	-	-	2,000,000	-	-
Rent paid					
IL&FS	21,282,300	-	-	-	-
Repairs & Maintenance - Others					
IL&FS	727,377	-	-	-	-
Livia	-	-	4,453,801	-	-
Electricity Charges					
IL&FS	736,578	-	-	-	-
Brand subscription fees					
IL&FS	8,610,504	-	-	-	-
Other Reimbursement (Paid) / Recovered					
IL&FS	(493,330)	-	-	-	-

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiaries (₹)	Joint Ventures (₹)	Key Management Personnel (₹)
IAAL	-	2,688,599	-	-	-
IIAL	-	9,227,912	-	-	-
IAIML	-	640,982	-	-	-
IFMSPL	-	307,585	-	-	-
IEDCL	-	-	17,814	-	-
Inter Corporate Deposits Placed					
ITNL	-	-	50,000,000	-	-
Redemption of Units					
IFINRT	-	-	5,504,100	-	-
Managerial Remuneration					
Mr Ramesh Bawa	-	-	-	-	5,000,000
Dr Archana Hingorani	-	-	-	-	18,304,156

c) The nature and volume of transactions during the year ended March 31, 2017, with the above related parties were as follows :

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiaries (₹)	Joint Ventures (₹)	Key Management Personnel (₹)
Advisory Fee Income					
IIAL	-	267,127,902	-	-	-
IFINRT	-	-	5,851,623	-	-
IIF	-	-	700,000	-	-
IIEF-1	-	-	27,763,469	-	-
Dividend paid					
IL&FS	189,999,782	-	-	-	-
Dividend received					
IAAL	-	44,952,400	-	-	-
IUIML	-	10,000,000	-	-	-
IIAL	-	99,915,000	-	-	-
Other Expenses					
IL&FS	882,742	-	-	-	-
ISSL	-	-	136,810	-	-
ISSL CPG	-	-	79,200	-	-
IAAD	-	-	17,175	-	-
Professional Expenses					
ITL	-	-	145,677	-	-
Rent paid					
IL&FS	26,135,400	-	-	-	-
Repairs & Maintenance - Others					
IL&FS	1,053,822	-	-	-	-
Livia	-	-	4,245,490	-	-
Transfer of assets					
IL&FS	1	-	-	-	-
Electricity Charges					
IL&FS	871,205	-	-	-	-
Brand subscription fees					
IL&FS	13,386,964	-	-	-	-
Other Reimbursement (Paid) / Recovered					
IL&FS	474,289	-	-	-	-
IFINRT	-	-	32,557	-	-

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiaries (₹)	Joint Ventures (₹)	Key Management Personnel (₹)
IFIN	-	-	5,700	-	-
IAAL	-	647,508	-	-	-
IFMSPL	-	321,630	-	-	-
IIAL	-	17,108,261	-	-	-
IAIML	-	314,114	-	-	-
IEDCL	-	-	41,878	-	-
IMICL	-	-	28,033	-	-
ITUAL	-	-	92,000	-	-
APUIAML	-	1,955,194	-	-	-
Subscription to Share Capital					
IFMSPL	-	33,655,000	-	-	-
IAAL	-	38,000,000	-	-	-
APUIAML	-	102,000,000	-	-	-
Purchase of Non-Current Investment					
IFIN	-	-	181,111,500	-	-
Managerial Remuneration					
Mr Ramesh Bawa	-	-	-	-	5,000,000
Dr Archana Hingorani	-	-	-	-	27,735,090

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

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiary (₹)
Trade Receivables			
IIAL	-	65,788,336	-
IIEF-1	-	-	4,500,000
Short Term Advances			
IAIML	-	31,600	-
IIAL	-	65,537	-
ITNL	-	-	50,000,000
IEDCL	-	-	17,814
ITL	-	-	300
Other Current Asset			
Interest Accrued	-	-	67,808

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiary (₹)
Trade Payables			
IL&FS	(944,713)	-	-

e) Statement of significant balances as at March 31, 2017 were as follows:

Nature of Transaction	Holding Company (₹)	Subsidiaries (₹)	Fellow Subsidiary (₹)
Trade Receivables			
IIAL	-	8,104,825	-
Short Term Advances			
IAIML	-	978	-
IIAL	-	2,920,784	-
IAAL	-	324,031	-
APUAIML	-	2,455	-
Trade Payables			
IL&FS	(316,975)	-	-
ISSL	-	-	(57,629)
Livia	-	-	(5,729)

28) Joint Venture Disclosure :

The Company has the following Joint Ventures as on March 31, 2018 and its proportionate share in the assets, liabilities, income and expenditure of the joint venture entities on the basis of the financial statements as at / for the year ended of those entities is given below:

Name of the Joint Venture Company	% of interest/ ownership	Assets (₹)	Liabilities (₹)	Income (₹)	Expenditure (₹)
IL&FS Milestone Realty Advisors Private Limited	40%	13,814,963	2,740,539	455,436	871,105
		(15,080,926)	(3,590,834)	(1,225,500)	(16,774,642)
Standard Chartered IL&FS Management (Singapore) Pte Limited	50%	158,596,249	15,788,155	56,879,922	15,333,356
		(140,994,195)	(25,344,242)	(59,047,402)	(35,532,296)

(Figures in brackets for represents corresponding previous year figures)

29) Segment Reporting :

The Company is in the business of providing asset management and other related service. As such, there are no separate reportable business segment or geographical segment as per Accounting Standard 17 on “Segment Reporting”. It is considered appropriate by the Management to have a single segment i.e. “Asset Management and other related service”

30) CSR expenditure :

a) Gross amount required to be spent by the company during the year – ₹11,279,019/-

b) 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	10,735,403	543,616	11,279,019

31) Proposed Dividend

The Board of Directors, in their meeting held on May 4, 2018 have proposed a final dividend of ₹ 0.60 per equity share amounting to ₹197,051,564/-, inclusive of tax on dividend. The proposal is subject to the approval of shareholders at the Annual General Meeting

32) Figures for the previous year have been regrouped/reclassified wherever considered necessary to confirm to the current year classification/disclosure

In terms of our report attached of even date
For B S R & Associates LLP
Chartered Accountants
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

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, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
(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 @ 65.0441	USD @ 65.0441
(6)	Share capital	45,918,370	10,000,000	64,071,000	200,000,000	2,500,000	193,980,000	20,033,583	126,835,995
(7)	Reserves & Surplus	19,889,119	143,241,274	84,787,524	44,432,135	(1,994,525)	176,789,838	1,065,932,499	(88,956,653)
(8)	Total assets	66,075,097	172,294,444	161,403,505	311,314,578	1,117,974	378,383,941	1,208,401,713	40,626,367
(9)	Total Liabilities	267,608	19,053,170	12,544,981	66,882,443	612,499	7,614,103	122,435,631	2,747,025
(10)	Investments	100,000	-	57,499,999	-	-	-	130,348	-
(11)	Turnover	3,903,124	101,753,959	57,071,764	182,252,592	1,656,051	211,369,624	480,657,492	32,719,264
(12)	Profit before taxation	3,215,609	(5,979,595)	17,401,404	51,613,723	87,782	113,457,227	(26,890,532)	10,421,645
(13)	Provision for taxation	722,074	6,793,296	4,844,000	14,669,155	-	32,930,056	749,96	-
(14)	Profit after taxation	2,493,535	(12,772,891)	12,557,404	36,944,568	87,782	80,527,171	(26,965,528)	10,421,645
(15)	Proposed Dividend	-	-	-	-	-	-	-	-
(16)	% of shareholding	100%	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

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, 2018	March 31, 2018
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 (₹)	11,074,424	115,389,087
8	Profit / Loss for the year		
	(i) Considered in Consolidation (₹)	(415,668)	26,545,819
	(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

INDEPENDENT AUDITORS' REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF IL&FS INVESTMENT MANAGERS LIMITED

Report on the audit of the consolidated financial statements

1. We have audited the accompanying consolidated financial statements of IL&FS Investment Managers Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') and jointly controlled companies, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

Management's responsibility for the consolidated financial statements

2. The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (hereinafter referred to as the 'Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its jointly controlled companies 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 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.

3. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled companies are responsible for assessing the ability of the Group and of its jointly controlled companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

4. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, specified under Section 143 (10) of the Act, issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements

7. We are also responsible to 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 ability of the Group and its jointly controlled companies 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 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 and its jointly controlled companies to cease to continue as a going concern..

8. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, read with our comments in paragraph 11 below and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled companies referred to in the Other Matters paragraphs below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled companies as at 31 March 2018, and its consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

10. We did not audit the financial statements of five subsidiaries and two jointly controlled companies, whose financial statements reflect total assets of Rs. 21,092.91 lakhs as at 31 March 2018, total revenue of Rs. 9,590.42 lakhs and net cash outflows of Rs. 2,803.55 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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 jointly controlled companies, 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 jointly controlled companies is based solely on the reports of the other auditors.

11. Two of the subsidiaries and one jointly controlled company are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiaries and jointly controlled company located outside India from accounting principles generally accepted in their respective country 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 jointly controlled company 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.

12. 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 the management of the Holding Company and audited by us.

Report on other legal and regulatory requirements

13. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of subsidiaries and jointly controlled companies, referred in the Other Matters paragraphs, 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 of the aforesaid consolidated financial statements;

    b) 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;

    c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

Report on other legal and regulatory requirements (Continued)

e) on the basis of the written representations received from the Directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the Directors of the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director in terms of Section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiary companies and jointly controlled company in India; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on the financial statements of subsidiaries and jointly controlled companies as furnished by the management:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled companies;

ii. the Group and jointly controlled companies 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 Holding Company, its subsidiary companies and jointly controlled companies incorporated in India; and

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 since they do not pertain to the financial year ended 31 March 2018.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
4 May 2018

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of IL&FS Investment Managers Limited (hereinafter referred to as the 'Holding Company'), its subsidiary companies and jointly controlled company as of 31 March 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). 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 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 (the 'Act').

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its jointly controlled company, which are companies incorporated in India.

Meaning of internal financial controls over financial reporting

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

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations give to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding Company, its subsidiary companies and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies and one jointly controlled company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of this matter.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
4 May 2018

CONSOLIDATED BALANCE SHEET

As At 31st March 2018

Amount (₹)

Particulars	Note No	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	628,085,480		628,085,480	
Reserves and Surplus	3	2,335,893,284	2,963,978,764	2,460,832,107	3,088,917,587
Minority Interest			169,417,828		171,556,239
Non-Current Liabilities					
Other Long term liabilities		500,000		500,000	
Long term provisions	5	42,516,799	43,016,799	46,144,791	46,644,791
Current Liabilities					
Trade payables	28				
(a) total outstanding dues of micro enterprises and small enterprises		–		–	
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		89,764,936		103,305,601	
Other current liabilities	6	67,143,587		106,981,645	
Short term provisions	7	83,551,639	240,460,162	84,961,655	295,248,901
Total			**3,416,873,553**		**3,602,367,518**
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	13,234,916		13,474,964	
Intangible assets	8	82,356,162		185,307,068	
Capital Work in progress	8	-		3,154,500	
Non current investments	9	195,889,083		245,176,725	
Deferred tax assets	4	28,971,074		31,630,773	
Long term Loans and Advances	10	160,828,508	481,279,743	141,071,705	619,815,735
Current Assets					
Current investments	11	450,799,999		722,159,731	
Trade Receivables	12	1,029,814,323		794,581,060	
Cash and Cash Equivalents	13	924,983,371		1,328,203,678	
Short term loans and advances	14	497,206,518		90,074,857	
Other Current Assets	15	32,789,599	2,935,593,810	47,532,457	2,982,551,783
Total			**3,416,873,553**		**3,602,367,518**

The accompanying Notes 1 to 32 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
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For The Year Ended March 31, 2018

Amount (₹)

Particulars	Note No	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue:			
Revenue from Operations	17	1,124,933,897	1,012,806,529
Other Income	18	100,652,902	138,918,027
Total Revenue		**1,225,586,799**	**1,151,724,556**
Expenses:			
Employee benefit expense	19	424,572,122	423,328,220
Depreciation and amortisation expense	8	115,111,111	166,063,893
Other Administrative and Operating Expenses	20	471,972,216	423,522,909
Total Expenses		**1,011,655,449**	**1,012,915,022**
Profit before tax		**213,931,350**	**138,809,534**
Tax expense:			
- Current tax		110,398,516	89,682,919
- Short/(Excess) Provision for tax relating to prior years		6,368,516	(21,509,898)
- Deferred tax	4	2,659,699	2,154,167
Profit after tax before Minority Interest		**94,504,441**	**68,482,346**
Share of profit/(loss) attributable to Minority Interest		(28,885,426)	(7,226,381)
Group Profit for the year (attributable to Shareholders of the Company)		**65,619,015**	**61,255,965**
Earnings per equity share: (Not Annualised)	24		
(Equity shares of Face value ₹ 2/- each)			
- Basic		0.21	0.20
- Diluted		0.21	0.20

The accompanying Notes 1 to 32 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
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31st March, 2018

Amount (₹)

			For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**			
	PROFIT BEFORE TAX*		**213,931,350**	138,809,534
	Adjustments for:			
	Depreciation and Amortisation		115,111,111	166,063,893
	Provision for Doubtful trade receivables		63,837,935	37,889,505
	Net Unrealised Exchange Loss/(Gain)		(1,796,089)	23,723,672
	Net Provision for Employee Benefits		(8,622,013)	(39,653,281)
	Provision for Diminution in value of Non Current/Non Trade Investment		34,331,394	15,710,049
	Interest Income		(38,468,522)	(14,126,047)
	Dividend Income		(658,120)	(22,779,218)
	Net (Profit)/ Loss on Sale of Investments		(27,658,489)	(57,753,910)
	Net (Profit)/ Loss on sale of Fixed Assets		(266,219)	(21,031,244)
	Operating Profit before working capital changes		**351,742,717**	**88,043,419**
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Trade Receivables		(298,306,170)	22,149,990
	Short Term Loans and Advances		15,822,055	(35,995,382)
	Long Term Loans and Advances		(3,364,578)	923,442
	Other Current Assets		12,527,076	(6,153,131)
	Other Non-current Assets		-	15,914,391
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade Payables		(14,014,076)	(31,042,715)
	Other Current Liabilities		(40,838,511)	63,850,002
	Other Non-current Liabilities		-	134,499,032
	Short Term Provisions		(70,200)	202,871
	Long Term Provisions		(35,100)	1,799
	Cash Flow after Working Capital Changes		**23,463,244**	**391,203,252**
	Payment of Taxes (Net)		(132,543,614)	(108,298,795)
	NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	**A**	**(109,080,370)**	**282,904,457**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Non-current non-trade Investments		(23,413,243)	(192,409,490)
	Proceeds from sale of Non-current non-trade Investments		22,443,988	9,611,816
	Purchase of share in a subsidiary		(27,765,000)	-
	Decrease in Current Investments (Net)		315,015,739	387,967,511
	Dividend Income on Current Investments		658,120	22,779,218
	Inter Corporate Deposits placed(Net)		(420,000,000)	(20,000,000)
	Capital Expenditure on Fixed Assets		(9,855,905)	(13,723,303)
	Proceeds from Sale of Fixed Assets		965,841	35,381,991
	Interest Received		40,698,740	6,571,917
	NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**B**	**(101,251,720)**	**236,179,660**

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31st March, 2018

Amount (₹)

			For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(C)	**CASHFLOW FROM FINANCING ACTIVITIES**			
	Dividend on Equity Shares		(188,419,644)	(376,839,288)
	Payment of Dividend Distribution tax		(6,831,586)	(34,297,300)
	NET CASH USED IN FINANCING ACTIVITIES	**C**	**(195,251,230)**	**(411,136,588)**
(D)	**Net (Decrease) / Increase in Cash and Cash Equivalents**	**(A+B+C)**	**(405,583,320)**	**107,947,529**
	Effect of exchange differences on Foreign Currency Translation		1,400,343	(43,442,681)
	Cash and Cash equivalent due to investment		-	189,758,858
	Cash and Cash equivalent at the beginning of the year as per Balance Sheet		1,296,729,155	1,041,065,106
	Cash and Cash equivalent at the end of the year (Refer Note 13)		**891,145,835**	**1,295,328,812**
	Reconciliation of Cash and cash equivalents with the Balance Sheet :			
	Cash and Cash equivalents as per Balance Sheet (Refer Note 13)		924,983,371	1,328,203,678
	Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) :			
	(i) In earmarked accounts (Refer Note (i) below)			
	- Unpaid dividend accounts		(33,837,536)	(32,874,866)
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13*		**891,145,835**	**1,295,328,812**
	* Comprises			
	(a) Cash on hand		24,054	67,773
	(b) Cheques on Hand		-	3,573,795
	(c) Balances with banks			
	(i) In current and fixed deposit accounts		891,121,781	1,291,687,244
			891,145,835	**1,295,328,812**

* includes amount spent towards Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (Refer Note 29)

Notes:

(i) These earmarked account balances with banks can be utilised only for the specific identified purposes

(ii) The accompanying Notes 1 to 32 are an integral part of the Consolidated Financial Statement

In terms of our report attached of even date
For B S R & Associates LLP
Chartered Accountants
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

(1) Significant Accounting Policies

a) Basis of accounting and preparation of Consolidated Financial Statements

The Consolidated Financial Statements (CFS) relate to IL&FS Investment Managers Limited ("IIML") ("the Company"), its subsidiaries (the Company and its subsidiaries together constitute the "Group") and jointly controlled entities

The CFS of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards, specified under Section 133 of the Companies Act, 2013 (the "CA 2013") as applicable. The CFS have been prepared on accrual basis under the historical cost convention and going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future except in respect of one jointly controlled entity whose activities have been significantly curtailed going forward and due to which its financial statements are prepared on other than going concern basis. The accounting policies adopted in the preparation of the CFS are consistent with those followed in previous year

b) Use of Estimates

The preparation of the CFS in conformity with Indian GAAP requires the Management to make certain estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the CFS are prudent and reasonable. Actual results could differ from these estimates. Any changes in such estimates are recognised prospectively

c) Principles of consolidation

The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn upto the same reporting date as of the Company. For the purpose of CFS, uniform accounting policies are adopted by the Group

The CFS have been prepared on the following basis:

i) The financial statements of the Group have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated. For translation of the related non-integral foreign operations, both monetary and non-monetary assets and liabilities are translated using closing rate as on the balance sheet date. The income and expenses are translated using the average rate during the period. The resulting exchange difference is accumulated in the foreign currency translation reserve until the disposal of the net investment

ii) The financial statements of the jointly controlled entities have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra group transactions and related unrealised profits or loss as per Accounting Standard 27 on 'Financial Reporting of Interest in Joint Venture' using the "proportionate consolidation" method

iii) Minority interest in the net assets of consolidating subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/ loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company

d) The CFS present the consolidated accounts of the Group, which consists of the accounts of the Company and of the following subsidiaries and jointly controlled entities :

Name of the Entity	Country of Incorporation and Residence	Amount of Investment As at March 31, 2018 (₹)	Percentage of Voting power As at March 31, 2018 (%)	Amount of Investment As at March 31, 2017 (₹)	Percentage of Voting power As at March 31, 2017 (%)
Subsidiaries					
IL&FS Asian Infrastructure Managers Limited	India	51,183,370	100	23,418,370	51
IL&FS Urban Infrastructure Managers Limited	India	10,000,000	100	10,000,000	100
IL&FS Investment Advisors LLC	Mauritius	13,500,198	100	13,500,198	100
Saffron Investment Trust (IL&FS Investment Advisors LLC is 100% beneficiary)	Mauritius	-	100	-	100
IIML Asset Advisors Limited	India	87,864,117	100	87,864,117	100
Andhra Pradesh Urban Infrastructure Asset Management Limited	India	102,000,000	51	102,000,000	51
IL&FS Infra Asset Management Limited	India	178,584,000	86.61	178,584,000	86.61
IL&FS AMC Trustee Limited	India	2,527,500	100	2,527,500	100
IIML Fund Managers (Singapore) Pte Ltd	Singapore	118,362,823	100	118,362,823	100
Jointly Controlled Entities					
IL&FS Milestone Realty Advisors Private Limited	India	800,000	40	800,000	40
Standard Chartered IL&FS Management (Singapore) Pte Ltd	Singapore	2,218,500	50	2,218,500	50

e) Property, Plant & Equipment and Depreciation

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, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use. Profit or Losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is disposed

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	3 to 5
Computers and Data Processing Equipment (including Servers & Networking)	3 to 5
Office Equipments	3 to 4
Electronic Installation	10
Vehicles	4
Asset given to employees	3
Lease hold improvement	Over the lease period

As per the CA 2013, depreciation of fixed assets has to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets in whose cases the 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 3 to 5 years as against the useful life of 10 years provided in the CA 2013

(iv) Office Equipment as per current policy of 3 to 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 3 to 5 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 (EHB).

(vii) Individual assets costing ₹ 5,000 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/-

Assessment of impairment of an asset is made at the reporting date and impairment loss, if any is recognised through the Statement of Profit and Loss

f) Intangible Assets and amortisation

Category of Asset	Estimated Useful Life (in years)
Intangible Assets: (Acquired)	
Computer Software	3
Business know-how,Management & Advisory Contracts	Over the life of the Fund

Intangible Assets include business know how, value of Management and Advisory Contracts and related intangible assets acquired. These Intangible Assets are amortised on a straight line basis over the estimated life of the Fund

g) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets

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 is equated over the lease period

i) Investments

i) Investments are recognised at actual cost including costs incidental to acquisition such as brokerage fees and duties

ii) Investments are classified as non-current or current at the time of acquisition of such investments

iii) Non current investments are individually valued at cost less provision for diminution, other than temporary

iv) Current investments are valued at lower of cost or fair value, computed scrip-wise

j) Foreign Currency Transactions and Translations

(i) Initial recognition

Foreign currency transactions are recorded at the rate prevailing on the date of transaction. Transactions of revenue nature of non-integral foreign operations are translated at the average exchange rate for the period

(ii) Measurement at the balance sheet date

Foreign Currency monetary items outstanding at the Balance Sheet date are restated at the closing rate

Non-Monetary items which are carried in terms of historical cost denominated in foreign currency at the Balance Sheet date are reported using the exchange rate at the date of the transaction

In respect of non-integral foreign operations all assets and liabilities are translated at the year-end rates

(iii) Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss

The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a “Foreign currency translation reserve” until disposal / abandonment in which case the accumulated balance in “Foreign currency translation reserve” is recognised as income / expense in the same year in which the gain or loss on disposal is recognised

k) Revenue Recognition

i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

ii) Management fee income from Private Equity Funds (PEF) under management and advisory fee income are recognised based on contractual arrangements. The carry income, where eligible, is calculated as per terms of fund documents with investors and recognized as and when accrued and due

iii) Income on services provided in the nature of Trusteeship Fees for acting as trustees for Infrastructure Debt Funds are recognized on an accrual basis

iv) Income from Investment in PEF is recognised on the basis of income distributed by the respective PEFs

v) Upfront fee is recognised at the rates agreed upon with the borrowers on execution of loan documents between Pooled Municipal Debt Obligation (PMDO) lenders and its borrowers

vi) Mobilisation Fees are recognised over the life of the managed scheme

vii) Asset Management fee is recognised when it is reasonably certain that the revenue will flow to the Company at the rates agreed upon with the borrowers of PMDO facility on the outstanding loan balance over the term of funding

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

ix) Revenue from infrastructure and development projects services is recognised using the proportionate completion method which is determined by reference to the milestone achieved as per the terms of the contract. Pending completion of any milestone, revenue recognition is restricted to the relevant cost which is carried forward as unbilled revenue. Any expected loss on a contract is recognised immediately in the Statement of Profit and Loss

x) Dividend income is recognised once the unconditional right to receive dividend is established

xi) Interest income on fixed deposits/Inter Corporate Deposits is accrued proportionately based on period for which the same is placed

xii) Consultancy fee and Professional fee are recognized when it is reasonably certain that the revenue will flow to the Company at the rates agreed upon

xiii) Profit or loss on sale of Mutual Fund Units is recognised as and when mutual funds units are redeemed

l) Employee Benefits

i) The Indian entities of the Group which makes contributions to provident fund, superannuation fund are considered as defined contribution plans and are charged as an expense in the Consolidated Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employee as per applicable law/rules

ii) Incremental liability of gratuity, based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Consolidated Statement of Profit and Loss. Certain Indian entities of the Group have taken group gratuity cum life assurance scheme with Life Insurance Corporation of India/HDFC Standard Life Insurance Company Limited for gratuity payable to the employees

iii) The leave balance is classified as short term and long term based on the leave policy. The leave liability for the expected leave to be encashed/availed has been measured on actual components eligible for leave encashment and expected leave to be availed is valued based on the total cost to the Company. The Short term and Long term leave have been valued on actuarial basis as per the projected unit credit method or as determined by the management based on actual availment / encashment

m) Expense

i) Placement Fees incurred in the establishment of the Fund are amortised on a straight line basis over the life of the fund to which the placement fee relate

ii) Annual recurring fund expenses related to the schemes of IL&FS Mutual Fund (IDF) which are in excess of the internal expense limits, are borne by the Company. The Company absorbs the expenses relating to the launch of the schemes of IDF

iii) Distribution Commission and related expenses on closed ended schemes of IDF are expensed out over the tenure of the respective schemes, commencing from the month in which units are allotted

iv) Preliminary expense are written off in the year in which they are incurred

n) Taxation

Tax Expense comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the year. Current Tax is measured at the amount of tax payable at the applicable tax rates in respect of taxable income for the year in accordance with the Income tax Act, 1961 enacted in India for the entities operating in India and tax laws prevailing in the respective jurisdictions for the entities operating outside India

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised only when there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised

o) Provisions, Contingent Liabilities and Contingent Assets

In accordance with the Accounting Standard on “Provisions, Contingent Liabilities and Contingent Assets” (AS-29), provisions comprise liabilities of uncertain timing or amount. A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements

p) Cash Flow Statements

i) Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non – cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information

ii) Since the Company is in the business of asset management and other related services, the transactions related to advances and loans are shown under investing activities as required by provisions of Accounting Standard on “Cash Flow Statements” (AS-3)

iii) Cash comprises of cash on hand and demand deposits with banks which are subject to insignificant risk of changes in value as defined in Accounting Standard on “Cash Flow Statements” (AS-3)

q) Earnings Per Share (EPS)

Earnings Per Share is computed in accordance with the Accounting Standard on “Earnings Per Share” (AS-20).In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. 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 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

r) Goods and Services 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 / recognise the credits

s) 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

(2) Share Capital:

a) Share Capital of the Company consist of the following:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Authorised Share Capital		
325,000,000 Equity shares of ₹ 2/- each	650,000,000	650,000,000
(Previous Year 325,000,000 Equity shares of ₹ 2/- each)		
Issued, Subscribed and Fully Paid-up Capital		
314,032,740 Equity shares of ₹ 2/-each (As at March 31, 2017: 314,032,740 Equity shares of ₹ 2/- each) with voting rights	628,065,480	628,065,480
Add: Forfeited shares	20,000	20,000
	628,085,480	**628,085,480**

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	314,032,740	628,065,480	314,032,740	628,065,480
At the end of the year	**314,032,740**	**628,065,480**	**314,032,740**	**628,065,480**

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

	As at March 31, 2018		As at March 31, 2017	
Name of the Shareholder	**No of Shares held**	**% of Holding**	**No of Shares held**	**% of Holding**
Infrastructure Leasing & Financial Services Limited, the Holding Company	158,333,152	50.42	158,333,152	50.42

Right, Preference and Restrictions attached to equity shares:

The Company 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 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

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 (₹)
2016-17	-	-	-
2015-16	-	-	-
2014-15	-	-	-
2013-14	2	104,530,705	209,061,410
2012-13	-	-	-

e) 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/-

f) No shares were bought back by the Company during the last five years

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 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 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 :

	ESOP 2006	
Particulars	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 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

k) No Options were granted during the year ended March 31, 2018 (Previous year Nil). Further, no options were outstanding at the start of the year

(3) Reserves and Surplus:

The movement in Reserves and Surplus are as under:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Securities Premium Account		
Balance as per previous Balance Sheet	4,758,750	4,758,750
Balance at the end of the year	**4,758,750**	**4,758,750**
General Reserve		
Balance as per previous Balance Sheet	315,657,591	315,657,591
Balance at the end of the year	**315,657,591**	**315,657,591**
Capital Reserve on Consolidation		
Balance as per previous Balance Sheet	104,566,696	49,169,392
Add: Addition	3,258,837	55,397,304
Balance at the end of the year	**107,825,533**	**104,566,696**
Surplus in Statement of Profit and Loss		
Balance as per previous Balance Sheet	1,384,393,175	2,308,146,499
Add: Profit for the year	65,619,015	61,255,965
Less: Appropriation for Dividend	(188,419,644)	-
Less: Appropriation for Dividend tax	(6,831,586)	-
Less: Adjustment of Intangibles assets pursuant to scheme of Arrangement and Amalgamation of IIML Advisors LLC and IL&FS Investment Advisors LLC	-	(985,009,289)
Balance at the end of the year	**1,254,760,960**	**1,384,393,175**
Foreign Currency Translation Reserve		
Balance as per previous Balance Sheet	651,455,895	660,828,008
Add: Movement during the year	1,434,555	(9,372,113)
Balance at the end of the year	**652,890,450**	**651,455,895**
	2,335,893,284	**2,460,832,107**

The Company has paid dividend for the year ended March 31, 2017, on Equity Shares @ ₹ 0.60/- per share aggregating ₹ 195,251,230/- inclusive of dividend distribution tax of ₹ 6,831,586/-

(4) Deferred Tax Asset and Deferred Tax Liability:

Deferred Tax provision has been made in accordance with the requirements under the Accounting Standard - 22 "Accounting for Taxes on Income"

a) During the year ended March 31, 2018 the timing difference has resulted in a net deferred tax charge of ₹ 2,659,699 /- (Previous year net deferred tax charge of ₹ 2,154,167/-)

b) The deferred tax asset recognised in the accounts as of March 31, 2018 is as follows:

Nature of Timing Differences	As at March 31, 2017 (₹)	Adjusted during the year (₹)	As at March 31, 2018 (₹)
Net Depreciation	7,388,092	(872,039)	6,516,053
Employee Benefits	12,238,832	(2,948,604)	9,290,228
Provision for Bad debts	11,240,026	1,445,830	12,685,856
Preliminary Expenses Written off	485,496	(160,820)	324,676
Others	278,327	(124,066)	154,261
Total	**31,630,773**	**(2,659,699)**	**28,971,074**
Previous year (April 1, 2016 to March 31, 2017)	35,150,112	(3,519,339)	31,630,773

(5) Long Term Provisions

a) Long Term provisions consist of provisions for amounts due to be settled beyond twelve months after the balance sheet date :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Provision for Employee benefits:		
For compensated absences benefits	23,655,973	28,810,623
For gratuity	15,943,053	14,381,295
Towards distribution of carry income	2,485,773	2,485,773
Provision Others:		
Deferred Rent	432,000	467,100
	42,516,799	**46,144,791**

b) Employee benefits pertaining to overseas subsidiaries / joint ventures have been accrued based on the respective labour laws

Particulars relating to Accounting Standard 15 "Employee Benefits" (Revised) in connection with the Company and its Indian subsidiaries and jointly controlled entities (the Indian group companies) is provided below:

(i) Defined-Contribution Plans:

The Indian group companies has recognised ₹ 12,121,398/- (Previous year ₹ 13,318,796/-) as expense in the Consolidated Statement of Profit and Loss under Group's Contribution to Provident Fund, which is maintained with the office of Regional Provident Fund Commissioner and ₹ 5,111,971/- (Previous year ₹ 5,262,781/-) as Group's contribution to Superannuation Fund maintained with Life Insurance Corporation of India.

(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 :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Assumptions :		
Discount Rate	7.7%-7.88%	7.24%-7.34%
Rate of Return on Plan Assets	7.80%-8.05%	7.27%-8.05%
Salary Escalation	6.05%-6.50%	6.50%-8.5%
Attrition Rate	2%-3%	2%-3%
Mortality Table	Indian Assured Lives mortality (2006-2008) Ultimate	Indian Assured Lives mortality (2006-2008) Ultimate
II. Tables Showing Change in Benefit Obligation :	**As at March 31, 2018 (₹)**	**As at March 31, 2017 (₹)**
Liability at the beginning of the year	108,317,648	99,939,760
Liability of newly acquired company at the beginning of the year	-	2,820,903
Interest Cost	7,838,919	8,094,116
Current Service Cost	7,144,664	8,382,621
Liability Transfer In	4,741,792	542,852
Past Service Cost	964,492	-
Liability Transfer Out	(2,002,932)	(603,317)
Benefit Paid	(31,479,028)	(9,828,923)
Actuarial (Gain)/ Loss on obligations	(10,648,274)	(1,030,364)
Liability at the end of the year	84,877,281	108,317,648
III. Table of Fair Value of Plan Assets :	**As at March 31, 2018 (₹)**	**As at March 31, 2017 (₹)**
Fair Value of Plan Assets at the beginning of the year	107,434,578	104,610,697
Fair Value of Plan Assets of newly acquired company at the beginning of the year	-	2,273,159
Expected Return on Plan Assets	7,808,396	8,420,951
Contributions	1,779,703	1,427,942
Adjustment to Opening balance	-	45,994
Transfer from Other Company	-	542,852
Benefit Paid	(30,855,341)	(9,828,923)
Actuarial Gain/ (Loss) on Plan Assets	(1,805,249)	(58,094)
Fair Value of Plan Assets at the end of the year	84,362,088	107,434,578
Total Actuarial Gain/ (Loss) to be recognised	8,843,025	972,270

IV. Actual Return on Plan Assets :	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Expected Return on Plan Assets	7,808,396	8,420,951
Actuarial Gain/ (Loss) on Plan Assets	(1,805,249)	(58,094)
Actual Return on Plan Assets	6,003,147	8,362,857
V. Amount Recognised in the Balance Sheet :	**As at March 31, 2018 (₹)**	**As at March 31, 2017 (₹)**
Liability at the end of the year	84,877,281	108,317,648
Fair Value of Plan Assets at the end of the year	84,362,087	107,434,578
Difference	(515,194)	(883,070)
Unrecognised Past Service Cost	-	-
Amount Recognised in the Balance Sheet	(515,194)	(883,070)
VI. Expenses Recognised in the Consolidated Statement of Profit and Loss :	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Current Service Cost	7,144,664	8,382,621
Interest Cost	7,838,919	8,094,116
Expected Return on Plan Assets	(7,808,396)	(8,420,951)
Net Actuarial (Gain)/ Loss to be Recognised	(8,843,025)	(972,270)
Past Service Cost	964,492	-
Expense Recognised in Consolidated Statement of Profit and Loss	(703,346)	7,083,516
VII. Balance Sheet Reconciliation :	**As at March 31, 2018 (₹)**	**As at March 31, 2017 (₹)**
Opening Net Liability/(Asset)	883,070	(4,670,937)
Opening Net Liability/(Asset) of newly acquired company at the beginning of the year	-	547,744
Adjustment to Opening balance	-	(45,994)
Expense as above	(703,346)	7,083,516
Liability Transfer In	4,741,792	-
Liability Transfer Out	(2,002,932)	(603,317)
Benefits Paid	(623,687)	-
Employers Contribution	(1,779,703)	(1,427,942)
Amount Recognised in Balance Sheet	515,194	883,070
VIII. Description of Plan Assets :		
Insurer Managed Funds	100%	100%

IX. Experience Adjustments:

	As at March 31, 2018 (₹)	As at March 31,2017 (₹)	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Experience adjustments on plan liabilities (gain)/loss	(4,848,918)	(5,543,269)	(5,386,493)	4,712,156	4,072,380
Experience adjustments on plan assets gain/(loss)	(1,805,249)	(58,094)	607,578	(276,030)	(99,463)

Other Details:

The respective employer's best estimate of the contributions expected to be paid to the plan during the next 12 month ₹ 493,141/- (Previous year ₹ 3,318,319/-)

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

(6) Other Current liabilities:

a) Other Current Liabilities consists of:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Unclaimed Dividend	33,837,536	32,874,866
Statutory Payments	20,066,254	9,777,539
Advance Received	12,056,873	11,997,411
Other Liabilities	1,182,924	52,331,829
	67,143,587	**106,981,645**

b) Other Liabilities pertains to amount payable to Provident Fund, Profession Tax etc.

c) Other Liabilities include ₹ 160,887/-(Previous Year ₹ 50,157,577/-) towards Project Development Advance –Transaction Advisory (TA Fund) received by Company's subsidiary from Government of Andhra Pradesh for meeting the project development expenses on 22 February 2017. This amount has been kept in a separate bank account with Andhra Bank. The interest earned/ accrued on the fixed deposits made from TA Fund has been credited to TA Fund (net of tax expenses)

d) Unclaimed Dividend of ₹ 33,837,536/- relates to the year from FY 2010-2011 to FY 2016-2017. During the year ended March 31, 2018 an amount of ₹ 4,043,059 /- (Previous year: ₹ 3,502,324/-) has been transferred to the Investor Education and Protection Fund relating to amounts for the year ended March 31, 2010 (Previous year March 31,2009)

(7) Short Term provisions:

Short Term provisions consist of provisions for amounts due to be settled within twelve months after the balance sheet date :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Provision for employee benefits :		
For compensated absences	9,523,005	8,457,015
For Gratuity	73,896	1,257,975
For Performance Related Pay	56,098,717	58,774,502
Provision Others:		
Deferred Rent	251,102	321,302
Provision for Taxation (Net)	16,759,320	16,150,861
Others	845,599	-
	83,551,639	**84,961,655**

NOTES Forming part of the Consolidated Financial Statements

(8) Property, Plant and Equipment, Intangible Assets and Capital Work in Progress :

Current Year : April 1, 2017 to March 31, 2018 **Amount (₹)**

	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK
Description of Assets	**As on 1.04.2017**	**Additions**	**Deductions/ Adjustments***	**As at 31.03.2018**	**As at 1.04.2017**	**For the Year**	**Deductions/ Adjustments***	**Up to 31.03.2018**	**As at 31.03.2018**
Property, Plant and Equipment (Owned) :									
Furniture and Fixtures	8,705,173	3,618,759	(1,370,771)	**10,953,161**	6,179,165	1,186,668	(905,650)	**6,460,183**	**4,492,978**
Vehicles	15,806,702	996,429	(591,382)	**16,211,749**	9,794,473	2,636,082	(473,294)	**11,957,261**	**4,254,488**
Office Equipments	9,993,156	1,619,143	(973,581)	**10,638,718**	8,966,521	1,906,143	(966,507)	**9,906,157**	**732,561**
Data Processing Equipments	15,955,512	1,850,782	(1,079,999)	**16,726,295**	12,739,052	2,067,406	(969,096)	**13,837,362**	**2,888,933**
Lease Improvements	11,815,932	-	-	**11,815,932**	11,469,460	239,334	-	**11,708,794**	**107,138**
Electronic Installation & Equipment	416,239	481,826	-	**898,065**	69,079	70,168	-	**139,247**	**758,818**
Total (A)	**62,692,714**	**8,566,939**	**(4,015,733)**	**67,243,920**	**49,217,750**	**8,105,801**	**(3,314,547)**	**54,009,004**	**13,234,916**
Intangible Assets (Other than internally generated) :									
Computer Software	8,838,121	4,316,550	-	**13,154,671**	8,395,792	1,009,960	-	**9,405,752**	**3,748,919**
Business Know-how, Management and Advisory Contracts[1]	1,406,886,003	4,483,581	108,738	**1,411,478,322**	1,222,021,264	105,995,350	4,854,465	**1,332,871,079**	**78,607,243**
Total (B)	**1,415,724,124**	**8,800,131**	**108,738**	**1,424,632,993**	**1,230,417,056**	**107,005,310**	**4,854,465**	**1,342,276,831**	**82,356,162**
Total (A+B)	**1,478,416,838**	**17,367,070**	**(3,906,995)**	**1,491,876,913**	**1,279,634,806**	**115,111,111**	**1,539,918**	**1,396,285,835**	**95,591,078**

*Adjustments include movement due to foreign exchange fluctuations

Note 1: This represents the amount recognised as intangible assets in a Subsidiary's financial statements being the fair value of the management and advisory contracts acquired by the Subsidiary in respect of K2 Property Limited (K2) and Saffron India Real Estate Fund – I (SIREF I) , pursuant to the amalgamation with Saffron Capital Advisors Limited ("SCAL") and Saffron Capital Securities Limited ("SCSL") with the Company in an earlier year. The intangible assets are amortised over the remaining estimated useful life of such contracts. The useful lives of the management and advisory contracts of K2 and SIREF I had initially been estimated at 16 years and 8 years respectively on the basis of the life of the funds which are limited life entities but are now estimated at 8 to 9 years.

NOTES Forming part of the Consolidated Financial Statements

(8) Property, Plant and Equipment, Intangible Assets and Capital Work in Progress :

Previous Year : April 1, 2016 to March 31, 2017 **Amount (₹)**

	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK
Description of Assets	**As on 1.04.2016**	**Additions**	**Deductions/ Adjustments***	**As at 31.03.2017**	**As at 1.04.2016**	**For the Year**	**Deductions/ Adjustments***	**Up to 31.03.2017**	**As at 31.03.2017**
Property, Plant and Equipment (Owned) :									
Freehold Building	22,594,113	-	(22,594,113)	-	7,911,128	1,034,991	(8,946,119)	-	-
Furniture and Fixtures	10,082,120	2,523,858	(3,900,805)	**8,705,173**	8,855,641	918,810	(3,595,286)	**6,179,165**	**2,526,008**
Vehicles	26,836,547	4,300	(11,034,145)	**15,806,702**	17,389,022	2,815,672	(10,410,221)	**9,794,473**	**6,012,229**
Office Equipments	11,704,242	1,703,251	(3,414,337)	**9,993,156**	9,793,922	1,983,055	(2,810,456)	**8,966,521**	**1,026,635**
Data Processing Equipments	14,852,728	3,902,890	(2,800,106)	**15,955,512**	11,115,051	2,524,559	(900,558)	**12,739,052**	**3,216,460**
Lease Improvements	21,861,254	718,650	(10,763,972)	**11,815,932**	21,694,605	225,648	(10,450,793)	**11,469,460**	**346,472**
Electronic Installation & Equipment	-	416,239	-	**416,239**	-	14,282	54,797	**69,079**	**347,160**
Total (A)	**107,931,004**	**9,269,188**	**(54,507,478)**	**62,692,714**	**76,759,369**	**9,517,017**	**(37,058,636)**	**49,217,750**	**13,474,964**
Intangible Assets (Other than internally generated) :									
Computer Software	8,200,001	743,759	(105,639)	**8,838,121**	7,874,408	259,170	262,214	**8,395,792**	**442,329**
Business Know-how, Management and Advisory Contracts[1]	2,400,837,257	-	(993,951,254)	**1,406,886,003**	1,095,659,579	156,287,706	(29,926,021)	**1,222,021,264**	**184,864,739**
Total (B)	**2,409,037,258**	**743,759**	**(994,056,893)**	**1,415,724,124**	**1,103,533,987**	**156,546,876**	**(29,663,807**	**1,230,417,056**	**185,307,068**
Capital Work in Progress (C)									**3,154,500**
Total (A+B+C)	**2,516,968,262**	**10,012,947**	**(1,048,564,371)**	**1,478,416,838**	**1,180,293,356**	**166,063,893**	**(66,722,443)**	**1,279,634,806**	**201,936,532**

*Adjustments include movement due to foreign exchange fluctuations

Note 1: This represents the amount recognised as intangible assets in a Subsidiary's financial statements being the fair value of the management and advisory contracts acquired by the Subsidiary in respect of K2 Property Limited (K2) and Saffron India Real Estate Fund – I (SIREF I) , pursuant to the amalgamation with Saffron Capital Advisors Limited ("SCAL") and Saffron Capital Securities Limited ("SCSL") with the Company in an earlier year. The intangible assets are amortised over the remaining estimated useful life of such contracts. The useful lives of the management and advisory contracts of K2 and SIREF I had initially been estimated at 16 years and 8 years respectively on the basis of the life of the funds which are limited life entities but are now estimated at 8 to 9 years.

(9) Non Current Investments:

Non Current Investment consists of:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Face Value	No. of Shares/ Units	Cost (₹)	Face Value	No. of Shares/ Units	Cost (₹)
A - Trade Investments (Unquoted) **Investment in Equity Instruments (Fully paid- up)**						
- Investment in Other						
Avantika Gas Ltd	₹ 10	8,250	82,500	₹ 10	8,250	82,500
IL&FS India Realty Fund LLC	$ 10	100	65,044	$ 10	100	64,839
IL&FS India Realty Fund II LLC	$ 0.01	100,000	65,044	$ 0.01	100,000	64,839
TARA India Fund III LLC	$ 1	2	130	$ 1	2	130
TARA Feeder Fund Limited	$ 1	2	130	$ 1	2	130
Tara India Fund IV LLC (Class C Shares)	$ 1	1	65	$ 1	1	65
Tara India Fund IV LLC (Class D Shares)	$ 1	1	65	$ 1	1	65
Saffron India Real Estate Fund – I (Class A Shares)	$ 0.01	7,746	50,655,772	$ 0.01	7,746	50,583,387
Saffron India Real Estate Fund – I (Class C Shares)	$ 0.01	75,000	130	$ 0.01	75,000	48,629
Saffron India Real Estate Fund – I (Class D Shares)	$ 0.01	25,000	65	$ 0.01	25,000	16,210
K2 Property Limited (Class C Shares)	$ 0.01	75,000	130	$ 0.01	75,000	48,629
K2 Property Limited (Class D Shares)	$ 0.01	25,000	65	$ 0.01	25,000	16,210
India Realty Investments Limited	€ 1	-	-	€ 1	1	65
Total (A)			**50,869,140**			**50,925,698**

Particulars	As at March 31, 2018			As at March 31, 2017		
	Face Value (₹)	No of Shares/ Units	Cost (₹)	Face Value (₹)	No of Shares/ Units	Cost (₹)
B - Investment in Units of Venture Fund (Fully paid- up) (Unquoted)						
Leverage India Fund	1,000	100	100,000	1,000	100	100,000
Infrastructure Leasing & Financial Services Realty Fund (Class C Units)	100	500	50,000	100	500	50,000
Infrastructure Leasing & Financial Services Realty Fund (Class A Units)	100,000	456.26	45,626,026	100,000	694.52	69,451,665
IFIN Realty Trust (Class C Units)	10,000	10	100,000	10,000	10	100,000
IFIN Realty Trust (Class A Units)	1,000,000	60.28	60,275,900	1,000,000	65.78	65,780,000
TARA India Fund III Trust (Class C Units)	10,000	50	500,000	10,000	50	500,000
TARA India Fund III Trust (Class A Units)	1,000,000	65.71	65,707,688	1,000,000	71.72	71,718,046
TARA India Fund III Trust (Class D Units)	-	-	-	1,000,000	3.10	3,101,409
TARA India Fund III Domestic Trust (Class B Units)	1,000	500	500,000	1,000	500	500,000
Tara India Fund IV Trust (Class A Units)	1,000,000	37.5	37,501,641	1,000,000	13.96	13,959,889
Tara India Fund IV Trust (Class C Units)	1,000	500	500,000	1,000	500	500,000
Urjankur Nidhi Trust	100	1,000	100,000	100	1,000	100,000
PAN Asia Project Development Fund (Class B Units)	100	1,000	100,000	100	1,000	100,000
Total (B)			**211,061,255**			**225,961,009**
Total (A+B)			**261,930,395**			**276,886,707**
Less : Provision for diminution in value of investment			(66,041,312)			(31,709,982)
			195,889,083			**245,176,725**
Aggregate book value of unquoted investments			**261,930,395**			**276,886,707**

(10) Long Term Loans and Advances:

Long Term Loans and Advances consist of amounts expected to be realised beyond twelve months of the Balance Sheet date :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Unsecured, considered good :		
Staff Loan	580,730	704,735
Advance Tax (net of provision)	120,225,953	103,841,090
Security Deposits	4,641,275	2,438,675
Prepaid Expenses	5,066,818	4,601,311
Amortisable Assets	30,313,732	29,485,894
	160,828,508	**141,071,705**

Amortisable assets includes Distribution Commission paid on closed ended schemes of Infrastructure Debt Fund ("IDF") which are expensed out over the tenure of the schemes commencing from the month in which units are allotted. The unamortised portion to be expensed off in the next year has been disclosed under short-term loans and advances

(11) Current Investments:

The details of Current Investments are provided below:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Units	Face Value (₹)	Amount in (₹)	Units	Face Value (₹)	Amount in (₹)
Investment in Mutual Funds - Non Trade – Unquoted (lower of cost or fair value)						
Reliance Interval Fund - Quarterly Interval Fund - Series II	427,557	10	10,000,000	-	-	-
Kotak Low Duration Fund – Growth	45,707	1,000	100,000,000	93,053	1,000	188,803,771
Kotak Treasury Advantage Fund - Growth	3,990,501	10	112,500,000	2,106,979	10	55,482,980
UTI Treasury Advantage - Regular-Growth	50,161	1,000	120,000,000	-	-	-
Reliance Money Manager Fund - Growth	41,845	1,000	100,000,000	-	-	-
Kotak Floater Short term - Growth	2,633	1,000	7,499,999	-	-	-
Baroda Pioneer Treasury Advantage Fund – Plan A Growth	-	-	-	6,369	1,000	12,063,715
Birla Sun Life Saving Fund – Daily Dividend- Regular Plan – Reinvestment	-	-	-	56,753	100	5,693,324

Particulars	As at March 31, 2018			As at March 31, 2017		
	Units	Face Value (₹)	Amount in (₹)	Units	Face Value (₹)	Amount in (₹)
Birla Sunlife Cash plus – Daily Dividend –Regular Plan	-	-	-	63,403	100	6,352,623
ICICI Prudential Money Market Fund – Regular Plan – Daily Dividend	-	-	-	134,391	100	30,030,703
ICICI Prudential Flexible Income – Growth	-	-	-	330,317	10	102,761,212
Kotak Bond Short Term-Direct Plan-Growth	-	-	-	3,702,761	10	117,064,256
Birla Sun Life Floating Rate Fund – Long Term – Growth-Regular Plan	-	-	-	188,588	100	37,466,081
Kotak Flexi Debt Scheme Plan A-Direct Plan-Growth	-	-	-	1,473,292	10	54,756,801
Reliance Medium Fund – Daily Dividend Plan	-	-	-	1,261,352	10	21,563,953
Reliance Money Manager Fund – Daily Dividend Plan	-	-	-	26,663	1,000	26,749,461
Birla Sun Life Savings Fund – Growth-Regular Plan	-	-	-	180,165	100	57,374,772
ICICI Prudential Savings Fund – Growth	-	-	-	21,273	100	5,196,079
Milestone Real Estate Fund – IL&FS Milestone Fund I	200	1,000	200,000	200	1,000	200,000
Milestone Real Estate Fund – IL&FS Milestone Fund II	200	1,000	200,000	200	1,000	200,000
Milestone Real Estate Fund – IL&FS Milestone Fund IIA	200	1,000	200,000	200	1,000	200,000
Milestone Real Estate Fund – IL&FS Milestone Fund IIB	200	1,000	200,000	200	1,000	200,000
			450,799,999			**722,159,731**
Aggregate book value of unquoted investments			**450,799,999**			**722,159,731**

(12) Trade Receivables:

Trade Receivables consist of dues arising from services rendered in the normal course of business of the Group

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
outstanding for more than 6 months from the date they are due for payment :		
Secured, considered good	1,844,628	6,973,891
Unsecured, considered good	654,221,570	623,006,171
Doubtful	32,053,685	16,434,162
Less: Provision for doubtful trade receivables	(32,053,685)	(16,434,162)
outstanding for less than 6 months from the date they are due for payment :		
Secured, considered good	18,047,771	14,323,630
Unsecured, considered good	355,700,354	150,277,368
Doubtful	17,177,626	13,731,280
Less: Provision for doubtful trade receivables	(17,177,626)	(13,731,280)
	1,029,814,323	**794,581,060**

(13) Cash and Cash Equivalents:

Cash and Cash Equivalents consists of:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
a) Cash on hand	24,054	67,773
b) Cheques in hand	-	3,573,795
c) Balance with Banks		
i) in Current Accounts	308,407,139	770,205,035
ii) in Demand Deposit Accounts	582,714,642	521,482,209
iii) in earmarked Accounts -		
in Current Accounts referring to unclaimed dividend accounts	33,837,536	32,874,866
	924,983,371	**1,328,203,678**

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS-3 “Cash Flow Statements” are Cash on hand ,Cheques in hand, Balances with bank in Current accounts and Fixed Deposits amounting to ₹ 891,145,835 /- (Previous year ₹ 1,295,328,812/-)

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since it does not pertain to financial year ended 31 March 2018

(14) Short Term Loans and Advances:

a) Short Term Loans and Advances consist of amounts expected to be realised within twelve months of the Balance Sheet date :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Secured, considered good:		
Staff Loan	77,816	273,019
Unsecured, considered good:		
Staff Loan	123,905	-
Loans & advance to Related party	440,000,000	20,000,000
Security Deposit	3,465,479	7,721,903
Prepaid Expenses	24,157,115	23,330,163
Advances Recoverable in cash or in kind	8,562,748	25,456,608
Goods and Services Tax/ Service Tax credit available	20,819,455	13,293,164
	497,206,518	**90,074,857**

Advances Recoverable in cash or in kind or for value to be received includes advance recoverable on account of reimbursement of out of pocket expenses and travel advance given to employees

(15) Other Current Assets:

Other Current Assets consists of:

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
Contractually Reimbursable expenses :		
Outstanding for more than 6 months from the date they are due for payment:		
Secured and considered good	380,998	2,238,234
Doubtful	21,125	1,943,236
Less: Provision for bad and doubtful advances	(21,125)	(1,943,236)
Outstanding for less than 6 months from the date they are due for payment:		
-Secured and Considered good	8,024,399	4,735,946
-Doubtful	13,026	369,436
Less: Provision for bad and doubtful advances	(13,026)	(369,436)
Total	**8,405,397**	**6,974,180**
Unbilled Revenue	242,427	14,247,509
Interest accrued	7,505,181	9,735,399
Other Recoverable	16,636,594	16,575,369
	32,789,599	**47,532,457**

(16) Contingent Liabilities and Capital Commitments :

Particulars	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
1) Claims not acknowledged as debts:		
Income tax demand contested by the Group	72,684,245	70,486,769
Service tax demand contested by the Group	70,168,236	45,929,797
2) Capital Commitments:		
Uncalled liability on units of Venture Capital Fund	62,498,359	86,040,111

The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof

(17) Revenue from Operations:

Revenue from Operations comprises of:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Fees from Fund Management, Trusteeship and Advisory Services	1,124,933,897	1,012,806,529
	1,124,933,897	**1,012,806,529**

(18) Other Income:

Other Income comprises of:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Dividend Income from current non-trade Investments	658,120	22,779,218
Profit on sale of current non-trade Investments	43,656,007	58,088,517
Interest Income on		
- Demand Deposits/ Inter Corporate Deposits	38,431,139	14,096,014
- Loans	37,383	14,868
- Income Tax refund	223,330	30,033
Profit on sale of Fixed Asset	266,219	21,031,244
Reversal of excess Performance Related Pay Provision	7,639,297	3,263,331
Miscellaneous Income	9,741,407	19,614,802
	100,652,902	**138,918,027**

(19) Employee Benefit Expense:

Employee Benefit Expenses include:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Salaries and Allowances	403,153,671	401,187,322
Staff Deputation cost	-	4,296,543
Gratuity Expense –Unfunded	3,224,624	(8,654,312)
Contribution to Provident Fund and Other Funds	15,834,753	25,056,757
Staff Training and Welfare Expenses	4,959,074	4,739,016
Less: Recovery of deputation cost	(2,600,000)	(3,297,106)
	424,572,122	**423,328,220**

(20) Other Administrative and Operating Expenses:

Other Administrative and Operating Expenses consists of:

Particulars	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
Rent	53,473,769	56,217,999
Repairs and Maintenance	13,684,485	10,310,222
Insurance	9,747,760	7,897,727
Rates and Taxes	7,445,800	5,704,186
Legal and Professional Expenses	138,800,415	102,884,293
Advisory Fees	26,156,668	56,852,479
Audit Fees	11,234,821	14,452,396
Electricity and Water Charges	1,832,996	1,786,599
Travelling and Conveyance	18,643,037	31,038,856
Postage and Telecommunication	3,919,266	5,050,432
Printing and Stationery	2,773,355	2,619,824
Provision for Bad & Doubtful Debts	65,837,935	37,889,505
Provision for Diminution in value of Investments	34,331,394	15,710,049
Loss on sale of investments -Venture Capital Fund units	15,997,518	334,607
Brand Subscription Fees	12,004,122	16,203,921
Expenditure on Corporate Social Responsibility	12,773,648	15,394,219
Miscellaneous Expenses	41,376,908	39,676,845
Foreign Exchange Loss	1,938,319	3,498,750
	471,972,216	**423,522,909**

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

(21) 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 :

Future Lease rentals	March 31, 2018 (₹)	March 31, 2017 (₹)
Not later than one year	29,515,473	37,205,268
Later than one year but not later than 5 years	2,073,171	33,689,703
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	36,207,306	33,769,438

(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:

The Group has Nil forward exchange contracts outstanding as at March 31, 2018 (Previous year Nil)

Foreign currency exposures :

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Particulars	As at March 31, 2018	As at March 31, 2017
Receivables	$ 1,152,569	$ 358,825
Amount in ₹	74,967,785	23,265,722
Short Term advances	$ 42,010	$ 48,375
Amount in ₹	2,732,536	3,136,568

(24) Earnings Per Share (EPS):

In accordance with the Accounting Standard on 'Earnings Per Share' (AS-20), 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 period as under :

Particulars	March 31, 2018	March 31, 2017
Profit After Tax (₹)	65,619,015	61,255,965
Weighted Average Number of Equity Shares in calculating Basic and Diluted EPS	314,032,740	314,032,740
(i) Nominal Value per share (₹)	2.00	2.00
(ii) Basic Earnings per share (₹)	0.21	0.20
(iii) Diluted Earnings per share (₹)	0.21	0.20

(25) Disclosure as required by the AS 18 on "Related Party Disclosures" are made below:

a) Name of the Related Parties (with whom transactions entered into during the year ended March 31, 2018) 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 Environnemental Infrastructure & Service Limited [IEISL]
7	IL&FS Maritime International FZE [IMIFZE]
8	East Delhi Waste Processing Company Private Limited [EDWPC]
9	IL&FS Energy Development Company 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 Company Limited [IMICL]
20	IIDC Limited[IIDC]
21	Tamil Nadu Water Investment Company Limited [TNWICL]
22	IL&FS Infrastructure Development Corporation Limited [IIDCL]
23	IL&FS Transportation Network Limited [ITNL]
Sr No	**Key Managerial Personnel**
1	Mr R C Bawa Managing Director
2	Dr Archana Hingorani Chief Executive Officer & Executive Director (till 30th April 2017)

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

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

Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management Personnel
Advisory Fee Income			
EDWPC	-	8,560,396	-
IFINRT	-	4,307,105	-
IEISL	-	6,371,026	-
IIEF-1	-	26,798,683	-
IIDC Fund	-	700,000	-
RDFPPL	-	10,966,348	-
Dividend Paid			
IL&FS	94,999,891	-	-
Interest Income			
IFIN	-	1,791,938	-
ITNL	-	308,904	-
Rent paid			
IL&FS	37,931,912	-	-
IFIN	-	1,014,765	-
Insurance			
IL&FS	1,677,921	-	-
Repairs & Maintenance			
IL&FS	828,217	-	-
IFIN	-	397,967	-
Livia	-	8,968,728	-
Redemption of Units			
IFINRT	-	5,504,100	-
Electricity Charges			
IL&FS	877,200	-	-
Brand subscription fees			
IL&FS	11,985,372	-	-
Staff Deputation Cost			
IFIN	-	(848,642)	-
IL&FS	557,610	-	-
IEISL	-	610,120	-

Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management Personnel
Legal and Professional Expenses			
ITL	-	351,978	-
IIDC	-	16,300,000	-
TNWICL	-	9,572,806	-
IFIN	-	784,852	-
ITNL	-	2,000,000	-
ISSL	-	2,039,440	-
Livia	-	300,114	-
Inter Corporate Deposit Placed			
ITNL	-	220,000,000	-
IFIN	-	200,000,000	-
Other Reimbursement (Paid) / Recovered			
IFIN	-	408,250	-
EDWPC	-	2,756	-
IEDCL	-	17,814	-
IEISL	-	2,756	-
ISSL	-	42,898	-
RDF	-	9,349	-
IGFMEL	-	(2,126,249)	-
IIDC	-	(417,985)	-
IIDCL	-	327,374	-
IL&FS	(1,205,260)	-	-
Managerial Remuneration			
R C Bawa	-	-	5,000,000
Dr Archana Hingorani	-	-	18,304,156

c) The nature and volume of transactions during the year ended March 31, 2017 with the above related parties were as follows:

Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management Personnel
Advisory Fee Income			
EDWPC	-	9,735,638	-
IFINRT	-	5,851,623	-
IEISL	-	7,321,119	-
IIEF-1	-	27,763,469	-
IIDC Fund	-	700,000	-
RDFPPL	-	11,612,304	-
IMIFZE	-	4,165,593	-
IGPL	-	10,734,336	-
Dividend Paid			
IL&FS	189,999,782	-	-
Interest Income			
IFIN	-	832,942	-
Rent paid			
IL&FS	39,775,121	-	-
IFIN	-	1,316,538	-
Repairs & Maintenance			
IL&FS	1,158,302	-	-
IFIN	-	185,103	-
Livia	-	5,852,292	-
Electricity Charges			
IL&FS	876,003	-	-
Brand subscription fees			
IL&FS	16,053,921	-	-
Staff Deputation Cost			
IFIN	-	3,372,795	-
Legal and Professional Expenses			
ITL	-	145,677	-
Livia	-	779,933	-
ISSL CPG	-	126,800	-
TNWICL	-	4,200,000	-

Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management Personnel
Transfer of assets			
IL&FS	1	-	-
Custody Charges			
ISSL	-	604,810	-
Other Reimbursement (Paid) / Recovered			
EDWPC	-	7,720	-
IMICL	-	28,033	-
IEDCL	-	41,878	-
IEISL	-	14,373	-
IFIN	-	(22,884)	-
IFINRT	-	32,557	-
IAAD	-	(15,160)	-
ITUAL	-	92,000	-
IIDC	-	(6,213,511)	-
RDFPPL	-	340,054	-
IIDCL	-	68,628	-
IGFMEL	-	(1,757,815)	-
IL&FS	(2,350,851)	-	-
Managerial Remuneration			
Mr Ramesh Bawa	-	-	5,000,000
Dr Archana Hingorani	-	-	27,735,090

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

Nature of Transaction	Holding Company	Fellow Subsidiary
Trade Receivables		
EDWPC	-	4,896,863
RDFPPL	-	6,002,700
IIEF-1	-	4,500,000
IAAD	-	956
IEISL	-	3,499,302
IFIN	-	908,334
IL&FS	814,396	-
IPT	-	84,232

ITNL	-	12,836
Interest Accrued		
ITNL	-	278,014
IFIN	-	203,424
Nature of Transaction	**Holding Company**	**Fellow Subsidiary**
Inter Corporate Deposit		
IFIN	-	220,000,000
ITNL	-	220,000,000
Long term Liability		
IFIN	-	(500,000)
Trade Payables		
IIDC	-	(13,854,188)
IEISL	-	(610,120)
IL&FS	(1,077,608)	
TNWICL	-	(6,017,797)
IGFMEL	-	(2,192,702)
Short Term Advances		
IEDCL	-	17,814
ITL	-	300
IIDCL	-	208,269

e) Statement of significant balances as at March 31, 2017 are as follows :

Nature of Transaction	**Holding Company**	**Fellow Subsidiary**
Trade Receivables		
EDWPC	-	5,189,153
IEISL	-	8,990,584
IGPL	-	13,616,106
RDFPPL	-	336,427
IAAD	-	956
ITNL	-	4,763
IL&FS	761,412	-
IPT	-	156,456
Inter Corporate Deposit		
IFIN	-	20,000,000
Trade Payables		
IIDC	-	(3,362,934)

Nature of Transaction	Holding Company	Fellow Subsidiary
IFIN	-	(683,819)
TNWICL	-	(420,000)
IL&FS	(407,476)	-
IGFMEL	-	(524,285)
ISSL	-	(57,629)
Livia	-	(5,729)
Interest accrued not due		
IFIN	-	832,942
Short Term Advances		
IIDCL	-	55,455
Long Term Liability		
IFIN	-	(500,000)
Share Subscription		
IFIN	-	181,111,500

(26) According to the records available with the Company, 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 Company and relied upon by the auditors

(27) Joint Venture Disclosure:

The Company has the following Joint Ventures as on March 31, 2018 and its proportionate share in the assets, liabilities, income and expenditure of the joint venture entities on the basis of the financial statements as at / for the year ended of those entities is given below :

Name of the Joint Venture Company	% of holding	Assets (₹)	Liabilities (₹)	Income (₹)	Expenditure (₹)
IL&FS Milestone Realty Advisors Private Limited	40%	13,814,963	2,740,539	455,436	871,105
		(15,080,926)	(3,590,834)	(1,225,500)	(16,774,642)
Standard Chartered IL&FS Management (Singapore) Pte Limited	50%	158,596,249	15,788,155	56,879,922	15,333,356
		(140,994,195)	(25,344,242)	(59,047,402)	(35,532,296)

(Figures in brackets represent figures of previous year)

(28) Segment Reporting:

The Group is in the business of providing asset management and other related service. As such, there are no separate reportable business segment or geographical segment as per Accounting Standard 17 on “Segment Reporting”. It is considered appropriate by the Management to have a single segment i.e. “Asset Management and other related service”

(29) CSR expenditure :

a) Gross amount required to be spent by the Group during the year – ₹ 13,316,530/-

b) 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	12,773,548	543,616	**13,317,164**

(30) Proposed Dividend

The Board of Directors, in their meeting held on May 4, 2018 have proposed a final dividend of ₹ 0.60 per equity share amounting to ₹ 197,051,564/-, inclusive of tax on dividend. The proposal is subject to the approval of shareholders at the Annual General Meeting

(31) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	₹	As % of Consolidated profit or loss	₹
1	2	3	4	5
Parent	25.98%	770,088,573	(423.66%)	(278,004,397)
Subsidiaries				
Indian				
IL&FS Asian Infrastructure Managers Limited	2.22%	65,839,089	3.80%	2,493,535
IL&FS Urban Infrastructure Managers Limited	5.17%	153,241,273	(19.47%)	(12,772,891)
IIML Asset Advisors Limited	2.22%	65,794,830	(50.88%)	(33,386,481)
Andhra Pradesh Urban Infrastructure Asset Management Limited	8.25%	244,432,135	56.30%	36,944,568
IL&FS AMC Trustee Limited	0.02%	505,474	0.13%	87,782
IL&FS Infra Asset Management Limited	12.51%	370,769,838	122.72%	80,527,171
Foreign				
IL&FS Investment Advisors LLC	41.62%	1,233,707,342	412.26%	270,519,662
Saffron Investment Trust	1.26%	37,256,155	(12.74%)	(8,360,697)
IIML Fund Managers Singapore Pte Ltd	1.28%	37,879,365	(7.12%)	(4,674,706)

Name of the entity in the	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	₹	As % of Consolidated profit or loss	₹
1	2	3	4	5
Minority Interest in all subsidiaries				
Andhra Pradesh Urban Infrastructure Asset Management Limited	(4.04%)	(119,771,747)	(27.59%)	(18,102,838)
IL&FS Infra Asset Management Limited	(1.68%)	(49,646,081)	(16.43%)	(10,782,588)
Joint Ventures				
(as per proportionate consolidation/ investment as per the equity method)				
Indian				
IL&FS Milestone Realty Advisors Private Limited	0.37%	11,074,423	(0.63%)	(415,669)
Foreign				
Standard Chartered IL&FS Asset Management Pte Limited	4.82%	142,766,825	63.31%	41,546,564
TOTAL	**100.00%**	**2,963,937,494**	**100.00%**	**65,619,015**

(32) Figures for the previous year have been regrouped / reclassified wherever considered necessary to conform to the current period's classification / disclosure

The accompanying Notes 1 to 32 are integral part of the Consolidated Financial Statements

In terms of our report attached of even date
For B S R & Associates LLP
Chartered Accountants
(Firm's Registration No.: 116231W/W-100024)

N Sampath Ganesh
Partner
Membership No. 042554

Place : Mumbai
Date : May 4, 2018

For and on behalf of the Board of Directors

Ramesh Bawa
Managing Director
DIN : 00040523

Krishna Kumar
Chief Executive Officer
PAN : AFBPG4014L

S M Datta
Chairman
DIN : 00032812

Manoj Borkar
Chief Financial Officer
PAN : AACPB1709R

Sanjay Mitra
Company Secretary
PAN : AAUPM6180F

Place : Mumbai
Date : May 4, 2018

NOTICE

Notice is hereby given that the Thirty-Second Annual General Meeting of the Shareholders of the Company will be held on Tuesday, August 28, 2018 at 11.00 a.m. at The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Building, IMC Marg, Churchgate, Mumbai 400 020 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, 2018 together with the Reports of the Auditors and Directors thereon

(2) To declare dividend on Equity Shares for the year ended March 31, 2018

(3) To appoint a Director in place of Mr Hari Sankaran [DIN 00002386] who retires by rotation and being eligible, has offered himself for re-appointment

SPECIAL BUSINESS

(4) To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the Articles of Association of the Company, provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby approve of and consent to the payment of commission to the Non-Executive Directors of the Company for a period of five years commencing from financial year ending March 31, 2018 in such amounts or proportions and in such manner as may be decided by the Board of Directors or by any duly authorised Committee of the Board of Directors from time to time, provided that the total commission payable to such Non-Executive Directors shall not exceed one percent of the net profits of the Company as computed in the manner referred to under Section 197(1) of the Companies Act, 2013"

(5) To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any shareholder by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the Shareholders be and is hereby accorded to charge from the Shareholder such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the Shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of despatch of documents by the Company to the shareholder"

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution"

Registered Office :
The IL&FS Financial Centre
Plot No. C-22, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

By Order of the Board of Directors

SANJAY MITRA
COMPANY SECRETARY

Place : Mumbai
Date : May 15, 2018

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, August 22, 2018 to Tuesday, August 28, 2018 (both days inclusive). The Dividend as recommended by the Directors, if approved by the shareholders will be payable on or after August 28, 2018 and will be paid to those shareholders whose names appear in the Company's Register of Shareholders as on August 21, 2018. 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). HDFC Bank Limited 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 applications for transfers and all other 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 Listed Companies can be transferred only in dematerialised form, from a cut-off date to be notified. Accordingly, shareholders holding shares in physical form are requested to dematerialise their 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 FY2018 will also be displayed on the website of the Company i.e. www.iimlindia.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

(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 2010-2011 is due for transfer to the Investor Education and Protection Fund in September 2018. Further, please note that the dividend paid for 2011-2012 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 had 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. The List of shares transferred to the IEPF Account can be found on the Company's website on http://iimlindia.com/TransferShares_IEPF.aspx

Further equity shares held pertaining to the unpaid/unclaimed dividend for FY 2010-11 and which has remained unpaid/unclaimed for a consecutive period of 7 years will be transferred to the IEPF account. List of such shares which are liable to be transferred to the IEPF account can also 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) 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 subject to annual ratification by shareholders. However with the advent of Companies (Amendment) Act, 2017 the requirement of annual ratification of the appointment of the Statutory Auditors of the Company by the shareholders at the Annual General meeting has been done away with. Accordingly, M/s B S R & Associates LLP, Chartered Accountants will continue to be the Statutory Auditors of the Company for the FY 2018-19 and thereafter, hence, no resolution is proposed for ratification of the appointment of Auditors, who were appointed at the Annual General Meeting held on September 6, 2017

(12) With regard to the resolution for re-appointment of Mr Hari Sankaran as Non-Executive Director, liable to retire by rotation, following particulars are provided pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR) :

Mr Hari Sankaran :

Mr Hari Sankaran is currently the Vice Chairman and Managing Director of Infrastructure Leasing & Financial Services Limited (IL&FS). Mr Sankaran also serves as a Member of the Management Board at IL&FS and is the Head of IL&FS Group HRD. Prior to his current position, Mr Sankaran has held a number of positions within IL&FS

Mr Sankaran has been closely associated with all initiatives that have established IL&FS as India's leading Infrastructure and Financing Institution. He has spearheaded the concept of Public Private Partnerships across a range of sectors in India including roads, power, telecom, water, ports, education, skill training, e-Governance and urban infrastructure

Mr Sankaran served on several Governmental Committees tasked with the responsibility of recommending appropriate policy and regulatory interventions to support Public Private Partnerships. Mr Sankaran has also served in the past as the Chairman of the Infrastructure Committee of the Federation of Indian Chamber of Commerce and Industry of India

Mr Sankaran aged 57 years is a post graduate of the London School of Economics & Political Science. He has worked with leading Multinational and Development Finance Institutions prior to joining IL&FS. Mr Sankaran is paid sitting fees for attending the Board/ Committee Meetings. He is also paid commisiion based on the profits of the Company

Mr Sankaran is a member of the Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Company

Mr Hari Sankaran is not related to any Director of the Company except to the extent of his serving as the nominee director of IL&FS on the Board of the Company along with other nominee directors of IL&FS and as on March 31, 2018 he does not hold any share in the Company

Other Directorships :

Name of Company	Position held	Membership of Committees *
Infrastructure Leasing & Financial Services Limited	Vice Chairman & Managing Director	-
IL&FS Energy Development Company Limited	Director	Member of Audit Committee
IL&FS Education & Technology Services Limited	Director	-
IL&FS Environment Infrastructure and Services Limited	Director	-
IL&FS Financial Services Limited	Director	-
IL&FS Transportation Networks Limited	Director	-
Gujarat International Finance Tec-City Company Limited	Director	-
Andhra Pradesh Urban Infrastructure Asset Management Limited	Director	-

Note : The list of Directorships excludes Foreign Companies

* The Membership of Committees includes only two Committees i.e. Audit Committee & Shareholders & Investors Grievance Committee of Public Limited Companies as per Regulation 26 of the LODR

(13) **E-Voting Facility :**

(a) 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

(b) 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

(c) 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

(d) The remote e-voting period starts on Saturday, August 25, 2018 at 9.00 a.m. and ends on Monday, August 27, 2018 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 August 21, 2018

(e) Mr Ronak Kalathiya 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

(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

(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@yahoo.com 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 No. 4

The Company banks on the experience, expertise and valuable guidance of the Non-Executive Directors. In due appreciation of the time, effort and guidance provided by the Non-Executive Directors it is deemed appropriate to continue to pay remuneration by way of commission to the Non-Executive Directors not exceeding the limits laid down under the provisions of Section 197(1) and other applicable provisions of the Companies Act, 2013

It is proposed to pay commission to all Non-Executive Directors including Non-Executive Chairman of the Company for a period of five years commencing from financial year ending March 31, 2018

This would be in addition to the sitting fees paid to Non-Executive Directors for each meeting of the Board or Committee thereof, attended by them

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 4 of the accompanying Notice for shareholders approval

None of the Directors, other than Non-Executive Directors and the Key Managerial Personnel of the Company, and their respective relatives are concerned or interested in the passing of the above resolution

Item No. 5

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any shareholder by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a shareholder may request the delivery of document through any other mode by paying such fees in advance equivalent to estimated actual expenses of delivery of the documents

Accordingly, the Board recommends the passing of the Special Resolution at Item No. 5 of the accompanying Notice for shareholders approval

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution

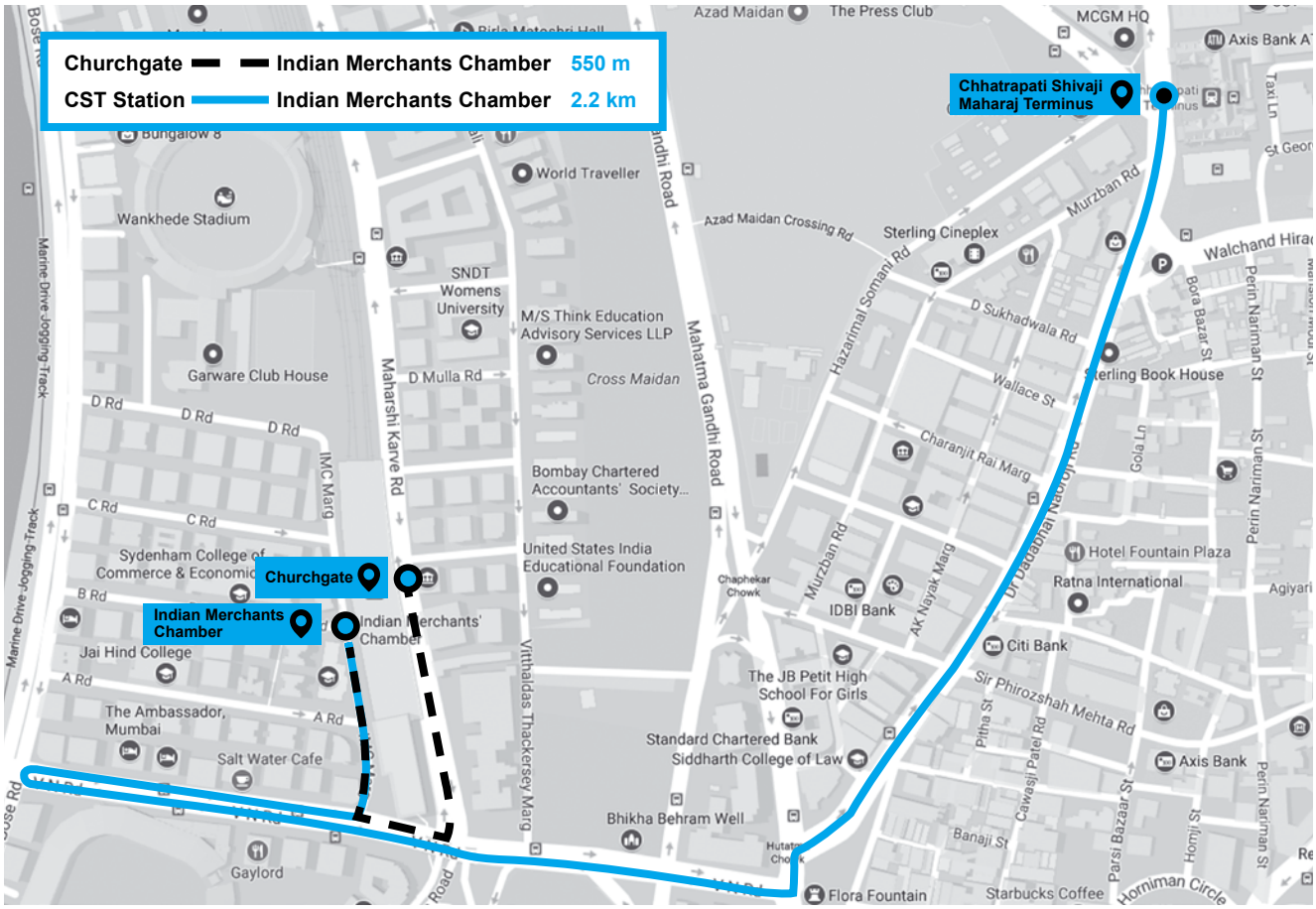
Registered Office :
The IL&FS Financial Centre
Plot No. C-22, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

By Order of the Board of Directors

SANJAY MITRA
COMPANY SECRETARY

Place : Mumbai
Date : May 15, 2018

AGM VENUE ROUTE MAP



Venue of the AGM : The Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, IMC Building, 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]

IN : 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-maid ID : _____, Signature : _____, or failing him;

(2) Name : _____, Address : _____

_____E-maid ID : _____, Signature : _____, or failing him;

(3) Name : _____, Address : _____

_____E-maid ID : _____, Signature : _____, or failing him.

as my/our proxy to attend and vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Tuesday, August 28, 2018 at 11.00 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, 2018

(2) To declare dividend on Equity Shares for the year ended March 31, 2018

(3) Re-appointment of Mr Hari Sankaran [DIN 00002386], who retires by rotation

Special Business :

(4) Payment of Commission to the Non-Executive Directors

(5) Service of documents to the Shareholders

Re 1/-
Revenue Stamp

_____
Signature

Signed this _____ day of _____ 2018

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

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

BUBBLE DESIGN - design.bubble@gmail.com