

CONTENTS



CORPORATE INFORMATION

BOARD OF DIRECTORS Mr S M Datta Mr Ravi Parthasarathy Chairman Mr Bansi S Mehta Mr Jitender Balakrishnan Mr Arun Saha Mr Vibhav Kapoor Mr Shahzaad Dalal Mr Ramesh Bawa **Managing Director** Dr Archana Hingorani Mr Milind Patel Chief Executive Officer & **Executive Director** COMPANY SECRETARY Mr Sanjay Mitra **BANKERS HDFC Bank Limited** STATUTORY AUDITORS M/s Deloitte Haskins & Sells LLP **Chartered Accountants** INTERNAL AUDITORS M/s Patel & Deodhar **Chartered Accountants** SECRETARIAL AUDITORS M/s Mehta & Mehta **Company Secretaries REGISTRARS & SHARE** Link Intime India Private Limited **TRANSFER AGENTS** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai 400 078, India Tel: +91 22 2594 6970 Fax: +91 22 2594 696

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 2659 3531 Fax:+91 22 2653 3056

CHAIRMAN'S REFLECTIONS



Mr. S M Datta Chairman

Dear Shareholders,

When one examines the global and the Indian economic outlook, opinions are diverse, the growth expectations inconsistent across geographies, and the data often contradictory. For instance, the Indian GDP growth numbers look healthy, especially after the revision in the base year and the change in methodology of its computation. However, growth in industrial production has been erratic, the credit offtake has been subdued, and the growth in trade has been below expectation. Nonetheless, both China and India continue to evoke interest of both strategic and financial investors, given their underlying growth potential

Therefore if one assesses key 'objective' parameters, the country is in an advantageous position. Softening of inflation, driven by falling global commodity prices, especially that of crude oil, has been a huge relief. So has been the relatively higher degree of control on the twin deficits - the current account and the fiscal. The positive impact of these developments cannot be overstated. With the inflation under control, the Reserve Bank of India has already announced three rate cuts, aggregating 75 basis points since January 2015. And more are expected during the course of this fiscal. This reversal in the interest rate cycle is bound to spur investment. Capital formation is also expected to gain pace on the back of the initiatives to strengthen the manufacturing base through 'Make in India', through focus on increasing ease of business, by taking steps to reduce hurdles facing the infrastructure sector, etc. The swift action taken on the issue of coal block cancellation by conducting auctions in a transparent manner is a case in point. Not surprisingly, the rating outlook of India has improved, with the rating agencies upgrading the country outlook to 'positive'

These developments augur well for your Company. The improvement in the macro-economic environment will have a cascading impact on Corporate India's capital requirements. As before, Private Equity, being the port of first call for many emerging businesses, will benefit. And with the possible tag of the fastest growing economy in the World, it would be difficult for Private Equity Fund investors to ignore India. Detractors could argue that many challenges still confront the Indian economy and that the revival in growth would take longer than expected. At a global level, the economy is still fragile, and subject to multiple factors/ downsides there is a possibility of renewed economic turmoil in Europe,

a Fed tightening cycle could unfold sooner and more aggressively than expected, and new geo-political fault lines may emerge, which can derail the global growth trajectory, which in turn could impact India

Some of this may indeed turn out to be true. My view on this - if there is uncertainty, we need strategies to thrive in it. And if, as I believe, we are directionally on the right growth path, then we need new products to capitalize on the opportunities which would emerge therefrom. Towards this goal, we have expanded the IIML businesses to include debt funds as well as integrated investment banking led private equity transactions focused on opportunities arising from stressed assets. This expansion allows your Company to enter new areas of business created by external circumstances such interest rates, the longer economic down cycle etc. This expanded canvass will be spearheaded by Mr. R C Bawa, who has taken charge as the Managing Director. He has had a long and illustrious career as part of the IL&FS's financial services group. I am sure that under his guidance, your Company would be well placed to implement the desired strategies. As a result, FY2016 will see a spate of fund raising activities in all verticals including infrastructure, real estate as well as debt funds

A few of these strategies, as I am sure Mr. Bawa and Dr. Hingorani would talk about in this Report, are already in the works. When implemented, these new forays will enable us to strengthen our leadership role in the Private Equity industry

With Regards,

Mr. S M Datta Chairman

June 19, 2015





R C Bawa Managing Director

FROM THE OFFICE OF THE MANAGING DIRECTOR

...substantial amount of work has been done by the team to get us to this juncture, and that more importantly, there are a lot of avenues which the team has the potential to explore ??



It gives me great pleasure to be writing to you for the first time. Your Company is truly unique in the Private Equity Fund Management space. It has been at the forefront of the Private Equity in India over the last two decades, and it is indeed exciting to be part of this venture

Over the last couple of months, I have interacted with a cross section of your Company's stakeholders. An important constituent are the offshore fund investors and onshore banks and institutions. The India story seems to be back at the center of investor's mind space and there is a palpable sense of anticipation and willingness amongst these investors to be part of the interesting times which lie ahead. India is at a sweet spot of strong leadership, improving governance, strengthening fiscal indicators, and an environment of softer interest rates which drives up business confidence and would be key to re-igniting the capital expenditure and consumption cycle

As a natural outcome, we are witnessing an improved Private Equity environment. Private Equity Funds allocated to the Emerging Asia region grew by 8% in CY2014, in contrast to the overall global numbers which fell 9%. In India, funds raised in CY2014 were 1.7 times that raised in CY2013. On the investment front, deals increased by 28% to \$15.2 billion - inching closer to 2007 peak levels of \$17.1 billion. Against this backdrop, we expect that our constant focus on engaging fund investors with new fund products and investment formats will bear fruit

The other important constituent of our stakeholders are your Company's employees. I believe that substantial amount of work has been done by the team to get us to this juncture, and that more importantly, there are a lot of avenues which the team has the potential to explore. For instance, infrastructure is eminently amenable to a stable yield play. Infrastructure debt funds are key to extracting yields and have a significant potential to re-finance debt of operating infrastructure projects. IL&FS has been a pioneer in



establishing such funds – it raised India's first infrastructure debt fund in February 2013. Since then, it has, in partnership with Life Insurance Corporation of India, already raised two such debt fund schemes, with aggregate commitments of US\$ 220 million. These closed ended schemes, with maturities of 5 to 12 years, have received highest rating of "AAA idf-mf" from India Ratings. Contributors to these schemes are marquee Indian banks and institutions

I believe that there is immense potential for such debt funds, and that we have in-house capability to mine this opportunity. Hence, with view to exploit synergies and build shareholder value, we have decided to integrate the infrastructure debt fund practice with IIML's private equity business. This coupled with new initiatives like focusing on the investment banking led private equity transactions would lead to significant value creation over the medium term

Lastly, the most important stakeholder is you, our shareholders, and I would like to thank all of you for being part

of IIML's journey. Tremendous shareholder value has been created over the last decade. The last couple of years have however been challenging; your firm faith in the Company, despite the headwinds which we have faced, is a source of motivation for us to reach new heights. I believe we are now standing at a point from where we enter into our next round of growth, which would be, as before, if not more, a rewarding experience for all of your Company's stakeholders

With Regards,

R C Bawa Managing Director

June 21, 2015



Dr. Archana HingoraniChief Executive Officer & Executive Director

NOTES FROM THE CHIEF EXECUTIVE

...the last couple of years have also been fruitful in terms of our ability to showcase successful divestments. This facet is as important for your Company as is raising new funds, as both aspects feed off each other.

FY2013

₹5.4bn

FY2014

₹9.7bn

FY2015

₹11.7bn

Increasing Yearly Realisation from Liquidity Events





Dear Shareholders,

Over the last couple of years, the investment community has had a guarded, more circumspect view on global and local issues that impinge on the private equity environment. In my previous communication in last year's Annual Report, I had talked about a challenging environment, and the need to protect and preserve value. This year, I write to you with the greater sense of conviction on the path that lies before us. This assurance comes from the positive newsflow on the economic front, backed by what we are hearing from offshore private equity fund contributors. And while the gap between conviction and certainty will have setbacks and delays, I believe time has now come to graduate from preserving value to enhancing it

An early, small albeit significant indicator for the change in perception has been the First Close of our fourth generation Private Equity Fund. The Fund had been on the road for fund raising for a considerable time; the winds on change blowing from New Delhi played an important part in getting us to a stage where we now have deployable funds and are active in the market, looking at fresh opportunities

Bolstered by this success, we have now put together a fund product for the infrastructure space and are working full steam on two alternate real estate and infrastructure focused funds on the listed platform. Cognizant of the bias of offshore investors towards higher cashflow predictability, the investment thesis for these new products would encompass stable, operating assets in addition to our traditional focus on growth investments. The fund structures would accordingly be formulated to ensure efficient yield extraction. We will mine our existing relationships as also work with strategic placement agents / gatekeepers in various target geographies to reduce the fund raise timelines

In addition to our existing fund verticals, we have also initiated work on broadening our fund offerings. We have a clear and present advantage in the infrastructure space on the back of our parentage as also on account of our investment experience across three dedicated prior vintage infrastructure funds, one of which has been fully divested, and the other which we expect to fully divest from during the current fiscal. Leveraging on this, we are now integrating the infrastructure debt fund business into IIML's operations. Upon this enhancement, we will have the capability to service the entire spectrum of private infrastructure, an area which is both huge and which holds promise for significant growth. It is in this context that we are privileged to have Mr. Bawa to guide us through this new stage of your Company's growth. Needless to add, integration of the debt fund business within IIML will aid in driving your Company's financials

In parallel, we are also putting together a portfolio of assets, investment into which calls for significantly higher level of capital commitment. We will leverage our investor base to put together a consortium which invest into these pre-identified assets. These investment banking led private equity transactions will aid in smoothening our revenue curve, which till now has been contingent upon fund closings. Fund closings are dependent on multiple factors and typically do not occur within a financial year. This limitation gets addressed by focusing on strategies which have a shorter time to market

Looking back, while times had been challenging, the last couple of years have also been fruitful in terms of our ability to showcase successful divestments. This facet is as important for your Company as is raising new funds, as both aspects feed off each other. This year we generated reverse cashflows of ₹11.7 billion. Comparable figures from the previous two years have been ₹9.7 billion and ₹5.4 billion respectively. Credit for this remarkable performance goes entirely to the team of fund managers, who relentlessly pursued every strategy in the book to ensure timely and value accretive exits. Some divestments completed during the fiscal are presented in the next section of the Annual Report. These are but a sampler to the effort which has gone into the 24 divestments which we undertook during FY2015

The coming year is full of expectations; we hope it offers us opportunities to enhance the value of our portfolio, to establish successful connects with our investors, and to rollout our new initiatives; all means to the end for what we strive to achieve viz. a consistent growth in stakeholder's value

With Regards,

Dr. Archana HingoraniChief Executive Officer & Executive Director

June 23, 2015

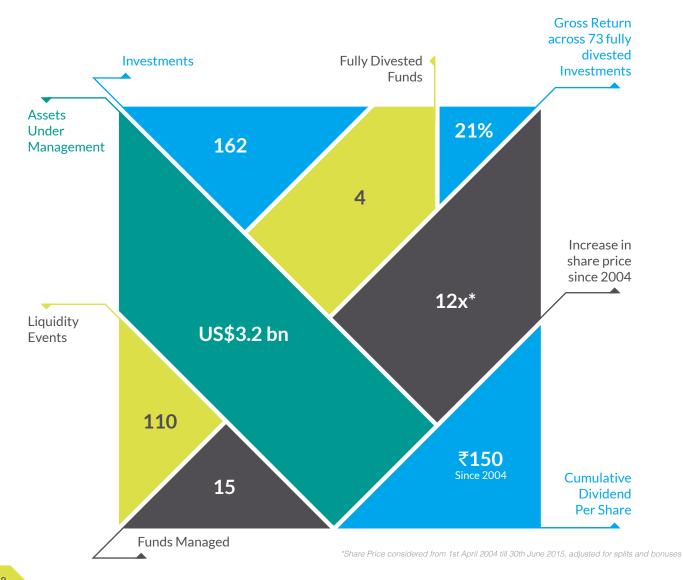
FINANCIAL HIGHLIGHTS

Delivering Performance

(₹mn)

Particulars	FY2011	FY2012	FY2013	FY2014	FY2015
Total Income	2,012	2,247	2,269	2,229	2,087
Total Expenses	1,107	1,294	1,258	1,222	1,122
PBT	905	953	1,011	1,007	965
PAT	690	735	766	725	730
PAT(%)	34	33	34	33	35
EPS *(₹)	2.3	2.4	2.5	2.3	2.3

^{*} Face Value of ₹2 per share. Adjusted for 1:2 Bonus Issuances in FY2013





Value Creation

The path for raising fresh Funds only gets cleared when investments from prior Funds are divested in a timely and profitable manner. Key to driving this is creating multiple exit options and working alongside management teams of investee companies to create value. An overview of a few divestments, out of the 24 divestments undertaken during FY2015, illustrate our approach to building value for our stakeholders

Maharashtra Natural Gas Limited

Maharashtra Natural Gas Limited (MNGL) was incorporated by two large public sector undertakings – GAIL India Limited, India's largest gas transmission company and Bharat Petroleum Corporation Limited (BPCL), a Fortune 500 Company operating in the oil refining and petroleum product distribution space, to establish a City Gas Distribution (CGD) network in the city of Pune. A CGD network entails establishment of a gas distribution network in cities for supply of Compressed Natural Gas (CNG) as fuel for vehicles and Piped Natural Gas (PNG) as fuel for domestic, commercial and industrial usage

IL&FS Investment Managers Limited (IIML) had, through one of its earlier funds, participated in the formation of the similar city gas distribution company - Indraprastha Gas Limited (IGL). IGL, was one of the first CGD companies in India operating in the city of Delhi. IIML's investment in IGL generated a return of 65% p.a. and a cash multiple of 6.9x for its Fund. The divestment from this investment was completed in 2005

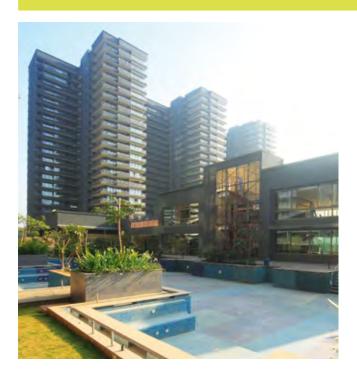
The key role played by IIML in giving direction to the success of IGL resulted in it being invited to participate in the equity of Central UP Gas Limited (CUGL) in 2006 and then in the equity of Maharashtra Natural Gas Limited in 2009. Investment in the CUGL generated a 2.6x cash multiple for IIML, with the divestment completed in 2013

IIML's investment into MNGL was at its inception stage. Today, on the back of IIML's guidance and the support of the Sponsors, MNGL operates a 370 kilometre network of gas pipelines servicing over 75,000 vehicles, catering to over 130 commercial and industrial customers and ~14,500 households

IIML recently successfully divested by MNGL, generating a return of 27% p.a. and a cash multiple of 4.1x for its Fund investors



Wadhwa Group - 'The Address'



'The Address', is one of the premium residential projects in the Eastern suburbs of Mumbai, developed by the Wadhwa Group. The project entailed development of 18 acres, comprising of 1,400 apartments in 12 high-rise towers

In November 2011, IIML invested INR 3,000 mn in the Project at its inception stage. The funds were deployed to finance construction and various project outlays

IIML played a key role in giving direction to the development by way of inputs on product mix, financing matters, and issues relating to project management and marketing. The Project has become one of the most sought after destination for home buyers in Central Suburbs of Mumbai

In May 2015, IIML successfully divested from *The Address*, generating overall return of 21% p.a., and a cash multiple of 1.6x for its Fund investors

SFO Technologies Limited



Incorporated in 1991, SFO Technologies Limited was promoted by technocrats as an end to end electronic solutions provider offering concept-to-design engineering, contract manufacturing, testing, software solutions and product services to leading Original Equipment Manufacturers worldwide. Over time, SFO moved up the value chain, leveraging its design and software capabilities

SFO has manufacturing, design and software solutions facilities in Kerala and product assembling facilities including plastic moulding, sheet metal fabrication and testing and assembly units at Bangalore

IIML invested into SFO in 2011 and played a key role in providing strategic inputs. On the back of IIML's guidance, the Company focussed its management teams on specific verticals, which helped the Company expand its client base and cross sell products. Further, IIML was able to engineer sale of the Company's software division to a strategic investor

As an outcome of the strategic sale, IIML successfully divested its stake in SFO, generating a return of 14.5% p.a. and a cash multiple of 1.6x for its Fund investors



CONTENTS

Directors' Report	14
Annexures to the Directors' Report	23
Management Discussion and Analysis	41
Corporate Governance Report	44
STANDALONE FINANCIALS	
Auditors' Report	58
Balance Sheet	62
Statement of Profit and Loss	63
Cash Flow Statement	64
Notes Forming Part of Financial Statements	66
FORM AOC - 1	94
[Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]	
CONSOLIDATED FINANCIALS	
Auditors' Report	97
Balance Sheet	102
Statement of Profit and Loss	103
Cash Flow Statement	104
Notes Forming Part of Financial Statements	106
NOTICE	137
PROXY FORM	147

TO THE MEMBERS OF

IL&FS INVESTMENT MANAGERS LIMITED

Your Directors have pleasure in presenting for your consideration and approval the Twenty Ninth Annual Report with the Audited Financials of the Company for the year ended March 31, 2015

FINANCIAL ACHIEVEMENTS AND DIVIDEND

	For the year ended			
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(₹ mn)	(₹ mn)	(₹ mn)	(₹ mn)
	Standalone	Standalone	Consolidated	Consolidated
Total Income	1154.63	1211.15	2086.80	2228.82
Profit before Taxation	761.68	763.56	965.07	1007.44
Provision for Taxation	202.76	225.94	234.14	278.81
Net Profit after Taxation	558.92	537.62	730.26 *	724.87 *
Profit available for appropriation (inclusive of balance carried forward from the previous year)	718.69	669.90	2681.15	2490.02
Appropriations :				
General Reserve	57.00	55.00	57.00	66.45
Dividend (inclusive of dividend tax)	448.90	454.84	464.23	474.37

^{*} after Minority Interest

The Company proposes to transfer an amount of ₹ 57,000,000/- to the General Reserve

DIVIDEND

During the year, your Company achieved a Net Profit after tax of ₹ 558.92 mn. Your Directors recommend a Dividend of ₹ 1.30 per share of the Face Value of ₹ 2/- each. The total amount of Dividend is ₹ 448.90 mn (inclusive of dividend tax of ₹ 40.66 mn)

REVIEW OF OPERATIONS

During the year, the pace of economic growth has been divergent. The advanced economies, especially the US, posted relatively stronger levels of growth. The emerging economies, on the other hand faced multiple challenges. Going forward, while the global growth expectation of 3.5% for CY2015, as estimated by the International Monetary Fund, is fairly robust, this expectation is contingent on multiple factors and may face downside risks - renewed economic turmoil in Europe, a Fed tightening cycle that unfolds sooner and more aggressively than expected, and the emergence of new geo-political fault lines

In India, business confidence is on the upswing as a result of a combination of factors - a stable Government at the Centre; falling global commodity prices, which has contributed to a significant inflation moderation; and positive policy announcements which are expected to reignite investment interest. The reversal of the interest rate cycle, the measures to boost liquidity, the Government's focus on deficit control -these measures would contribute significantly to a stronger growth during FY2016

As with the global economy, the Private Equity (PE) industry has also been witness to a combination of challenges and positive outcomes. On one hand, global PE funds raised have dropped 9% during CY2014, compared to last year. In contrast, fund raising in Emerging Asia grew 8% year on year. In India as well, funds raised in CY2014 were 1.7 times that raised in CY2013

14 — Annual Report 2015

Directors' Report

Encouragingly, the positive outcomes for India PE are beginning to play out. PE investments have picked up during the last year. Direct deals being done by large institutional and sovereign wealth funds in the e-commerce space have been a contributor to this growth. Venture investing, focus on the technology space, has also picked pace

With regard to new Fund raisings, institutional investors are now more amenable to invest into India. However, this next round of fund raisings would be more selective, the diligence process more extensive. Institutional investors are also looking at a greater say in decision making. They are also willing to be more flexible – being open to Fund managers taking controlling stakes in underlying assets, especially in the infrastructure and real estate space. These sectors had till recently been shunned by investors; there is however now a palpable increase in interest levels. Interest is also getting rekindled in sectors which have lower regulatory issues – healthcare, logistics, consumer services, financial intermediation, to name a few

In such an environment, the key focus would be to re-engage investors with new fund/ investing formats, which tie into their investment objectives and transformed thought process. In this regard, the Company has continued to exert significant efforts and commit substantial resources towards investor outreach. A positive outcome has been the First Close of the Company's 4th generation general purpose Private Equity Fund. The Fund has raised a modest US\$ 40 mn, and the Company expects to ramp this up to US\$ 100 mn during the coming financial year. More importantly, the Company has initiated work on a classic infrastructure Fund and two alternate real estate and infrastructure focused funds on the listed platform

A critical ingredient for success in new fund raise is the Company's divestment track record. In this regard, the Company has built upon its last year's success. The Company undertook 24 divestments, and coupled with yield/dividend income generated, provided reverse cash flows of ₹ 11.7 billion during FY2015, compared to the ₹ 9.7 billion cash flows generated during FY2014

With a steady divestment pattern, the fee earning Assets under Management (AUM) of the Company has been declining. Lower profitability from this count has been offset by a focus on generating other fee based income, as also by way of cost rationalisation. On a consolidated basis, the Total Income for the Financial Year 2014-2015 was ₹ 2,086.80 mn and the Total Expenses for the year were ₹ 1,121.73 mn and the resultant Profit after Tax on a consolidated basis for the Financial Year 2014-2015 was ₹ 730.26 mn (after minority interest)

On a standalone basis, the Total Income of the Company for the Financial Year 2014-2015 was ₹ 1,154.63 mn and the Total Expenses for the year were ₹ 392.95 mn and the resultant Profit after Tax for the Financial Year 2014-2015 was ₹ 558.92 mn

SUBSIDIARIES AND JOINT VENTURES

Your Company has three Domestic Subsidiaries viz. IL&FS Asian Infrastructure Managers Limited, IL&FS Urban Infrastructure Managers Limited and IIML Asset Advisors Limited and three Offshore Subsidiaries viz. IL&FS Investment Advisors LLC, Mauritius, IIML 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 Clause 32 of the Listing Agreement, the consolidated financial statements of the Company with its Subsidiaries forms part of the Annual Report

The copies of the Audited Annual Accounts of the Company's Subsidiaries and other related documents can also be sought by any member 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 member at the Company's and/or the concerned Subsidiary's Registered Office

A separate statement pursuant to Section 129(3) of the Companies Act, 2013 read with 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 Standalone Financial Statements

Performance and Financial position of the Subsidiaries and 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, has 4 balance investments on its books, which are in various stages of being divested. IAIML is playing an active role in managing, monitoring and crafting exit from these balance investments

The Total Income for Financial Year 2014-2015 was ₹ 12.50 mn inclusive of Income from Investments and Other Income of ₹ 4.30 mn. The Total Expenses of IAIML for the year were ₹ 11.13 mn and the resultant Profit after Tax for the year was ₹ 1.37 mn

IL&FS Urban Infrastructure Managers Limited :

IL&FS Urban Infrastructure Managers Limited [IUIML] functions as the Asset Manager for the Pooled Municipal Debt Obligations (PMDO) Facility. The objective of the PMDO Facility is to provide long tenure term loans to meet the debt requirements of urban infrastructure projects across cities in India The corpus of the PMDO Facility stands at ₹ 50 bn. The Company's role as an Asset Manager is to identify and appraise the eligible projects and obtain sanctions of the lenders and thereafter assist the lenders to disburse, monitor and administer the loan assets until entire repayment of the loan. By March 31, 2015, projects for term loans of ₹ 30.83 bn have been sanctioned from the PMDO facility and the assets under management were at ₹ 17.33 bn

The Total Income for the Financial Year 2014-2015 was ₹ 152.37 mn inclusive of Income from Investments and Other Income of ₹ 8.09 mn. The Total Expenses of IUIML for the year were ₹ 120.74 mn and the resultant Profit after Tax for the year was ₹ 22.81 mn

IIML Asset Advisors Limited:

IIML Asset Advisors Limited [IAAL] is in the business of providing advice on investments, finance, management and consultancy and acts as the India Advisor to IL&FS Investment Advisors LLC for two funds

The Total Income of IAAL for the Financial Year 2014-2015 was ₹ 101.39 mn. The Total Expenses of IAAL for the year were ₹ 70.28 mn and the resultant Profit after Tax for the year was ₹ 22.82 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, Tara India Fund IV LLC, K2 Property Limited and Saffron India Real Estate Fund

The Total Income of IIAL for the Financial Year 2014-2015 was US\$ 24.03 mn. The Total Expenses of IIAL for the year was US\$ 19.97 mn and the resultant Profit after Tax for the year was US\$ 3.84 mn

IIML Advisors LLC:

IIML Advisors LLC [IAL] has been set up for managing certain niche funds from Mauritius

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 the Financial Year 2014-2015 was US\$ 0.51 mn. The Total Expenses of IFMPL for the year was US\$ 0.52 mn and the resultant Loss after Tax for the year was US\$ 0.01 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 Fund). The Fund, having a corpus of US\$ 658 mn, currently has 6 balance investments on its books. The Manager is playing an active role in managing and monitoring these investments

The Total Income of SCIMPL for the Financial Year 2014-2015 was US\$ 3.22 mn. The Total Expenses of SCIMPL for the year was US\$ 2.97 mn and the resultant Profit after Tax for the year was US\$ 0.26 mn

16 — Annual Report 2015 -

Directors' Report

IL&FS Milestone Realty Advisors Private Limited:

IL&FS Milestone Realty Advisors Private Limited [IMRAPL], is a joint venture company established with the objective of raising funds that would invest in income yielding assets. Since inception, the JV raised three funds that are currently under exit/asset management mode

The Total Income of IMRAPL for the Financial Year 2014-2015 was ₹ 92.07 mn. The Total Expenses of IMRAPL for the year were ₹ 79.22 mn and the resultant Profit after Tax for the year was ₹ 9.16 mn

FUTURE OUTLOOK

India is today at the cusp of a strong growth revival. Lower commodity prices, especially oil and coal, are assisting in fiscal deficit control and in taming the inflation. The resultant reversal in the interest rate cycle is bound to spur investment. The Reserve Bank of India has already reduced rates by 50 basis points, and the market expects further reductions over the course of the year. The Government's focus on increasing ease of business, on 'Make in India', on removing hurdles facing the infrastructure sector, its stance on expeditiously undertaking the coal mine auctions in a transparent manner etc. is also a key contributor to the marked improvement in business confidence. In response, the rating outlook of India has improved, with Moody's upgrading the investment outlook to 'positive'

The positive news flow works to the Company's advantage, both in terms of divestments, and for raising fresh funds. The Company therefore expects that the divestments will keep pace during FY2016. The Company will work towards mitigating the resultant impact on the AUM by focusing on new fund raises and other fee based income steams arising from its asset management mandates

Key to maintaining and increasing profitability levels on a long term basis is raising of fresh funds. Towards this end, a core infrastructure fund and two listed funds are planned. Parallelly, the Company is also exploring a transaction-wise investment/management strategy wherein the Company will leverage its investor base, bring together like minded investors, and invest into pre-identified assets

The Company's past track record in investing and the general improvement in macroeconomic conditions places us in a strong position. Thus while fund raise timelines may be less predictable, the eventual outcomes are expected to be positive

DIRECTORS

Mr Ramesh Bawa, Non-Executive Director of the company was appointed as the Managing Director and Mr Milind Patel as an Additional Director of the Company at the meeting of the Board of Directors held on May 5, 2015. On even date Mr Siddharth Mehta, Non-Executive Independent Director of the Company vacated the office of Director persuant to the provisions of Section 167(1)(b) of the Companies Act, 2013 and Mr Shahzaad Dalal ceased to be the Vice Chairman of the Company. Mr Shahzaad Dalal continues as a Non-Executive Director of the Company

Mr Ravi Parthasarathy and Mr Arun Saha shall retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment

BOARD INDEPENDENCE

The Company has received Declarations of Independence pursuant to Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 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, 2015. The meetings were held during the year on May 5, 2014, August 7, 2014, November 5, 2014 and January 29, 2015. The details of the Board Committee Meetings 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 above are provided in the Corporate Governance Report

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the Board. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- (b) that such accounting policies as mentioned is Note1 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 the March 31, 2015 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 systems to ensure compliance with the provisions of all applicable laws were in place and 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 however remote 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. Accordingly, there are no contracts or arrangements with related parties to be disclosed in Form AOC-2 pursuant to Clause (h) of Sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

18 — Annual Report 2015 — Annual Report 2015 —

Directors' Report

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 on the link http://www.iimlindia.com/Policies.aspx

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes No. 8,10,11 & 14 of the Standalone Financial Statements

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Company has designated Dr Archana Hingorani, Executive Director & 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

Your Directors wish to place on record their appreciation for the services rendered by the employees of the Company at all levels

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, 2015

In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars, pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which is available for inspection by the members at the Registered Office of the Company during business hours on all working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the said information may write to the Company Secretary at the Registered Office of the Company The particulars of employees pursuant to Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, is annexed as Annexure 1

DETAILS OF EMPLOYEE STOCK OPTION PLANS

The detailed disclosures as per SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 of the ESOP Schemes of the Company are given in Annexure 2 to the Directors' Report

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

EMPLOYEES WELFARE TRUST

The Employees Welfare Trust (EWT) of the Company holds shares for benefit of all its employees and does not hold shares for the benefit of individual employees. Further, the EWT currently has not lent any amount to the employees of the Company for acquiring shares of the Company. The EWT does not exercise voting rights in respect of shares held for the benefit of specific employees

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 ("Act"). 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 to redress the complaints received under this policy. During the year, no complaints were received by the Company

STATUTORY AUDITORS

The Statutory Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, Registration Number 117366W/W-100018 were appointed at the last Annual General Meeting held on August 7, 2014, for a period of three years subject to annual ratification of the same by the members

Accordingly, the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company, is proposed for annual ratification by the members at the ensuing Annual General Meeting

SECRETARIAL AUDIT

The Company has appointed M/s Mehta & Mehta, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Secretarial Audit Report is annexed herewith as Annexure 3

QUALIFICATIONS IN THE AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s Deloitte Haskins & Sells LLP, Statutory Auditors, in their 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

During the year your Company also allotted 4,40,625 Equity Shares of ₹ 2/- each on the exercise of Options issued under the Employee Stock Option Plan 2006

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance along with the Management Discussion and Analysis and 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 goal of ensuring that 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 society, devise transparent monitoring mechanisms and ensure whole hearted commitment to get the desired results

20 Annual Report 2015

Directors' Report

The Company will undertake specific CSR projects that are in conformity with the 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 shall undertake CSR activities in Mumbai and also across the country

In addition to the NGOs the Company currently supports, it shall engage with Nalanda Foundation a Charitable Trust, established by Infrastructure Leasing & Financial Services Limited (IL&FS) for its group CSR activities. The Annual Plan for CSR shall be approved at the start of each financial year. Periodic reviews and/or modifications to the projects and allocations will be approved by the CSR Committee. Post approval of the Board and the Committee all actual expenditures for a specific project shall be approved by the Chief Executive Officer

The Company's CSR Intervention shall be in the areas of Promoting Education, Vocational skill development, and Livelihood enhancement

The CSR policy is posted on 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. In addition to its existing CSR initiatives, with the advent of Companies Act, 2013 it was thought prudent to channelise the Company's CSR effort along with the IL&FS Group's CSR initiatives in order to make a more significant impact. Given the first year of a much larger CSR initiative, the team had to spend considerable amount of time to formalise the process, identify the focus areas, the projects, desired outcomes, put in a place a comprehensive monitoring and reporting framework etc. This resulted in a delay in the implementation of the initiatives and hence the Company could not expend the desired amounts. However, given that the framework has now been put in place the Company is of the view that going forward, the Company will be in a position to expend the amounts as envisaged in the Companies Act, 2013

The Composition of the CSR Committee is given in the Corporate Governance Report

The Annual Report on the CSR activities is annexed herewith as Annexure 4

WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blowers Policy for employees to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct

The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company

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 Item Nos. 21(c) and 21(d) of the Notes to Accounts

EXTRACT OF THE ANNUAL RETURN

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

Directors' Report

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts 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 5, 2015

22 — Annual Report 2015 -

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.	Remuneration		Disclosure			
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	10.93x				
2	The percentage increase in remuneration of each director,	CEO & Executive Director -15				
	CFO, CEO, CS in the financial year		CFO	-4%		
		CS		-7%		
3	The percentage increase in the median remuneration of employees in the financial year		3%			
4	The number of permanent employees on the rolls of the Company		52			
5	The explanation on the relationship between average increase in remuneration and Company performance	In view of the relative average increase in rer				
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	7.14% of NPBT in FY in FY 2013 - 14	7.14% of NPBT in FY 2014 - 15 as compared to 7.56% of NPBT in FY 2013 - 14			
7	(a) Variations in the market capitalization of the Company as on March 31, 2014 and as on March 31, 2015	Market Capitalisation of the Company has increased fr ₹ 3,857,183,015 as of March 31, 2014 to ₹ 5,841,008,964/- as March 31, 2015 and the variation is 1.5x				
	(b) Price earnings ratio as at the closing date of the current FY and previous FY	Price to earnings ratio 31,2014 to March 31, 2	2015			
		Source: National Stock Exchange being the Exchange with the maximum volumes as on March 31, 2014 and March 31, 2015				
	(c) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:	than 20 years ago				
8	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	Executive Director		-8%		
	in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;			-15%		
9	Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company		% to Total Profit for Managerial remuneration purpose FY 14-15	% to Total Profit for Managerial remuneration purpose FY 13-14		
		CEO & Executive Director	3.23%	3.79%		
		CFO	2.41%	2.50%		
		CS	1.17%	1.26%		

Annexure 1 to the Directors' Report

10	The key parameters for any variable component of remuneration availed by the directors	(a) Annual Performance Review based on the Key Result Areas (KRAs)
		(b) Financial performance of the Company
		(c) Key Initiatives taken
		(d) Contribution to the Company's growth
		(e) Recommendation of the Nomination & Remuneration Committee
		(f) Regulatory guidelines as applicable
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
12	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed

Note: Commission paid to Non-Executive Directors is not considered for the purpose of the above disclosure

24 — Annual Report 2015 -

Annexure 2 to Director's Report

DETAILS OF OPTIONS ISSUED UNDER THE EMPLOYEE STOCK OPTION PLANS

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

During the financial year 2014-2015, the Nomination and Remuneration Committee of the Company did not grant any Options under the above schemes

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

ESOP 2003

(1)	Options granted till date	:	13,518,825 Options
(2)	Pricing Formula	:	The Options have been granted as per the market price on the date of the Grant as defined in the SEBI Guidelines
(3)	Options Vested during the year	:	Nil Options
(4)	Options exercised during the year	:	Nil Options
(5)	Total number of shares arising as a result of exercise of Options	:	Not Applicable
(6)	Options lapsed during the year	:	Nil Options
(7)	Variation of terms of Options during the year	:	No variations during the year
(8)	Money realised by exercise of Options during the year	:	Not Applicable
(9)	Options vested but yet to be exercised	:	Nil Options
(10)	Options available for Grant in future	:	37,815 Options
(11)	Options granted during the Financial Year	:	Nil Options
(12)	Options granted to Senior Managerial Personnel and employees who received Options amounting to and in excess of 5% of the Options granted under ESOP 2003 during the financial year ended March 31, 2015	:	Nil Options

ESOP 2004

(1)	Options granted till date	:	25,312,500 Options
(2)	Pricing Formula	:	Market price on the date of the Grant as defined in the SEBI Guidelines or such other lower price as per the terms of the scheme
(3)	Options Vested during the year	:	Nil Options
(4)	Options exercised during the year	:	Nil Options
(5)	Total number of shares arising as a result of exercise of Options	:	Not Applicable
(6)	Options lapsed during the year	:	Nil Options
(7)	Variation of terms of Options	:	No variations during the year
(8)	Money realised by exercise of Options during the year	:	Not Applicable
(9)	Options vested but yet to be exercised	:	Nil Options
(10)	Options available for Grant in future	:	130,928 Options
(11)	Options Granted during the Financial Year	:	Nil Options

Annexure 2 to the Directors' Report

(12)	Options granted to Senior Managerial Personnel and employees who received Options amounting to and in excess of 5% of the Options granted under ESOP 2004 during the financial year ended March 31, 2015	:	Nil Options
------	--	---	-------------

ESOP 2006

(1)	Options granted till date	:	25,031,250 Options
(2)	Pricing Formula	:	The Options have been granted as per the market price on the date of the Grant as defined in the SEBI Guidelines
(3)	Options Vested during the year	:	Nil Options
(4)	Options exercised during the year	:	440,625 Options
(5)	Total number of shares arising as a result of exercise of Options	:	440,625 Shares
(6)	Options lapsed during the year	:	Nil Options
(7)	Variation of terms of Options	:	No variations during the year
(8)	Money realised by exercise of Options during the year	:	₹ 5,640,000
(9)	Options vested but yet to be exercised	:	Nil Options
(10)	Options available for Grant in future	:	1,935,000 Options
(11)	Options Granted during the Financial Year	:	Nil Options
(12)	Options granted to Senior Managerial Personnel and employees who received Options amounting to and in excess of 5% of the Options granted under ESOP 2006 during the financial year ended March 31, 2015	:	Nil Options

All the Options granted till date under ESOP 2003, ESOP 2004 & ESOP 2006 have either vested or lapsed on or before March 31, 2015 and accordingly there is no employee compensation cost for the year ended March 31, 2015

The Diluted Earnings Per Share pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard 20 is ₹ 1.78 The Company calculates the employee compensation cost using the Intrinsic Value of the Options. In the event the Company had used the Fair Value of Options for calculating the employee compensation cost the difference between the employee compensation cost so computed and the employee compensation cost arising out of the Intrinsic Value method would have been Nil and would have no effect on the Profit before Tax of the Company and the Basic and Diluted Earnings Per Share would have remained unchanged. This is as a result of vesting of all Options granted in the previous financial years

The Company has not granted any Options under ESOP 2003, ESOP 2004 and ESOP 2006 during the year and hence the Weighted Average Exercise Price and the Weighted Average Fair Value of the Options granted during the year in case of ESOP 2003, ESOP 2004 and ESOP 2006 is Nil

26 — Annual Report 2015 -

AUDITOR'S CERTIFICATE

Introduction

We have reviewed the Employee Stock Option Plan 2003, Employee Stock Option Plan 2004 and Employee Stock Option Plan 2006 ("the plans") and the related records of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Company") for the year ended March 31, 2015 for compliance in connection with the issuance of the stock options under the plans.

Management's Responsibility for the Compliance

The Company's Management is responsible for implementation of the plans in accordance with and ensuring compliance to the erstwhile "Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999" as replaced by "Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" ('guidelines'). This includes collecting, collating and validating data and the design, implementation and maintenance of internal controls relevant to preparation of financial statements compliant with the guidelines that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express our conclusion based on our limited assurance procedures. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purpose issued by the Institute of Chartered Accountants of India, which include the concepts of test checks and materiality. The Guidance note and auditing standards require us to obtain reasonable assurance based on verification, on a test check basis, that the Company has complied with the guidelines.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria

The criteria against which the information was evaluated are the books, the plans and other records maintained by the Company to review the compliance with the erstwhile "Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999" as replaced by "Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" and relevant information and explanations produced before us.

Conclusion

Based on our limited assurance procedures and according to the information, explanations and representations provided to us by the Management, we certify that the plans have been implemented in accordance with the erstwhile "Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999" as replaced by "Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" and in accordance with the resolutions of the Company in the general meetings held on July 26, 2003, March 19, 2004 and May 3, 2006.

Restriction on Distribution

This certificate is intended solely for the use of the Management of the Company for placing before the shareholders at the ensuing Annual General Meeting of the Company, for compliance with Clause 14 of the erstwhile "Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999" as replaced by Clause 13 of "Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014", and is not to be used for any other purpose or to be distributed to any other parties. This certificate relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta Partner (Membership No. 48791)

Mumbai, May 05, 2015

Annexure 3 to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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

Tο

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 officer, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- 1. The Companies Act, 2013 ("the Act") and the Rules made under that Act;
- 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder;
- 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- 5. 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, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (it is not applicable to the Company, during the year);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (it is not applicable to the Company during the year);
 - 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;

28 Annual Report 2015

Annexure 3 to the Directors' Report

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (it is not applicable to the Company during the year); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (it is not applicable to the Company during the year);
- 6. Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- 7. Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- 8. Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (it is not applicable to the Company during the period under review);
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

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 for meaningful participation at the meeting.

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

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 there was no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For Mehta & Mehta

Company Secretaries (ICSI Unique Code P1996MH007500)

Dipti Mehta Partner FCS No : 3667 CP No : 3202

Place : Mumbai Date : May 5, 2015

Annexure 3 to the Directors' Report

Annexure A

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

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 and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta

Company Secretaries (ICSI Unique Code P1996MH007500)

Dipti Mehta Partner FCS No : 3667 CP No : 3202

Place : Mumbai Date : May 5, 2015

30 — Annual Report 2015

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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 to the CSR Policy and projects or programmes:

Kindly refer the Corporate Social Responsibility policy section of Directors' report and the Company's website http://iimlindia.com/Policies.aspx

Composition of CSR Committee

The Company has a CSR Committee of Directors comprising of S M Datta, Chairman of the Committee, Mr Bansi Mehta and Mr Arun Saha

₹ 671,294,946/-Average Net Profit of the Company for last three financial years: ₹ 13,425,899/-Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (FY 2012-2014):

Details of CSR spend during the financial year:

Total amount to be spent for the financial year: (a)

₹ 4,413,020/-₹ 9,012,879/-

Amount unspent, if any:

(q)

Manner in which the amount spent during the financial year is detailed below: (0)

_	2	e	4	5	9	7	80
	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 was undertaken	Amount outlay (budget) programs or project wise	Amount outlay Amount spent on the projects or programs. (budget) Sub-heads (1) Direct expenditure on programs or projects or programs (2) Overheads project wise	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
(a)	Booster education to students of Education Municipal schools in Mumbai		Mumbai, Maharashtra	₹ 1,000,000	₹1,000,000	₹ 1,000,000 ₹ 1,000,000 Implementing Agency - Sun	Implementing Agency - Sunbeam
<u> </u>	(b) Works with children of migrant workers on construction sites in Mumbai	Education	Mumbai, Maharashtra	₹ 1,040,000	₹ 1,032,000	₹ 1,032,000	Implementing Agency - Mumbai Mobile Creches
<u> </u>	(c) Works with students attending night schools in Mumbai	Education	Mumbai, Maharashtra	₹ 550,000	₹ 418,442	₹ 418,442	Implementing Agency - Masoom
(p)	Women Entrepreneurship Development Programme	Promoting Employment Enhancing Vocational Skills	Panchmahal and Gandhinagar districts, Gujarat	₹ 1,500,000	₹ 974,850	₹ 974,850	Implementing Agency - Nalanda Foundation
(e)	Livelihood/Skill enhancing programme at Ghazipur Centre	Promoting gender equality, empowering women, employment enhancing vocation skills, setting up day care centres, ensuring environmental sustainability	New Delhi	₹ 1,500,000	₹ 417,585	₹417,585	Implementing Agency - Nalanda Foundation

Annexure 4 to the Directors' Report

80	Amount spent direct or through implementing agency	₹ 455,900 Implementing Agency - Nalanda Foundation		
7	Cumulative expenditure upto the reporting period		₹ 114,243	₹ 4,413,020
9	Projects or Programs (1) Local area or other (2) Specify the state or project wise or organisms was undertaken	₹ 455,900		
5	Amount outlay (budget) programs or project wise	₹ 3,000,000	₹ 257,700	₹ 8,847,700
4	Projects or Programs (1) Local area or other (2) Specify the state or district where projects or programs was undertaken	Pan India		
3	Sector in which the project is covered	Promoting Employment Enhancing Vocational Skills		
2	CSR Project/Activity Identified	(f) CSR Skills Scholarship Programme	Overheads	Total
-		(f)	(g)	

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: 9

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

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

For IL&FS Investment Managers Limited

For Corporate Social Responsibility Committee of IL&FS Investment Managers Limited

-/ps

Dr Archana Hingorani

Chief Executive Officer & Executive Director

Chairman of the Corporate Social Responsibility Committee

sd/-S M Datta

Annexure 5 to the Directors' Report

Form No. MGT 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2015

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

I. REGISTRATION & 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
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any	Link Intime India Pvt Limited
		C-13, Pannalal Silk Mills Compound
		L B S Marg, Bhandup (W)
		Mumbai 400 078
		Tel. No. : 2594 6970
		Fax. No. : 2594 6969
		Email ID : rnthelpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.		Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company	
	1.	Fund Management	66309	69.67%	

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	51%	2(87)
3.	IL&FS Urban Infrastructure Managers Limited The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	U67190MH2006PLC162433	Subsidiary	100%	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%	2(87)
5.	IL&FS Investment Advisors LLC IFS Court, TwentyEight, Cybercity, Ebene,Mauritius	60696 C1/GBL	Subsidiary	100%	2(87)
6.	IIML Advisors LLC IFS Court, TwentyEight, Cybercity, Ebene, Mauritius	103275 C1/GBL	Subsidiary	100%	2(87)
7.	IIML Fund Managers (Singapore) Pte. Limited 1 One Marina Boulevard, #28-00, Singapore 018989	201135429E	Subsidiary	100%	2(87)
8.	IL&FS Milestone Realty advisors Private Limited 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (East), Mumbai 400 051	U74140MH2007PTC172569	Associate	40%	2(6)
9.	Standard Chartered IL&FS Management (Singapore) Pte. Limited 168, Robinson Road, #33-01 Capital Tower, Singapore 068912	200709238E	Associate	50%	2(6)

34 — — — Annual Report 2015 —

Annexure 5 to Director's Report

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shar	es held at the	e beginning of the begi	the year	No. of shares held at the end of the year (As on March 31, 2015)				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the yea
A. Promoters									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	
(b) Central Govt	-	-	-	-	-	-	-	-	
(c) State Govt(s)	-	-	-	-	-	-	-	-	
(d) Bodies Corp.	158,333,152	-	158,333,152	50.49	158,333,152	-	158,333,152	50.42	(0.07
(e) Banks/FI	-	-	-	-	-	-	-	-	
(f) Any other	-	-	-	-	-	-	-	-	
Sub-total (A)(1)	158,333,152	-	158,333,152	50.49	158,333,152	-	158,333,152	50.42	(0.07
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	
(b) Other – Individuals	-	-	-	-	-	-	-	-	
(c) Bodies Corp.	-	-	-	-	-	-	-	-	
(d) Banks/FI	-	-	-	-	-	-	-	-	
(e) Any other	-	-	-	-	-	-	-	-	
Sub-total (A)(2)	-	-	-	-	-	-	-	-	
Total share-holding of Promoter (A) = (A)(1) + (A)(2)	158,333,152	-	158,333,152	50.49	158,333,152	-	158,333,152	50.42	(0.07)
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	12,723,345	4,215	12,727,560	4.06	11,375,115	-	11,375,115	3.62	(0.44
(b) Banks/FI	129,015	6,052	135,067	0.04	98,518	6,052	104,570	0.03	(0.01
(c) Central Govt	-	562	562	0.00	-	562	562	0.00	0.00
(d) State Govt(s)	-	-	-	-	-	-	-	-	
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	
(f) Insurance Companies	-	-	-	-	-	-	-	-	
(g) FIIs	2,339,814	-	2,339,814	0.75	754,470	-	754,470	0.24	(0.51)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
(i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1)	15,192,174	10,829	15,203,003	4.85	12,228,103	6,614	12,234,717	3.90	(0.95)
2. Non-Institutions									
(a) Bodies Corp.	15,348,194	166,644	15,514,838	4.95	20,115,980	1,34,582	20,250,562	6.45	1.50
(i) Indian	-	-	-	-	-	-	-	-	
(ii) Overseas	-	-	-	-	-	-	-	-	
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	44,180,143	10,640,057	54,820,200	17.48	48,118,109	10,219,963	58,338,072	18.58	1.10
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	44,114,097	149,347	44,263,444	14.11	42,563,712	-	42,563,712	13.55	(0.56)

Category of Shareholders	No. of Shar	res held at the (As on Marc	e beginning of the begi	the year	No. of shares held at the end of the year (As on March 31, 2015)				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
(c) Others (specify)		·							
» Directors	17,857,656	-	17,857,656	5.69	14,426,011	-	14,426,011	4.59	(1.10)
» NRIs	6,360,935	-	6,360,095	2.03	6,987,524	840	6,988,364	2.22	0.19
» Hindu Undivided Families	234,279	-	234,279	0.07	207,379	-	207,379	0.07	0.00
» Clearing Members	830,923	-	830,923	0.27	538,086	-	538,086	0.17	(0.10)
» Trusts	173,685	-	173,685	0.06	152,685	-	152,685	0.05	(0.01)
Sub-total (B)(2)	129,099,072	10,956,888	140,055,960	44.66	133,109,486	10,355,385	143,464,871	45.68	1.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	144,291,246	10,967,717	155,258,963	49.51	145,337,589	10,361,999	155,699,588	49.58	0.07
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	302,624,398	10,967,717	313,592,115	100	303,670,741	10,361,999	314,032,740	100	0.00

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Ider's Name Shareholding at the beginning of the year (As on March 31, 2014)			Shareholdir (As o	% change in shareholding		
		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	during the year
1	Infrastructure Leasing & Financial Services Limited	158,333,152	50.49	100	158,333,152	50.42	100	(0.07)
2	Total	158,333,152	50.49	100	158,333,152	50.42	100	(0.07)

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

Sr. No.		Shareholding at the beginning of the year (As on March 31, 2014)		Cumulative Shareholding during the y (As on March 31, 2015)		
		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.):	No Changes During the Y	/ear			
3	At the end of the year	No Changes During the	⁄ear			

(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 theyear (As on March 31, 2014)		Shareholding at the end of the year (As on March 31, 2015)	
		No. of shares	% of Total Shares of the	No. of shares	% of Total Shares of the
			Company		Company
1	PPFAS Long Term Value Fund	11,370,900	3.63	11,370,900	3.62
2	C. M. Sen	3,381,000	1.08	3,350,000	1.07
3	Premier Investment Fund Limited	2,285,814	0.73		

36 — — Annual Report 2015

Annexure 5 to Director's Report

Mindset Technologies Pvt. Ltd.	2,209,586	0.70		
Rahul Dinesh Shah	1,735,522	0.55	1,735,522	0.55
Sathe Yashodhan Sadashiv	1,649,340	0.53	1,649,340	0.53
Deepa Valangaiman Sankaran	1,608,091	0.51	1,608,091	0.51
Digvijay Singh Puar	1,518,514	0.48	1,518,514	0.48
Bang Securities Pvt.ltd.	1,419,172	0.45		
Dr Sanjeev Arora	1,409,072	0.45	1,919,912	0.61
Uno Metals Ltd			7,971,000	2.54
Akg Finvest Ltd			2,430,000	0.77
Aniruddha Gopalakrishnan			1,579,825	0.50
	Rahul Dinesh Shah Sathe Yashodhan Sadashiv Deepa Valangaiman Sankaran Digvijay Singh Puar Bang Securities Pvt.ltd. Dr Sanjeev Arora Uno Metals Ltd Akg Finvest Ltd	Rahul Dinesh Shah 1,735,522 Sathe Yashodhan Sadashiv 1,649,340 Deepa Valangaiman Sankaran 1,608,091 Digvijay Singh Puar 1,518,514 Bang Securities Pvt.ltd. 1,419,172 Dr Sanjeev Arora 1,409,072 Uno Metals Ltd Akg Finvest Ltd	Rahul Dinesh Shah 1,735,522 0.55 Sathe Yashodhan Sadashiv 1,649,340 0.53 Deepa Valangaiman Sankaran 1,608,091 0.51 Digvijay Singh Puar 1,518,514 0.48 Bang Securities Pvt.ltd. 1,419,172 0.45 Dr Sanjeev Arora 1,409,072 0.45 Uno Metals Ltd Akg Finvest Ltd	Rahul Dinesh Shah 1,735,522 0.55 1,735,522 Sathe Yashodhan Sadashiv 1,649,340 0.53 1,649,340 Deepa Valangaiman Sankaran 1,608,091 0.51 1,608,091 Digvijay Singh Puar 1,518,514 0.48 1,518,514 Bang Securities Pvt.ltd. 1,419,172 0.45 Dr Sanjeev Arora 1,409,072 0.45 1,919,912 Uno Metals Ltd 7,971,000 Akg Finvest Ltd 2,430,000

^{*} The Shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated

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

Sr. No.	Name of Director / KM P	of	g at the beginning the year March 31, 2014)	Cumulative Shareholding during the year (As on March 31, 2015)		
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company	
1	Mr S M Datta	4,750,000	1.51	4,750,000	1.51	
2	Mr Ravi Parthasarathy	1,350,000	0.43	1,350,000	0.43	
3	Mr Bansi Mehta	3,493,750	1.11	3,493,750	1.11	
4	Mr Jitender Balakrishnan	-	-	-	-	
5	Mr Siddharth Mehta	-	-	-	-	
6	Mr Arun Saha	269,928	0.09	290,000	0.09	
7	Mr Ramesh Bawa	-	-	-	-	
8	Mr Vibhav Kapoor	843,750	0.27	343,750	0.11	
9	Mr Shahzaad Dalal	2,750,309	0.88	2,792	0.00	
10	Dr Archana Hingorani	4,399,919	1.40	4,195,719	1.34	
11	Mr Manoj Borkar	1,213,209	0.39	946,995	0.30	
12	Mr Sanjay Mitra	1,279,114	0.41	913,261	0.29	

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	-	-	-	-

Annexure 5 to the Directors' Report

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)	-	-	-	-

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration for Dr Archana Hingorani	Total Amount (₹)
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	26,615,460
	(b) Value of perquisites U/S 17(2) of the Income-tax Act, 1961	1,865,173
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	» as % of profit	-
	» others, specify	-
5	Others, please specify	-
	Total (A)	28,480,633
	Ceiling as per the Act : ₹ 40,355,776 (being 5% of the Net Profit of the Company calculated as p Act, 2013)	per Section 198 of the Companies

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	I	Name of Directors		Total Amount (₹)	
1	Independent Directors	Mr S M Datta	Mr Bansi	Mr Jitender	Mr Siddharth	
			Mehta	Balakrishnan	Mehta	
	Fee for attending Board and	236,000	200,000	160,000	20,000	616,000
	Committee Meetings					
	Commission	2,000,000	600,000	400,000	400,000	3,400,000
	Others, please specify	-	-	-	-	-
	Total (1)	2,236,000	800,000	560,000	420,000	4,016,000

Annexure 5 to Director's Report

Sr. No.	Particulars of Remuneration		Name of Directors					
	Other Non-Executive	Mr Ravi	Mr Arun K	Mr Vibhav	Mr Ramesh	Mr Shahzaad		
	Directors	Parthasarathy	Saha	Kapoor	Bawa*	Dalal		
	Fee for attending Board and Committee Meetings	60,000	120,000	136,000	40,000	80,000	436,000	
	Commission	900,000	400,000	400,000	400,000	-	2,100,000	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	960,000	520,000	536,000	440,000	80,000	2,536,000	
	Total (B)=(1+2)						6,552,000	
	Total Managerial Remuneration (A+B)						35,032,633	
	Overall Ceiling as per the Act : Companies Act, 2013)	₹ 88,782,702 (bei	ng 11% of the Ne	et Profit of the C	ompany calcula	ted as per Section	on 198 of the	

^{*} Mr Ramesh Bawa has been appointed as the Managing Director of the Company with effect from May 5, 2015

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

Sr. No.	Particulars of Remuneration			
		Company Secretary	CFO	Total (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,714,455	20,170,804	29,885,259
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,624,147	2,615,437	4,239,584
	(c) Profits in lieu of salary under section 17(3) Income-tax	-	-	
	Act, 1961			
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit	-	-	
	- others, specify	-	-	
5	Others, please specify			
	Total	11,338,602	22,786,241	34,124,843

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

The Company has not been subjected to any penalty or punishment or compounding of offences during the FY 2014-15

Туре	Section of the Companies Act	Brief	Details of Penalty/ Punishment/ Compounding fees imposed	Authority	Appeal made,		
		Description		[RD/NCLT/ COURT]	if any (give details)		
A. COMPANY							
Penalty	-	-	-	-	-		
Punishment	-	-	-	-	-		
Compounding	-	-	-	-	-		
B. DIRECTORS	B. DIRECTORS						
Penalty	-	-	-	-	-		
Punishment	-	-	-	-	-		
Compounding	-	-	-	-	-		
C. OTHER OFFICERS IN DEFAULT							
Penalty	-	-	-	-	-		
Punishment	-	-	-	-	-		
Compounding	-	-	-	-	-		

Management Discussion And Analysis

(I) Business Overview

The global economic recovery remained tepid and divergent across economies. Growth has been firming up in the US and while the economic conditions in the Euro Zone remained weak, there was some progress in the second half of FY2015, supported by lower crude prices, Euro depreciation as well as increased bank lending. Japan's growth contracted due to an increase in the consumption tax but the impact is now waning and consumption is expected to increase

On the other hand, most Emerging Markets continue to decelerate due to subdued external demand, political uncertainty and domestic supply side constraints. In China, activity levels have come down as investment led demand lost pace and the real estate sector weakened on deleveraging. The Russian economy slowed sharply due to falling oil prices. Brazil is affected by a drought, tightening of macro-economic policies and weak private sector sentiment. Given the relatively strong performance in the US, it is expected that the US Federal Reserve will increase interest rates this calendar year. The resultant flight of capital will place further challenges on the Emerging Economies

However, notwithstanding the challenges, the International Monetary Fund has estimated global growth rate at 3.5% for CY2015, with 70% of the growth coming from emerging and developing markets. This expectation would be subject to multiple factors/downsides - there is a possibility of renewed economic turmoil in Europe, a Fed tightening cycle that unfolds sooner and more aggressively than expected, and the emergence of a new geo-political fault lines, which can derail the global growth trajectory

During the last year, a positive development for the Emerging Economies has been that inflationary pressures have subsided due to collapse of international commodity prices, especially crude, giving leeway for easing monetary policy. India has been a key beneficiary of the same. India's growth has gained momentum due to a positive election outcome, which placed a stable Government at the Centre, falling global commodity prices, which has contributed to a significant inflation moderation, as also positive policy announcements, which have strengthened business confidence

Per the new GDP series, India's economic growth has accelerated to 7.4% in FY2015. The Services sector, which grew at 10.7% from April to December 2014, has been the main engine. Ingredients for revival of the weakest link - the industrial production, are also falling into place. With inflation under control, the Reserve Bank of India (RBI) has announced two rate cuts, aggregating 50 basis points. More rate cuts are expected. The RBI has also worked towards providing higher liquidity. In addition, fiscal deficit is broadly under control. As a result, financial markets in India rallied in H2 FY2015, with FII's investing US\$ 18 bn during the year

The global Private Equity industry reflected the uncertain economic environment. Private Equity funds raised US\$ 310 bn globally in CY2014, a drop of 9% over last year. In contrast, fund raising in Emerging Asia grew 8% year on year. Private Equity funds investing in India raised US\$ 2.1 bn in CY2014. While an improvement over the previous year, the average fund raising over the last 2 years in India has been 41% lower compared to the 3 year period since 2010. However, investors believe in the long term potential of India and are willing to invest with India focused managers, albeit with more caution, and possibly with more control. As a result, diligence process has become more extensive, and the selection criterion more stringent

The emerging investing paradigm is reflected in the fact that PE investments have picked up during the last year, largely on the back of direct deals being done by large institutional and sovereign wealth funds. Recent bulge bracket deals done in the e-commerce space are a case in point. At the other end of the spectrum, venture capital investing, focused on the technology space, has also picked pace

The investing paradigm in the infrastructure and real estate space is also undergoing a change. Investors, who had shunned these sectors till recently, are re-gaining confidence; there is palpable increase in interest levels for buying into operating, yield bearing assets, in many instances with an appetite to take on controlling stakes. Interest is also getting rekindled in sectors which have lower regulatory issues – healthcare, logistics, consumer services, financial intermediation, to name a few

In such an environment, the key focus for Indian Fund Managers has been to re-engage with investors with new fund/investing formats, which tie into their investment objectives and transformed thought process. A key to this re-engagement would be to showcase the successful harvesting of prior investments and to then return capital to Fund's investors. With the revival of the primary markets, the pace of divestments is expected to accelerate, thereby laying the ground for the next wave of fund raising in India

(II) Analysis of Performance for the year ended March 2015

(1) Business Review:

The period leading up to the formation of the new Government last year had been one full of challenges. Investor perception had hit a nadir. Notwithstanding the investor's averseness in deploying additional capital into India, we continued to exert significant efforts and commit substantial resources towards investor outreach, with a view to have a top of the mind recall as also build new relationships amongst institutional investors

More importantly, this process of investor connect enables us to clearly understand the market drivers and the types of fund products which would meet the investor's requirements. However, more often than not, such initiatives do not have a one-on-one connect with measurable outcomes and most certainly do not produce tangible results within financial years

With the business environment now improving, and with international investors re-engaging with India investing, we are well placed to capture the resultant gains and monetize the efforts put in over the last 2-3 years. A positive step in this direction has been the First Close of our 4th generation general purpose Private Equity Fund. The Fund has raised a modest US\$ 40 mn, and we expect to ramp this up to US\$ 100 mn during the coming financial year

More importantly, the Company has initiated work on a classic infrastructure Fund and two alternate real estate and infrastructure focused funds on the listed platform. The fund raising strategy would be to opportunistically raise a mix of closed ended funds and listed funds, which ensure a steady pool of capital. Parallelly, the Company is also exploring a transaction-wise investment/management strategy wherein the Company will leverage its investor base, bring together like minded investors, and invest into pre-identified assets

A critical ingredient for success in new fund raise is our divestment track record. In this aspect, we have a significant opportunity to showcase our expertise, given that all the Funds managed by the Company are presently in the monitoring and harvesting stage. While Funds of the 2006-2007 vintage such as the Pan Asia Project Development Fund and the IL&FS India Realty Fund are in active divestment phase, others of the later vintage, like the Standard Chartered IL&FS Asia Infrastructure Growth Fund and Tara India Fund III are in a phase where the Company is working with the respective investee companies to build long term value, and lay the path towards liquidity over the next 2-3 years

Consequently, on the investment front, the year saw the Company undertaking select few follow-on investments, aggregating ₹ 387 million (compared to ₹ 247 million in FY2014). On the other hand, the Company undertook 24 divestments, aggregating ₹ 10.4 billion during the year. Coupled with yield/dividend income of ₹ 1.3 billion, this year's reverse cash flows of ₹ 11.7 billion have fared well in comparison to the ₹ 9.7 billion cash flows generated during FY2014

Given the stage at which most of the Funds are at, the pace of divestments would only increase over the 2 years. Managing this increased pace, which is already at a high pitch, relative to many of the Company's peers, is one of the key challenges for the Company. Divestments from closely held investments necessarily involves protracted negotiations with multiple potential investors and stake holders. This consumes significant management bandwidth. However, in the end, the Company is better placed to reap the benefits of a divested Fund; it has a stronger footing when it approaches institutional investors for the next round Funds

The Company is therefore at an inflection point; divestments would lead to decline in its Assets under Management (AUM), which then would be succeeded by the AUM increasing on the back of the next round Fund raise. While the success of these new Fund initiatives is contingent on various factors, the extant global and local macro environment seems to be conducive for our endeavours. Some PE funds have taken advantage of the same to raise fresh funds and the Company would also be a beneficiary of these tailwinds

(2) Financial Performance:

With a steady divestment pattern, the fee earning AUM of the Company has been declining. Lower profitability from this count has been offset by a focus on generating other fee based income, as also by way of cost rationalisation. The Company has put in place various mandates to leverage its expertise in asset management. These mandates provide incremental success fee based income over and above our AUM linked management fee income

Management Discussion And Analysis

On a consolidated basis, the Total Income of the Company for the Financial Year 2014-2015 was ₹ 2,086.80 million. The resultant Profit after Tax on a consolidated basis for the Financial Year 2014-2015 was ₹ 730.26 million

(III) Outlook for Financial Year 2015-2016

After posting a decadal low in growth, the Indian economy is poised to turnaround. There are some early indicators pointing towards this recovery. India is today in a sweet spot wherein lower commodity prices, especially oil and coal, are assisting in fiscal deficit control and in taming the inflation. The resultant reversal in the interest rate cycle is bound to spur investment. The Reserve Bank of India has already reduced rates by 50 basis points, and the market expects further reductions over the course of the year. The Government's focus on increasing ease of business, on 'Make in India', on removing hurdles facing the infrastructure sector, its stance on expeditiously undertaking the coal mine auctions in a transparent manner etc. is also a key contributor to the marked improvement in business confidence. In response, the rating outlook of India has improved, with Moody's upgrading the investment outlook to 'positive'

The positive news flow works to our advantage, both in terms of divestments, and for raising fresh funds. The Company therefore expects that the divestment pace will further pick up speed during FY2016. The Company will work towards mitigating the resultant impact on the AUM by focusing on other fee based income steams arising from its asset management mandates. However, key to maintaining and increasing profitability levels on a long term basis is raising of fresh funds. Towards this end, a core infrastructure fund and two listed funds are planned. Our past track record in infrastructure investing and the general improvement in macroeconomic conditions places us in a strong position

Key to the speed of the infrastructure fund raise would be the actions taken by the Government to revive the investment cycle in this sector, and the resultant improvement in the investor perception, which had been severely damaged in the last 2-3 years. Factors influencing fund raise are diverse, emanating both from our own constraints as well as from uncontrollable extraneous factors

Experience is on our side; we have gone through multiple round of fund raises in the past, and sometimes in situations more challenging than the present. This gives us the confidence that, all things being equal, we are better placed than most others to raise fresh capital

(IV) Business Segment and Human Resources

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

The Company's management continues to work parallelly on two fronts - (i) effecting orderly divestments for Fund under management and (ii) engaging with international investors to gauge interest levels, and to accordingly customize new fund offerings. The effort in relation to the first viz. effecting divestments, is both visible and measurable, with the outcomes arising with regular periodicity. The Team has been able to deliver strongly on this front

The effort in relation to the second viz. coming out with a new fund product, is less evident and more subtle; outcomes are more episodial and not bracketed by financial years. The Team continues to have an unrelenting focus on this front, and while timelines may be less predictable, the eventual outcomes are expected to be positive

The Company presently has 52 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

(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, maximising members' value and enhancing the value of services to all members at large

(B) BOARD OF DIRECTORS

(1) Composition:

- (a) The Company's Board comprises of a Non-Executive Chairman, Managing Director, seven Non-Executive Directors and one Executive Woman Director. The Chairman of the Board is a Non-Executive Independent Director
- (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 who are serving as a Wholetime Director in any Listed Company are Independent Directors in more than three Listed companies
- (d) None of the Directors hold Chairmanship of more than five Committees or Membership in more than ten Committees of Public Limited Companies as stipulated under Clause 49 of the Listing Agreement
- (e) All the Independent Directors of the Company have furnished a declaration that they satisfy the conditions of being independent as stipulated under Clause 49 of the Listing Agreement

(2) Board Meetings:

- (a) The Board of Directors met four times during the Financial Year ended March 31, 2015 and the gap between two meetings did not exceed four months. The meetings were held during the year on May 5, 2014, August 7, 2014, November 5, 2014 and January 29, 2015
- (b) The category of Directors, their attendance record at the Board Meetings held during the Financial Year ended March 31, 2015 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 August 7, 2014	No. of Directorships *	Committee Memberships #	Committee Chairmanships #
Mr S M Datta (Chairman) DIN 00032812	NEID	4	Yes	12	7	2
Mr Ravi Parthasarathy DIN 00002392	NED	2	No	10	-	-
Mr Bansi Mehta DIN 00035019	NEID	3	Yes	9	6	3
Mr Jitender Balakrishnan DIN 00028320	NEID	4	Yes	11	6	1
Mr Siddharth Mehta \$ DIN 02665407	NEID	1	No	3	-	-
Mr Arun Saha DIN 00002377	NED	4	Yes	10	6	2
Mr Ramesh Bawa DIN 00040523	NED	2	Yes	10	2	1
Mr Vibhav Kapoor DIN 00027271	NED	3	No	9	4	1

44 — Annual Report 2015

Corporate Governance Report

Mr Shahzaad Dalal DIN 00011375	NED	4	Yes	7	2	-
Dr Archana Hingorani DIN 00028037	ED	4	Yes	11	1	-

- @ ED Executive Director, NED Non-Executive Director, NEID Non-Executive Independent Director
- * The number of Directorships excludes Directorships of Foreign Companies, if any
- # The other Committee Memberships & Committee Chairmanships comprise of only two committees i.e. Audit Committee & Stakeholders Relationship Committee of Public Limited Companies as required under Clause 49 of the Listing Agreement
- \$ Mr Siddharth Mehta vacated the office of Director pursuant to Section 167(1)(b) of the Companies Act, 2015 on May 5, 2015
- (c) Appointment/Re-appointment of Directors:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, following directors shall be appointed/ re-appointed at the ensuing Annual General Meeting

- (i) Mr Ramesh Bawa shall be appointed as the Managing Director of the Company
- (ii) Mr Milind Patel shall be appointed as a Non-Executive Director of the Company
- (iii) Mr Ravi Parthasarathy and Mr Arun Saha shall retire by rotation at the ensuing Annual General Meeting
- (iv) The Board has recommended the appointment/re-appointment of Mr Ramesh Bawa, Mr Milind Patel, Mr Ravi Parthasarathy and Mr Arun Saha to the members of the Company

(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 of 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 the Financial Year 2014-15. As required under Clause 49 of the Listing Agreement, the declaration on compliance of the Company's Code of Conduct signed by the Chief Executive Officer & Executive Director 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 certain criteria including one of following criteria:
 - (i) Must have been a CEO or a Business Head in the past of an organisation
 - (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 and make the Company more agile to face complex issues. A Board comprising of members from divergent backgrounds allows tackling the same issues in differing ways and helps combat common limitations
- (ii) The Company is desirous of having suitable Board Diversity in terms of gender, skills, educational and professional patronage, 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 and the Board as a whole. The Board will undertake the following activities annually:

- (a) The Chairperson may meet with Non-Executive Directors to discuss individual performance and ideas for improvement
- (b) The Board as a whole will discuss and analyse its own performance during the year including suggestions for improvement
- (c) The performance of the Executive Directors shall also be reviewed annually which shall in turn reflect on their remuneration
- (d) The Board shall review the necessity of establishing any Committees and delegating certain of its responsibilities to the Committees
- (e) Schedule IV of the Companies Act, 2013 prescribes the Code for Independent Directors (Code). The Company has adopted the Code by incorporating it in the Company's Code of Conduct. Roles, responsibilities, appointment and evaluation of the Independent Directors will be governed by the Code

(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 is available on the Company website at the link http://iimlindia.com/Policies.aspx

(7) Independent Directors' Meeting:

The Independent Directors met on May 2, 2015, inter alia:

- (a) To review the performance of 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) Constitution of the Audit Committee:

The Committee presently comprises of four Directors of which three are Non-Executive Independent Directors. 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

(2) Terms of Reference :

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Standard Listing Agreement with Stock Exchanges, the Board at its meeting held on May 5, 2014 has revised the terms of reference of the Audit Committee, to 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 Auditor 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

Corporate Governance Report

- (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 transactions
 - (vii) Qualifications in the draft audit report
 - (viii) Review with the Management, the quarterly financial statements before submission to the Board for approval
 - (ix) 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
 - (x) Approval of any subsequent modification of transaction of the Company with related parties
 - (xi) Scrutiny of inter-corporate loans and investments
 - (xii) Valuation of undertakings or assets of the Company, wherever it is necessary
 - (xiii) Review with the Management, performance of statutory and internal auditors and adequacy of the internal control systems
 - (xiv) Evaluation of the internal financial controls and risk management systems
 - (xv) 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
 - (xvi) Discussion with Internal Auditors on any significant findings and follow up there on
 - (xvii) 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
 - (xviii) 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
 - (xix) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors
 - (xx) Review the functioning of the Vigil Mechanism
 - (xxi) 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
 - (xxii) Review the Management Discussion and Analysis
 - (xxiii) Review the financial statements of unlisted subsidiary companies
 - (xxiv) Carrying out any other function as is referred to it by the Board of Directors

(3) Audit Committee Meetings:

The Audit Committee met four times during the Financial Year ended March 31, 2015 on May 5, 2014, August 7, 2014, November 5, 2014 and January 28, 2015 and 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
Mr Jitender Balakrishnan	Member	4

(4) Attendees:

The Statutory Auditors, the Internal Auditors, the Chief Executive Officer & Executive Director, the Chief Financial Officer and the Company Secretary are invited to attend the meetings. The Audit Committee also invites such other senior executives as it considers appropriate to be present at its meetings

(D) NOMINATION AND REMUNERATION COMMITTEE

(1) Composition:

- (a) The Board at its meeting held on May 5, 2014 renamed the Compensation Committee of the Company as the Nomination & Remuneration Committee (N&RC) and expanded the scope of the Committee as per the requirements of the Companies Act. 2013
- (b) Mr Bansi Mehta is the Chairman of the N&RC
- (c) 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

(2) Terms of Reference:

The Board at its meeting held on May 5, 2014 expanded the terms of reference of the Nomination & Remuneration Committee as per the requirements of the Companies Act, 2013 to 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) 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
- (d) Approve criteria and quantum of compensation for Executive Directors
- (e) Recruitment of key management personnel and their compensation
- (f) Determination of the annual increments and performance related pay of the employees
- (g) Administration of the various Employee Stock Option Plans of the Company
- (i) Such other matters as the Board may from time to time request the Committee to examine, recommend and approve

(3) Managerial Remuneration Policy:

- (a) 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 sector
- (b) The structure of managerial remuneration policy is segregated in five parts namely remuneration pattern of Whole–time Directors, Key Managerial Personnel, Senior Management, Non-Executive Directors and succession planning

Corporate Governance Report

- (i) Remuneration structure of the Whole-time Director:
 - » Monthly base salary based on seniority and experience
 - » Performance linked incentives: Variable component determined by the Nomination & Remuneration Committee based on performance against the pre-determined financial and non-financial metrics
 - » Issue of ESOPs from time to time: Accrues depending on the length of service
 - » Retiral Benefit: Paid post separation from the Company as per the Rules of the Company and Statutory Provisions
 - » Perquisites and Benefits: All other benefits including perquisites are as per the rules of the Company
- (ii) Remuneration structure of the Key Management Personnel:
 - » Fixed Remuneration: This includes a Monthly Salary such as Consolidated Pay, Special Allowance and Allowances as per the Rules of the Company
 - » Variable Remuneration: This is based on the Company's and the individual's performance
 - » Retirals: This includes contribution to the Provident Fund, Gratuity and Superannuation Fund
- (iii) Remuneration structure of the Senior Management :
 - » Fixed Remuneration: This includes a Monthly Salary such as Consolidated Pay, Special Allowance and Allowances as per the Rules of the Company
 - » Variable Remuneration: This is based on the Company's and the individual's performance
 - » Retirals: This includes contribution to the Provident Fund, Gratuity and Superannuation Fund
- (iv) Remuneration structure of Non-Executive Directors:

Non-Executive Directors are paid Sitting Fees for attending the Board/Board Committee/s Meetings in accordance with the Companies Act, 2013. They are also paid commission which is based on the profits of the Company

- (v) Succession Planning:
 - » 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
 - » The Company is committed in 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
 - » 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 its predecessor, in a time bound manner

(4) Nomination & Remuneration Committee Meetings:

The Nomination & Remuneration Committee met once during the Financial Year ended March 31, 2015 on July 9, 2014. 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	1
Mr S M Datta	Member	1
Mr Ravi Parthasarathy	Member	1

(5) Details of Remuneration:

- (a) Dr Archana Hingorani, CEO & Executive Director of the Company does not receive any remuneration or commission from the holding company or subsidiary company other than sitting fees for attending the meetings of the Board of Directors of the subsidiary companies
- (b) Details of Remuneration paid to the Whole-time Director during the Financial Year 2014-15:

Name of the Director	Salary (₹)	Perquisites (₹)	Total (₹)
Dr Archana Hingorani	26,615,460	1,865,173	28,480,633

The salary paid to Dr Archana Hingorani is inclusive of her retirement benefits (excluding Gratuity) and includes ₹ 6,380,000/- paid as Performance Related Pay

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

During the Financial Year 2014-2015, the Company did not grant any stock options

(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 the Financial Year 2014-2015, 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) Details of Commission for the Financial Year 2014-2015 to be paid to the Non-Executive Directors of the Company are as below:

Name of the Non-Executive Director	Commission (₹)
Mr S M Datta	20,00,000
Mr Ravi Parthasarathy	9,00,000
Mr Bansi Mehta	6,00,000
Mr Arun Saha	4,00,000
Mr Vibhav Kapoor	4,00,000
Mr Jitender Balakrishnan	4,00,000
Mr Ramesh Bawa	4,00,000
Mr Siddharth Mehta	4,00,000
Mr Shahzaad Dalal	NIL

(7) Details of Options Granted:

(a) Details of Options granted to Non-Executive Directors during the year and shares held by them as on March 31, 2015 :

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

50 — Annual Report 2015

Corporate Governance Report

(b) The shareholding of the Non-Executive Directors as on March 31, 2015 :

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
Mr Arun Saha	290,000
Mr Vibhav Kapoor	343,750
Mr Shahzaad Dalal	2,792

(E) STAKEHOLDERS RELATIONSHIP COMMITTEE

- (1) The Board at its meeting held on May 5, 2014 renamed the Shareholders'/ Investors' Grievance Committee as the Stakeholders Relationship Committee. The Committee oversees the following functions:
 - (a) Issuance of duplicate certificates and rematerialisation of shares
 - (b) Redressing grievances received from the investors
 - (c) Allotment of shares upon exercise of options under Employee Stock Option Schemes
 - (d) 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 Committee met eight times during the Financial Year ended March 31, 2015. 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	8
Mr S M Datta	Member	8

- (3) Mr Sanjay Mitra, Company Secretary, has been designated as the Compliance Officer
- (4) During the Financial Year 2014-15, the Company received 118 complaints from members. There were no complaints pending at the end of the year
- (5) The Board at its meeting held on May 1, 2007 approved the constitution of a Share Transfer Committee consisting of officers of the Company as its members for approving transfer, transmission and transposition of shares and deletion of name in the Register of Members. The Committee presently comprises of Mr Manoj Borkar (Chairman) and Mr Sanjay Mitra (Member)

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

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

(F) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

- (1) The Company has constituted a Corporate Social Responsibility Committee on May 5, 2014 pursuant to the provisions of the Companies Act, 2013. The Committee has been constituted to:
 - (a) Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company, as laid down in Schedule VII to the Act
 - (b) Recommend the amount of expenditure to be incurred on the CSR activities
 - (c) Institute a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company

(2) Composition:

The composition and attendance record of the members of the Corporate Social Responsibility Committee are as follows:

Name of the Member	Number of Meetings held	Number of Meetings Attended
Mr S M Datta - Chairman	2	2
Mr Bansi Mehta	2	2
Mr Arun Saha	2	2

(G) WHISTLE BLOWER POLICY

The 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. 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 31st March, 2015, the Company did not have any material listed/unlisted Indian subsidiary companies as defined under the Clause 49 of the Listing Agreement. 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

(I) GENERAL BODY MEETINGS

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

Date	Time	Location/Venue		Special Resolutions passed
August 7, 2014	3.30 p.m.	Rangaswar Hall, Y.B. Chavan Centre	(1)	Appointment of Mr S M Datta, Mr Bansi Mehta, Mr Jitender Balakrishnan and Mr Siddharth Mehta as an Independent Director for a term of 5 years
			(2)	Re-appointment of Mr S M Datta as the Non-Executive Chairman for a term of 5 years
July 22, 2013	12 noon	Indian Merchants' Chamber, Mumbai		No Special Resolution was passed
July 24, 2012	4.00 p.m.	Indian Merchants' Chamber, Mumbai	(1)	Re-appointment of Mr S M Datta as the Non-Executive Chairman of the Company for a period of 5 years with effect from April 1, 2012
			(2)	Payment of Commission to Non-Executive Directors of the Company for a period of 5 years with effect from April 1, 2012

52 — Annual Report 2015

Corporate Governance Report

(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 passed a Special resolution through postal ballot for making investments, loans and providing guarantees upto an amount of ₹ 2 billion
- (c) Details of the aforesaid special resolution passed through postal ballot are as under:
 - (i) Person who conducted the postal ballot exercise :

The Board appointed Mr Jagdish Patel of M/s Jagdish Patel & Co., Practicing Company Secretaries, as Scrutinizer to conduct the postal ballot voting process. Mr Jagdish Patel conducted the process and submitted his report

- (ii) Procedure followed:
 - The Postal Ballot Notice and accompanying documents were dispatched to the members under certificate of posting
 - » A calendar of events along with the Board Resolution was submitted to the Registrar of Companies, Mumbai, Maharashtra

(d) Details of the voting pattern:

After scrutinizing all the ballot forms received, the Scrutinizer reported that the members representing average 99.77% of the total voting strength voted in favour of the resolutions, based on which the results were declared and the resolutions were carried out with overwhelming majority

(J) DISCLOSURES

- (1) The Management Discussion & Analysis forms part of this Annual Report
- (2) During the year under review, there were no materially significant related party transactions 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) No penalties and/or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets during the last three years
- (6) The Company has followed all relevant Accounting Standards while preparing Financial Statements
- (7) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which have 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 Clause 49 (VIII) of the Listing Agreement
- (9) The Company does not send any half-yearly report to the members of the Company
- (10) The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management

(K) MEANS OF COMMUNICATION

The Company publishes its quarterly and annual consolidated results in prominent daily newspapers viz. Economic Times, DNA Mumbai and Maharashtra Times. The standalone and consolidated results are also made available on the website of the Company at www.iimlindia.com

The Company's website contains a separate section 'Shareholders' which provides the information on Financials, Annual Reports, Shareholding Pattern, Code of Conduct, Presentations made to analysts, Press Releases, Analyst Calls, Policies adopted by the Company, etc.

(L) GENERAL MEMBERS' INFORMATION

Annual General Meeting Day, Date and Time : Thursday, August 11, 2015 at 3.00 p.m.

Annual General Meeting Venue : Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale

Marg, Opposite Mantralaya, Mumbai 400 021

Financial Year : The Company follows April-March as its Financial Year

Book Closure : August 7, 2015 to August 11, 2015 (both days inclusive)

Dividend Payment : The dividend, if declared, by the members at the AGM shall be paid/credited

on or after August 11, 2015

Listing on Stock Exchanges : The Company has already paid the annual listing fees for the Financial

Year 2015-16 to the Stock Exchanges (BSE and NSE) as well as

custodian fees to the depositories within the prescribed time

Security Identification Number (ISIN) : INE050B01023

Scrip Code/Symbol : BSE: 511208, NSE: IVC

Corporate Identification Number (CIN) : L65999MH1986PLC147981

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

 June 30, 2015
 On or before August 15, 2015

 September 30, 2015
 On or before November 15, 2015

 December 31, 2015
 On or before February 15, 2016

 March 31, 2016
 On or before May 30, 2016

The monthly high and low quotations of shares traded on the BSE Limited and National Stock Exchange of India Limited along with the volumes is as follows:

	BSE Limited			National St	of India Limited	
Month	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April 2014	15.00	12.12	2,742,800	14.85	12.00	9,614,542
May 2014	24.00	13.50	7,988,537	24.40	13.35	20,290,004
June 2014	28.80	21.60	8,110,239	28.70	22.05	22,305,998
July 2014	27.60	23.50	3,707,323	27.60	23.20	10,752,891
August 2014	25.55	19.45	1,496,049	25.50	19.30	4,998,070
September 2014	25.85	20.10	2,769,819	25.70	20.20	6,229,460
October 2014	21.55	19.80	1,022,547	23.20	19.70	3,153,020
November 2014	22.15	19.00	1,279,582	20.95	19.05	3,777,805
December 2014	21.10	17.80	878,682	21.10	17.80	4,196,672
January 2015	19.40	16.70	1,485,354	19.30	16.70	5,317,068
February 2015	20.45	16.20	2,775,826	20.60	16.70	7,636,053
March 2015	20.90	17.25	2,219,063	20.80	17.10	4,500,599

Corporate Governance Report

(N) Share Transfer System:

The Registrar and Share Transfer Agent (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 dematerialized 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 dematerialization 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, 2015 :

Sr. No.	Category	No. of Shares held	%
1.	Promoter	158,333,152	50.42
2.	Mutual Funds/Banks/Financial Institutions	11,479,685	3.66
3.	Foreign Institutional Investors	754,470	0.24
4.	Non-Residents Individuals	6,988,364	2.22
5.	Companies	20,250,562	6.45
6.	Resident Individuals	115,327,795	36.72
7.	Others	898,712	0.29
	Total	314,032,740	100.00

(P) Distribution Of Shareholding as at March 31, 2015 :

No. of Equity Shares	No. of Members	% of Total	No. of Shares	% of Total
1 - 1000	18659	59.3159	8,547,966	2.7220
1001 - 2000	5748	18.2726	8,984,133	2.8609
2001 - 3000	2679	8.5164	6,536,433	2.0814
3001 - 4000	887	2.8197	3,130,262	0.9968
4001 - 5000	741	2.3556	3,396,168	1.0815
5001 - 10000	1343	4.2693	9,784,228	3.1157
10001 - above	1400	4.4505	273,653,550	87.1417
Total	31457	100	314,032,740	100

(Q) Dematerialisation Of Shares And Liquidity :

96.70% of the shares have been dematerialized as on March 31, 2015

(R) Disclosure under Clause 5A(II) of the Listing Agreement in respect of Unclaimed Shares:

The Securities and Exchange Board of India had amended Clause 5A of the Equity Listing Agreement regarding unclaimed shares held in physical form. In compliance with the said amendment, and in order to avoid transfer of unclaimed shares to the "Unclaimed Suspense Account", the Company had sent Reminder Letters to such members 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

Pursuant to Clause 5A, the details of the unclaimed shares are as follows:

As on April 1, 2014		Registrars and Shar	approached the res were transferred ing the year	Balance as on March 31, 2015	
No. of Members	No. of Shares	No. of Members	No. of Shares	No. of Members	No. of Shares
1676	1,633,685	22	24,740	1654	1,608,945

(S) REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West)

Mumbai 400 078 Tel. No. : 2594 6970 Fax No. : 2594 6969

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 (Formerly Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West)

Mumbai 400 078 Tel. No. : 2594 6970 Fax No. : 2594 6969

For general correspondence:

The IL&FS Financial Centre, Plot No. C-22,

G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

Tel. No.: 2659 3531 Fax No.: 2653 3056

Email: investor.relations@ilfsindia.com

CODE OF CONDUCT CERTIFICATE

I, Archana Hingorani, Chief Executive Officer & Executive Director 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

Archana Hingorani
Chief Executive Officer & Executive Director

Place : Mumbai Date : May 5, 2015

AUDITORS' CERTIFICATE

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 March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and 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 the above mentioned Listing Agreements.

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.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta Partner (Membership No. 48791)

Mumbai, May 5, 2015

Auditors' Report

TO THE MEMBERS OF

IL&FS INVESTMENT MANAGERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IL&FS INVESTMENT MANAGERS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Auditors' Report

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 16 to the financial statements;
 - (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.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm Registration No. 117366W/W-100018)

Kalpesh J. Mehta Partner (Membership No. 48791)

Mumbai, May 05, 2015

Annexure to Auditors' Report

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

- (1) Having regard to the nature of the Company's business/activities/results during the year, clauses (ii), (vi) and (xi) of paragraph 3 of the Order are not applicable to the Company.
- (2) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (3) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. In respect of such loans:
 - (a) The receipts of principal amounts and interest have been regular.
 - (b) There are no overdue amounts in excess of ₹ 100,000 remaining outstanding as at March 31, 2015.
- (4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (5) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (6) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including provident fund, income tax, service tax, value added tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of income tax which have not been deposited as at March 31, 2015 on account of disputes are given below:

Name of statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹) Involved
Income Tax Act, 1961	Income tax in demand	Appeals under process to CIT(A)	AY 2009-10	38,693
Income Tax Act, 1961	Income tax in demand	Appeals under process to CIT(A)	AY 2010-11	799,800

- (d) The Company has generally been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (7) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- (8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (9) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants (Firm's Registration No.117366W/W-100018)

Kalpesh J. Mehta Partner (Membership No. 48791)

(Amount in ₹)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
EQUITY AND LIABILITIES				, ,	, ,
Shareholder's Funds					
Share Capital	2	628,085,480		627,204,230	
Reserves and Surplus	3	519,366,044	1,147,451,524	404,879,581	1,032,083,811
Non-Current Liabilities					
Long term provisions	4		21,156,474		16,875,896
Current Liabilities					
Trade payables		68,255,354		103,013,920	
Other current liabilities	5	35,857,889		26,915,760	
Short-term provisions	6	486,720,993	590,834,236	514,093,285	644,022,965
Total			1,759,442,234		1,692,982,672
ASSETS					
Non-current assets					
Fixed assets (net)	7				
Tangible assets		6,964,395		6,406,826	
Intangible assets		318,835		668,860	
Non-current investments	8	414,069,726		424,837,260	
Deferred tax assets (net)	9	15,319,000		15,128,000	
Long term loans and advances	10	53,231,370	489,903,326	51,592,610	498,633,556
Current assets					
Current investments	11	897,331,536		264,949,557	
Trade receivables	12	215,556,143		600,093,105	
Cash and Cash Equivalents	13	65,644,388		70,485,878	
Short-term loans and advances	14	83,554,043		237,946,940	
Other current assets	15	7,452,798	1,269,538,908	20,873,636	1,194,349,116
Total			1,759,442,234		1,692,982,672
The accompanying Notes are an integral part of the Financial Statements					

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

Statement of Profit and Loss For The Year Ended 31st March, 2015

(Amount in ₹)

Particulars	Note No.	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Revenue:			
Revenue from Operations	17	804,485,068	942,992,154
Other Operating Income	18	234,663,296	169,779,057
Other Income	19	115,481,052	98,374,468
Total Revenue		1,154,629,416	1,211,145,679
Expenses:			
Employee benefit expense	20	239,558,005	288,078,343
Depreciation and amortisation expense	7	6,006,945	4,509,672
Other Administrative and Operating Expenses	21	147,389,156	154,998,670
Total Expenses		392,954,106	447,586,685
Profit before tax		761,675,310	763,558,994
Tax expense :			
- Current tax		192,500,000	222,730,000
- Short provision for tax relating to prior years		10,450,000	-
- Deferred tax	9	(191,000)	3,210,000
Profit for the year		558,916,310	537,618,994
Earnings per equity share:	22		
(Equity shares of Face value ₹ 2/- each)			
- Basic		1.78	1.71
- Diluted		1.78	1.71
The accompanying Notes are an integral part of the Financial Statements			

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

(Amount in ₹)

	(Amount in				
			For the Year Ended	For the Year Ended	
			March 31, 2015	March 31, 2014	
(A)	CASH FLOW FROM OPERATING ACTIVITIES				
	PROFIT BEFORE TAX		761,675,310	763,558,994	
	Adjustments for :				
	Depreciation		6,006,945	4,509,672	
	Net Unrealised Exchange Loss/(Gain)		5,994,157	(8,078,104)	
	Provision for Employee Benefits (Net)		(497,391)	(10,248,667)	
	Net Profit on Sale of Investments		(9,206,784)	(6,302,515)	
	Interest Income		(13,008,873)	(26,616,429)	
	Dividend Income		(21,748,692)	(11,636,796)	
	Profit on sale of Fixed Assets (Net)		(220,932)	(48,466)	
	Operating Profit before working capital changes		728,993,740	705,137,689	
	Changes in working capital : Adjustments for (Increase)/Decrease in operating assets:				
	Trade Receivables		384,536,962	(224,269,114)	
	Short Term Loans and Advances		7,632,895	(149,572,384)	
	Long Term Loans and Advances		374,943	136,959,391	
	Other Current Assets		7,426,681	68,707,597	
	Adjustments for Increase/(Decrease) in operating liabilities:				
	Trade Payables		(34,758,566)	20,095,926	
	Other Current Liabilities		8,942,129	374,870	
	Other Non-current Liabilities		(2,960,504)	-	
	Cash Flow after Working Capital Changes		1,100,188,280	557,433,975	
	Payment of Taxes (Net)		(221,619,993)	(206,862,579)	
	NET CASH GENERATED FROM OPERATING ACTIVITIES	Α	878,568,287	350,571,396	
B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Investment in Subsidiaries		-	(49,575,000)	
	Purchase of Non-current Investments - Others		(3,000,000)	(241,347,750)	
	Proceeds from sale of Non-current Investments- Others		22,794,932	8,908,235	
	(Increase)/Decrease in Current Investments (Net)		(632,202,593)	102,019,183	
	Dividend Income on Current Investments		21,748,692	11,636,796	
	Inter Corporate Deposits/Loans Given		(43,239,998)	(330,000,000)	
	Inter Corporate Deposits/Loans Refunded		190,000,000	484,575,000	
	Interest Income		13,008,873	26,616,429	
	Capital Expenditure on Fixed Assets		(6,968,588)	(4,693,023)	
	Proceeds from Sale of Fixed Assets		690,281	212,847	
	Bank Balance not considered as cash and cash equivalent:		333,201	,5 . ,	
	Fixed Deposits Placed		(470,000,000)	(20,000,000)	
	Fixed Deposits Matured		460,000,000	40,000,000	
	NET CASH USED IN/GENERATED FROM INVESTING ACTIVITIES	В	(447,168,401)	28,352,717	

(Amount in ₹)

			For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
(C)	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from issuance of Share Capital at premium		5,640,000	2,562,000
	Dividend on Equity Shares		(407,669,750)	(313,355,865)
	Payment of Dividend Distribution tax		(47,172,130)	(46,363,633)
	NET CASH USED IN FINANCING ACTIVITIES	С	(449,201,880)	(357,157,498)
(D)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(A+B+C)	(17,801,994)	21,766,615
	Cash and Cash Equivalent at the beginning of the year as per Balance Sheet (refer note 13)		36,066,896	14,300,281
	Cash and Cash Equivalent at the end of the year (refer note 13)		18,264,902	36,066,896
	Reconciliation of Cash and cash equivalents with the Balance Sheet:			
	Cash and cash equivalents as per Balance Sheet (Refer Note 13)		65,644,388	70,485,878
	Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements):			
	(i) In other deposit accounts			
	- original maturity more than 3 months			
			(20,000,000)	(10,000,000)
	(ii) In earmarked accounts (Refer Note (i) below)			
	- Unpaid dividend accounts		(27,379,486)	(24,418,982)
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13 *		18,264,902	36,066,896
	* Comprises			
	(a) Cash on hand		50,404	91,976
	(b) Cheques, drafts on hand		-	-
	(C) Balances with banks			
	(i) In current and fixed deposit accounts		18,214,498	34,592,242
	(ii) In EEFC accounts		-	1,382,678
			18,264,902	36,066,896

Notes:

- (i) These earmarked account balances with banks can be utilised only for the specific identified purposes
- (ii) The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

For The Year Ended 31st March, 2015

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 one of India's largest domestic private equity fund management companies with over US\$ 3.2 billion under management 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 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013/Companies Act 1956, as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in previous year

(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) Fixed Assets (Tangible and Intangible) and Depreciation/Amortisation

Fixed Assets are carried at cost less accumulated depreciation/amortisation & impairment losses if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use

Depreciation on fixed 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)
Tangible Fixed Assets :	
Furniture and Fixtures	5
Data Processing Equipments	3
Data Processing Equipments (Servers & Networking)	4
Office Equipments	4
Vehicles	4
Lease hold improvement	Over the lease period
Asset given to employees	3
Intangible Fixed Assets :	
Computer Software	3
Business Know–how, management and advisory contracts	Over the lease period

As per 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:

For The Year Ended 31st March, 2015

- (i) Mobile Phones and Ipad/Tablets 100% depreciated during the year of capitlisation 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 (EHB).
- (vii) Individual assets costing ₹ 5,000 or less in the year of capitlisation shall be depreciated 100% for all the categories of assets

Residual value of all assets is retained at ₹ 1

Assets whose useful life has been completed As at March 31, 2014 are fully depreciated and such depreciation is routed through the Reserves & Surplus Account. All other assets outstanding in the books As at March 31, 2014 are depreciated over the balance useful life

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

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

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

For The Year Ended 31st March, 2015

(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) Forward Contract Transactions

The Company enters into forward contracts to hedge its assets and liabilities

The premium or discount arising at the inception of a Forward Contract is amortised as income or expense over the life of such Contract

At the reporting date, Forward contracts are revalued and gains/losses if any, are recognised in the Statement of Profit and Loss

Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income or expense in the period in which such cancellation or renewal is made

(i) Revenue Recognition

- Management fee income on 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

(j) 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 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

(k) Placement Fees Expense

Placement Fees paid to the Arranger of PEF are recognised over period of 5 years

(I) 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 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 liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability

For The Year Ended 31st March, 2015

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (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

(n) 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) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

(o) Earnings Per Share

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 period. 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

(p) Service tax input credit

Service tax input credit 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

(2) Share Capital

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

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
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, 2014 : 313,592,115 Equity shares of ₹ 2/- each) with voting rights	628,065,480	627,184,230
Add : Forfeited shares	20,000	20,000
	628,085,480	627,204,230

For The Year Ended 31st March, 2015

(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, 2015		As at March 31, 2014	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	313,592,115	627,184,230	208,903,910	417,807,820
Add : Allotment made towards Bonus Issue	-	-	104,530,705	209,061,410
Ad : Allotment made towards Employee Stock Option Plan [ESOP] shares exercised	440,625	881,250	157,500	315,000
At the end of the year	314,032,740	628,065,480	313,592,115	627,184,230

(iii) List of the shareholders holding more than 5% of the share capital As at March 31, 2015 :

	As at March 31, 2015		As at March 31, 2014	
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	50.49

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

The Company has one class of Equity Shares with face value of ₹ 2/- each. Each Share Holder has a voting rights in proportion to their holding of the paid up Equity Share Capital of the Company.

(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 (₹)
2014–15	_	_	_
2013–14	2	104,530,705	209,061,410
2012–13	_	_	_
2011–12	_	_	_
2010–11	_	_	_

(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/-

For The Year Ended 31st March, 2015

- (vii) 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 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

» 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:

	ESOF	2006
Particulars	No of Options	Weighted Average Exercise Price* (₹)
Authorised to be Granted	16,875,000	-
Granted and outstanding at the beginning of the year	440,625	12.80
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	440,625	12.80
Lapsed during the year	-	-
Granted and outstanding at the end of the year	-	-
Vested and Exercisable at the end of the year	-	-
Total Options outstanding at the end of the year	-	-

^{*} Determined at the time of grant

- » 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
- » The weighted average market price at the dates of exercise for options during the year was ₹ 22.95

For The Year Ended 31st March, 2015

(3) Reserves & Surplus

The movement in Reserves and Surplus are as under :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Securities Premium Reserve		
Balance as per previous Balance Sheet	-	141,638,254
Add: Premium on ESOP shares issued during the year	4,758,750	2,247,000
Less : Utilised during the year for Issuing bonus shares	-	(143,885,254)
Balance at the end of the year	4,758,750	-
General Reserve		
Balance as per previous Balance Sheet	244,823,844	255,000,000
Add: Appropriation from Profit and Loss Account	57,000,000	55,000,000
Less : Utilised during the year for Issuing bonus shares	-	(65,176,156)
Balance at the end of the year	301,823,844	244,823,844
Statement of Profit and Loss		
Balance as per previous Balance Sheet	160,055,737	125,387,427
Add : Profit for the year	558,916,310	537,618,994
Add : Reversal of Excess Dividend tax	-	6,891,196
Less : Appropriation for Dividend	(408,242,562)	(407,669,750)
Less : Appropriation for Dividend tax	(40,661,285)	(47,172,130)
Less : Transferred to General Reserve	(57,000,000)	(55,000,000)
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Refer Note 7)	(284,750)	-
Balance at the end of the year	212,783,450	160,055,737
	519,366,044	404,879,581

(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, 2015 (₹)	As at March 31, 2014 (₹)
Provision for compensated absences	21,156,474	16,875,896
	21,156,474	16,875,896

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

(i) Defined Contribution Plans

The Company has recognised ₹ 10,872,091/- (Previous year - ₹ 11,475,210/-) 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 ₹ 3,833,295/- (Previous year ₹ 4,315,633/-) as Company's contribution to Superannuation Fund maintained with Life Insurance Corporation of India

(ii) Defined Benefits Plans:

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

(1)	Assumptions	For the year ended March 31, 2015	For the year ended March 31, 2014
	Discount Rate	7.95%	9.33%
	Rate of Return on Plan Assets	7.95%	8.70%
	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:	March 31, 2015 (₹)	March 31, 2014 (₹)
	Liability at the beginning of the year	77,355,176	70,386,735
	Interest Cost	7,217,238	5,806,906
	Current Service Cost	6,602,359	6,737,153
	Liability Transfer In	105,356	-
	Liability Transfer Out	-	-
	Benefit Paid	(7,534,269)	(1,961,538)
	Actuarial (gain)/loss on obligations	5,326,248	(3,614,080)
	Liability at the end of the year	89,072,108	77,355,176
(III)	Tables of Fair value of Plan Assets :	March 31, 2015 (₹)	March 31, 2014 (₹)
	Fair Value of Plan Assets at the beginning of the year	95,042,294	79,162,642
	Expected Return on Plan Assets	8,268,680	6,887,150
	Contributions	3,549,680	10,981,098
	Transfer from other Company	105,356	-
	Transfer to other Company	-	-
	Benefit Paid	(7,534,269)	(1,961,538)
	Actuarial gain/(loss) on Plan Assets	(195,233)	(27,058)
	Fair Value of Plan Assets at the end of the year	99,236,395	95,042,294
	Total Actuarial Gain/(Loss) to be recognised	(5,521,481)	3,587,022
(IV)	Actual Return on Plan Assets :	March 31, 2015 (₹)	March 31, 2014 (₹)
	Expected Return on Plan Assets	8,268,680	6,887,150
	Actuarial gain/(loss) on Plan Assets	(195,233)	(27,058)
	Actual Return on Plan Assets	8,073,447	6,860,092

		March	31, 2015 (₹)	Marc	h 31, 201 ([†]	4 Mar ₹)	ch 31, 2013 (₹)	March	31, 2012 N	/larch 31, 2011 (₹)	
(V)	Amount Recognised	d in the	Balance \$	Sheet :	;						
	Liability at the end of the year	89	,072,108	7	77,355,17	76	70,386,735	64	1,355,012	47,233,591	
	Fair Value of Plan Assets at the end of the year	99	,236,395	g	95,042,29)4	79,162,642	68	3,471,354	39,070,428	
	Difference	10	,164,287	1	17,687,11	8	8,775,907	4	4,116,342	(8,163,163)	
	Unrecognised Past Service Cost		-			-	-		-	-	
	Amount Recognised in the Balance Sheet	10	,164,287	1	17,687,11	8	8,775,907	4	4,116,342	(8,163,163)	
(VI)	Expenses Recogni Profit and Loss :	ised in	the Staten	nent o	f		For the year March 3			he year ended larch 31, 2014 (₹)	
	Current Service Cos	st					6,6	02,359		6,737,153	
	Interest Cost						7,2	17,238		5,806,906	
	Expected Return on	Plan A	ssets				(8,26	68,680)		(6,887,150)	
	Net Actuarial (Gain)	/Loss To	Be Reco	gnised			5,5	21,481		(3,587,022)	
	Expense Recognise Profit and Loss	ed in Sta	tement of				11,0	72,398		2,069,887	
(VII)	Balance Sheet Rec	concilia	tion :				March 3	1, 2015 (₹)	N	larch 31, 2014 (₹)	
	Opening Net Liabilit	ty/(Asse	t)				(17,6	87,118)		(8,775,907)	
	Expense as above						11,0	72,398		2,069,887	
	Employers Contribu	ition					(3,54	19,567)		(10,981,098)	
	Amount Recognised	d in Bala	ince Sheet	t			(10,16	64,287)		(17,687,118)	
(VIII)	Description of Pla	n Asset	s								
	Insurer Managed F	unds						100%		100%	
			Marc	th 31, 2015 (₹)	Mai	rch 31, 2014 (₹)		31,)13 (₹)	March 31, 2012 (₹)	March 31, 2011 (₹)	
(IX)	Experience Adjustr	ments :									
	Experience adjustments plan liabilities Gain/(4,68	37,717	3,9	955,888	2,079,	803	12,962,572	(629,195)	
	Experience adjustme		(19	5,233)	(27,058)	145,	016	1,134,703	378,444	

For The Year Ended 31st March, 2015

Other Details:

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

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

(5) Other Current Liabilities:

(i) Other Current Liabilities consists of :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Unclaimed Dividend	27,379,486	24,418,982
Others:		
Statutory Liabilities	7,592,884	1,560,762
Other Payables	885,519	936,016
	35,857,889	26,915,760

- (ii) Other Payables pertains to amount payable for employees Provident Fund and Professional Tax
- (iii) Unclaimed Dividend of ₹ 27,379,486/- relates to the period from FY 2007-2008 to FY 2013-2014. During the year ended March 31, 2015 an amount of ₹ 1,414,260/- (Previous period: ₹ 920,601/-) has been transferred to the Investor Education and Protection Fund relating to amounts for the year ended March 31, 2007

(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, 2015 (₹)	As at March 31, 2014 (₹)
Provision for Employee Benefits		
Provision for compensated absences	4,432,286	9,210,255
Others:		
Provision for Tax (net of advance tax ₹ 517,425,140/- Previous year 922,331,150/-)	33,384,860	50,041,150
Provision for Dividend	408,242,562	407,669,750
Provision for Dividend Tax	40,661,285	47,172,130
	486,720,993	514,093,285

For The Year Ended 31st March, 2015

(7) Fixed Assets:

(a) Tangible and Intangible Assets

		GROSS BLC	GROSS BLOCK (at Cost)			DEPREC	DEPRECIATION/AMORTISATION	TISATION		NET BLOCK
Description of Assets	As on 01.04.2014	<	Deductions/ Adjustments	As on 31.03.2015	Up to 31.03.2014	For the Year	Deductions/ Adjustments	Transitional adjustment recorded against Surplus balance in Statement of Profit and Loss *	Up to 31.03.2015	As on 31.03.2015
Tangible Assets:										
Furniture and Fixtures	9,535,870	796,140	(1,446,083)	8,885,927	6,371,508	2,688,252	(1,154,444)	284,750	8,190,066	695,861
Vehicles	936,331	2,715,618	(429,404)	3,222,545	583,087	400,660	(251,760)	•	731,987	2,490,558
Office Equipments	4,474,664	947,293	(703,330)	4,718,627	3,733,528	1,227,613	(703,295)	•	4,257,846	460,781
Data Processing Equipments	6,700,830	2,509,537	(1,559,691)	7,650,676	4,552,755	1,340,395	(1,559,660)	•	4,333,490	3,317,186
Lease Improvements	7,952,435			7,952,435	7,952,426	1	1	•	7,952,426	6
Total (A)	29,600,130	6,968,588	(4,138,508)	32,430,210	23,193,304	5,656,920	(3,669,159)	284,750	25,465,815	6,964,395
Intangible Assets (Other than internally generated) :										
Computer Software	6,183,397	1	1	6,183,397	5,514,537	350,025	1	1	5,864,562	318,835
Business Know-how, Management and Advisory Contracts	113,099,511	1	(113,099,511)	1	113,099,511	•	(113,099,511)	1	1	·
Total (B)	119,282,908	1	(113,099,511)	6,183,397	118,614,048	350,025	(113,099,511)	1	5,864,562	318,835
Total (A+B)	148,883,038	6,968,588	(117,238,019)	38,613,607	141,807,352	6,006,945	(116,768,670)	284,750	31,330,377	7,283,230
		, , , , ,								

Note no 1:₹ 284,750/- depreciation on assets whose useful life is completed on March 31, 2014, routed through Reserves and Surplus in terms of transitional provisions of the Schedule II of the CA 2013

Note no 2: Business Know-how, Management and Advisory Contracts represent the amount capitalised in FY 2002 – 03 towards acquisition of management contracts for funds. This has been amortised over a period of 5 years. Since the life of the fund has expired, the amount of asset disclosed in Fixed assets schedule has been written back against the provision for depreciation in the books

For The Year Ended 31st March, 2015

(7) Fixed Assets:

Previous Year

Description of Assets As on Integrated Processing Equipments As on Integrated Adjustments As on Integrated Adjustments										Amount (₹)
As on 01.04.2013 Additions/Actions/Actions/Actions/Actions/Actions Adjustments Adjustments 31.03.2014 For the 31.03.2013 For the Adjustments 9,616,714 1,087,197 (1,168,041) 9,535,870 5,852,277 1,526,992 (1,007,761) 936,331 349,005 234,082 (1,007,761) 2,919,377 1,768,226 (212,939) 4,474,664 2,780,484 1,165,966 (212,922) 6,056,119 1,631,089 (986,378) 6,700,830 4,385,664 1,149,385 (982,234) 7,952,435 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 113,099,511 - - 113,099,511 - - - 118,233,697 1,049,211 - - - - - 118,233,697 1,049,211 - - - - - 118,233,697 1,049,211			GROSS BLO	CK (at Cost)		Ω	EPRECIATION	/AMORTISATIO	z	NET BLOCK
9.616,714 1,087,197 (1,168,041) 9,535,870 5,852,277 1,526,992 (1,007,761) 936,331 936,331 349,005 234,082 - 2,919,377 1,768,226 (212,939) 4,474,664 2,780,484 1,165,966 (212,922) 6,056,119 1,631,089 (986,378) 6,700,830 4,385,664 1,149,385 (982,294) 7,952,435	Description of Assets	As on 01.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As on 31.03.2014	Up to 31.03.2013	For the Year	Deductions/ Adjustments	Up to 31.03.2014	As on 31.03.2014
9.616,714 1,087,197 (1,168,041) 9,535,870 5,852,277 1,526,992 (1,007,761) 936,331 936,331 349,005 234,082 2,919,377 1,768,226 (212,939) 4,474,664 2,780,484 1,165,966 (212,922) 6,056,119 1,631,089 (986,378) 6,700,830 4,385,664 1,149,385 (982,294) 7,952,435 7,952,435 7,899,530 52,896 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 5,134,186 1,049,211 6,183,397 5,134,186 380,351 113,099,511 13,099,511 113,099,511 1145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Tangible Assets:									
9,616,714 1,087,197 (1,168,041) 9,535,870 5,852,277 1,526,992 (1,007,761) 9,616,714 1,087,197 (1,168,041) 9,535,870 5,852,277 1,526,992 (1,007,761) 2,919,377 1,768,226 (212,939) 4,474,664 2,780,484 1,165,966 (212,922) 6,056,119 1,631,089 (986,378) 6,700,830 139,500,657 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 5,134,186 1,049,211 - 6,183,397 5,134,186 380,351 113,099,511 113,099,511 113,099,511 118,233,697 1,049,211 - 119,282,908 118,233,697 4,509,672 (2,202,977)										
936,331 349,005 234,082 - 936,331 349,005 234,082 - 2,919,377 1,768,226 (212,939) 4,474,664 2,780,484 1,165,966 (212,922) 6,056,119 1,631,089 (986,378) 6,700,830 4,385,664 1,149,385 (982,294) 7,952,435 7,889,530 52,896 1,149,385 (982,294) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 113,099,511 113,099,511 113,099,511 113,099,511 - - 118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 - 118,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Furniture and Fixtures	9,616,714	1,087,197	(1,168,041)	9,535,870	5,852,277	1,526,992	(1,007,761)	6,371,508	3,164,362
2,919,377 1,768,226 (212,939) 4,474,664 2,780,484 1,165,966 (212,922) 6,056,119 1,631,089 (986,378) 6,700,830 4,385,664 1,149,385 (982,294) 7,952,435 2,600,130 21,266,960 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 113,099,511 113,099,511 113,099,511 113,099,511 113,099,511 - - 118,233,697 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Vehicles	936,331	1	•	936,331	349,005	234,082		583,087	353,244
6,056,119 1,631,089 (986,378) 6,700,830 4,385,664 1,149,385 (982,294) 7,952,435 7,893,530 52,896 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 5,134,186 1,049,211 6,183,397 5,134,186 380,351 - 113,099,511 - 113,099,511 - 113,099,511 - 118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Office Equipments	2,919,377	1,768,226	(212,939)	4,474,664	2,780,484	1,165,966	(212,922)	3,733,528	741,136
7,952,435 - 7,952,435 7,899,530 52,896 - 27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) 5,134,186 1,049,211 - 6,183,397 5,134,186 380,351 - 113,099,511 - 113,099,511 - 113,099,511 - - 118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 - 145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Data Processing Equipments	6,056,119	1,631,089	(986,378)	6,700,830	4,385,664	1,149,385	(982,294)	4,552,755	2,148,075
27,480,976 4,486,512 (2,367,358) 29,600,130 21,266,960 4,129,321 (2,202,977) -	Lease Improvements	7,952,435		•	7,952,435	7,899,530	52,896	1	7,952,426	6
5,134,186 1,049,211 - 6,183,397 5,134,186 380,351 - 113,099,511 - 113,099,511 - - - - - 118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 - - 145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Total (A)	27,480,976	4,486,512	(2,367,358)	29,600,130	21,266,960	4,129,321	(2,202,977)	23,193,304	6,406,826
5,134,186 1,049,211 - 6,183,397 5,134,186 380,351 - 113,099,511 - 113,099,511 113,099,511 - - - 118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 - 145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)			•							
5,134,186 1,049,211 - 6,183,397 5,134,186 380,351 - 113,099,511 - 113,099,511 113,099,511 - - - 118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 - 145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Intangible Assets (Other than internally generated):									
5,134,186 1,049,211 - 6,183,397 5,134,186 380,351 - 113,099,511 - 113,099,511 -										
113,099,511 - 113,099,511 - 113,099,511 - - 113,099,511 - </td <td>Computer Software</td> <td>5,134,186</td> <td>1,049,211</td> <td>•</td> <td>6,183,397</td> <td>5,134,186</td> <td>380,351</td> <td>1</td> <td>5,514,537</td> <td>668,860</td>	Computer Software	5,134,186	1,049,211	•	6,183,397	5,134,186	380,351	1	5,514,537	668,860
118,233,697 1,049,211 - 119,282,908 118,233,697 380,351 - 145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Business Know-how, Management and Advisory Contracts	113,099,511	•	•	113,099,511	113,099,511	1	1	113,099,511	1
145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)	Total (B)	118,233,697	1,049,211	•	119,282,908	118,233,697	380,351	1	118,614,048	668,860
145,714,673 5,535,723 (2,367,358) 148,883,038 139,500,657 4,509,672 (2,202,977)										
	Total (A+B)	145,714,673	5,535,723	(2,367,358)	148,883,038	139,500,657	4,509,672	(2,202,977)	141,807,352	7,075,686

(8) Non Current Investments

Non Current investment consists of :

	Particulars	Face Value (₹)	Quantity As at March 31, 2015	Cost As at March 31, 2015 (₹)	Quantity As at March 31, 2014	Cost As at March 31, 2014 (₹)	
(A)	Trade Investments		,	'	1		
I	Investment in Equity Instruments (Jnquoted)(Fully	Paid – up)				
(i)	Investment in subsidiaries						
	IL&FS Asian Infrastructure Managers Limited	10	2,341,837	23,418,370	2,341,837	23,418,370	
	IL&FS Urban Infrastructure Managers Limited	10	1,000,000	10,000,000	1,000,000	10,000,000	
	IL&FS Investment Advisors LLC	USD 1	57,000	855,190	57,000	855,190	
	IIML Asset Advisors Limited (Class A equity shares)	100	224,762	41,464,117	224,762	41,464,117	
	IIML Asset Advisors Limited (Class B equity shares)	100	215,948	8,400,000	215,948	8,400,000	
	IIML Advisors LLC	USD 1	1	45	1	45	
	IIML Fund Managers (Singapore) Pte Limited	USD 10	145,000	84,707,823	145,000	84,707,823	
				168,845,545		168,845,545	
(ii)	Investment in Joint Venture (Ful						
	IL&FS Milestone Realty Advisors Private Limited	10	400,000	800,000	400,000	800,000	
	Standard Chartered IL&FS Management (Singapore) Pte Limited	USD 1	50,000	2,218,500	50,000	2,218,500	
				3,018,500		3,018,500	
(iii)	Investment in Others						
	Avantika Gas Ltd	10	8,250	82,500	8,250	82,500	
	Total Investment in Equity Instru	ments		171,946,645		122,371,545	
II	Investment in Unquoted Redeema	ole Participating	Shares (Fully Page 1	aid–up)			
	- Investment in subsidiaries	1100.004	4.00.000	45.040	400.000	45.040	
	IL&FS Investment Advisors LLC	USD 0.01	1,00,000	45,010	100,000	45,010	
	IIML Advisors LLC	USD 0.01	24,999,900	12,599,953	24,999,900	12,599,953	
	Total Investment in Participating	snares		12,644,963		12,644,963	

78 — Annual Report 2015 — Annu

For The Year Ended 31st March, 2015

	Particulars	Face Value (₹)	Quantity As at March 31, 2015	Cost As at March 31, 2015 (₹)	Quantity As at March 31, 2014	Cost As at March 31, 2014 (₹)			
Ш	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	803.36	80,336,063	860	86,002,037			
	IFIN Realty Trust –Class C Units	10,000	10	100,000	10	100,000			
	IFIN Realty Trust – Class A Units	1,000,000	69.97	69,972,700	74.27	74,266,100			
	TARA India Fund III Trust – Class C Units	10,000	50	500,000	50	500,000			
	TARA India Fund III Trust - Class A Units	1,000,000	71.72	71,718,046	75.53	75,526,206			
	TARA India Fund III Trust - Class D Units	1,000,000	3.10	3,101,409	3.10	3,101,409			
	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	3	3,000,000	-	-			
	Total Investment in Units of Vent	ure Fund		229,478,218	-	240,245,752			
	Total Investments (I+II+III)			414,069,726		424,837,260			
	Aggregate book value of unquoted	Aggregate book value of unquoted investments				424,837,260			

(9) Deferred Tax:

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, 2015 the timing difference has resulted in a net deferred tax liability of ₹ 191,000/-
- (ii) The net deferred tax asset recognised in the accounts as of March 31, 2015 are as follows :

Nature of Timing Differences	March 31, 2014 Asset/(Liability) (₹)	Adjusted/Added during the year (₹)	March 31, 2015 Asset/(Liability) (₹)
Net Depreciation	6,335,000	203,000	6,538,000
Retirement Benefits	8,793,000	(12,000)	8,781,000
Total	15,128,000	191,000	15,319,000
Previous year	18,338,000	(3,210,000)	15,128,000

(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, 2015 (₹)	As at March 31, 2014 (₹)
Secured, considered good :		
Staff Loan	1,040,897	337,350
Unsecured, considered good :		
Advance Tax net of provision of ₹ 999,685,000/- Previous year ₹ 623,605,000/-)	44,261,881	42,248,178
Security Deposits	63,960	48,000
Prepaid Expenses	7,864,632	8,959,082
	53,231,370	51,592,610

(11) Current Investments:

The details of Current Investments are provided below :

Particulars	А	As at March 31, 2015 (₹)		As at March 31, 2014 (₹))14		
Unquoted (lower of cost or fair value)								
Investment in Mutual Funds	Units	Face Value	Amount	Units	Face Value	Amount		
ICICI Prudential Flexible Income Plan – Daily Dividend	_	-	-	189,415	100	20,027,919		
ICICI Prudential Saving Fund -Regular Plan – Daily Dividend	_	-	-	199,794	100	20,025,817		
ICICI Prudential Liquid –Regular Plan – Daily Dividend	558,659	10	55,901,381	-	_	_		
ICICI Prudential Money Market Fund – Regular Plan – Daily Dividend	504,745	100	50,539,918	_	_	_		
Baroda Pioneer Liquid Fund Plan A-Daily Dividend Plan	50,490	1,000	50,546,224	-	-	_		
Templeton India Ultra Short Bond Fund Super Institutional Plan – Daily Dividend Reinvestment	-	-	-	4,026,657	10	40,420,251		
Reliance Liquid Fund – Daily Dividend Option-Treasury Plan	33,063	1,000	50,544,776	535	1,000	818,515		
Reliance Liquid Fund – Daily Dividend - Re-investment Option	30,328	1,000	30,342,972	-	_	_		
Birla Sun Life Saving Fund – Daily Dividend – Regular Plan – Reinvestment	-	-	-	403,540	100	40,473,815		
Birla Sun Life Cash Plus – Daily Dividend-Regular Plan	507,345	100	50,833,452	_	-	_		
Kotak Flexi Debt Plan A – Daily Dividend	-	-	-	1,992,380	10	20,018,440		
Kotak Floater Treasury Advantage Fund - Daily Dividend – Regular Plan	2,820,924	10	28,434,347	_	_	_		

For The Year Ended 31st March, 2015

Particulars	As at March 31, 2015 (₹)			As at March 31, 2014 (₹)		
Kotak Liquid Scheme Plan A-Daily Dividend - Regular Plan	37,220	1,000	45,512,805	_	-	_
Kotak Floater Short Term – Daily Dividend - Regular Plan	44,994	1,000	45,516,918	_	_	_
Sundaram Money Fund Regular- Daily Dividend	3,005,656	10	30,343,002	_	-	_
Taurus Liquidity Fund – Existing Plan – Super Institutional Daily Dividend Reinvestment – Reinvestment	30,474	1,000	30,481,618	_	-	-
JPMorgan India Treasury Fund – Super Institutional Daily Dividend Reinvestment	_	-	_	2,003,997	10	20,057,804
JPMorgan India Liquid Fund – Super Institutional Plan – Daily Dividend	5,039,378	10	50,534,375	-	-	-
TATA Floater Fund	_	_	_	40,346	1,000	40,487,986
Tata Liquid Fund Plan A – Daily Dividend	45,353	1,000	50,546,590	-	_	_
Tata Money Market Fund Plan A – Daily Dividend	55,311	1,000	55,394,386	_	_	_
SBI Ultra Short Term Debt Fund – Regular Fund – Daily Dividend	_	_	_	29,947	1,000	30,003,573
HDFC Floating Rate Income Fund – Daily Reinvestment	_	_	_	223,277	10	2,250,831
HDFC Liquid Fund – Dividend – Daily Reinvest	3,969,006	10	40,476,720	_	_	_
HDFC Cash Management Fund – Savings Plan – Daily Dividend Reinvestment	4,704,154	10	50,035,267	-	-	_
LIC Nomura MF Liquid Fund – Dividend Plan	46,033	1,000	50,544,006	_	_	_
IDFC Cash Fund-Daily Dividend- (Regular Plan)	20,000	1,000	20,008,848	_	_	_
DWS Insta Cash Plus Fund – Daily Dividend – Reinvestment	142,476	10	14,290,899	_	_	_
Franklin India Treasury Management Account – Super Institutional Plan – Daily Dividend Reinvestment	46,453	1,000	46,486,339	_	_	_
SBI Premier Liquid Fund – Regular Plan – Daily Dividend	49,855	1,000	50,016,693		_	_
			897,331,536			264,949,557
Aggregate book value of unquoted investments			897,331,536			264,949,557

(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, 2015 (₹)	As at March 31, 2014 (₹)
Unsecured, considered good : (outstanding for more than 6 months from the date they are due for payment)	34,976,587	222,666,360
Unsecured, considered good : (outstanding for less than 6 months from the date they are due for payment)	180,579,556	377,426,745
	215,556,143	600,093,105

(13) Cash and Cash Equivalents:

Cash and Cash Equivalents consists of :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
(a) Cash on hand	50,404	91,976
(b) Balance with Banks		
(i) in Current Accounts	18,214,498	34,592,242
(ii) in EEFC Accounts	-	1,382,678
(iii) in Fixed Deposit Accounts	20,000,000	10,000,000
(iv) in earmarked Accounts		
» in Current Accounts referring to unclaimed dividend accounts	27,379,486	24,418,982
	65,644,388	70,485,878

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 on hand, Balances with bank in Current account, EEFC accounts and in Fixed Deposits amounting to $\stackrel{?}{\sim}$ 18,264,902/-(Previous year $\stackrel{?}{\sim}$ 36,066,896/-)

(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, 2015 (₹)	As at March 31, 2014 (₹)
Secured, considered good :		
Staff Loan	160,898	154,260
Unsecured, considered good :		
Inter Corporate Deposits given to Related Parties (refer note 27d)	43,239,998	190,000,000
Prepaid Expenses	16,688,158	22,238,371
Service Tax Input Credit Available	182,962	3,463,045
Advances Recoverable in cash or in kind or for value to be received	23,282,027	22,091,264
	83,554,043	237,946,940

For The Year Ended 31st March, 2015

- (ii) 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
- (iii) Inter Corporate Deposits given to Related Parties represent the company's short term surplus funds placed with Infrastructure Leasing & Financial Services Limited

As at March 31, 2015			As at March 31, 2014			
Amount (₹)	Interest rate	Tenor	Amount (₹)	Interest rate	Tenor	
43,239,998	9%	368 days	40,000,000	9.00%	364 days	
			10,000,000	9.00%	368 days	
			50,000,000	10.25%	396 days	
			50,000,000	10.25%	396 days	
			40,000,000	9.00%	365 days	

(15) Other Current Assets:

Other Current Assets consists of:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Interest accrued	3,924,293	11,350,974
Forward Cover Premium	2,403,305	2,391,662
Revaluation on derivative contracts	1,125,200	7,131,000
	7,452,798	20,873,636

(16) Contingent Liabilities:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Claims not acknowledged as debts :		
Income tax demands contested by the Company	29,544,293	33,335,456

The Company 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, 2015 (₹)	For the year ended March 31, 2014 (₹)
Fees from Fund Management and Advisory Services	804,485,068	942,992,154
Total	804,485,068	942,992,154

(18) Other Operating Income:

(a) Other Operating Income comprises of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Dividend Income :		
From Non-Current investments		
» Subsidiaries	208,541,150	130,105,000
» Joint venture	17,094,748	33,510,800
Total (a)	225,635,898	163,615,800
Net gain/loss on sale of investments :		
Income from Venture Capital Fund units	9,027,398	6,163,257
Total (b)	9,027,398	6,163,257
Total (a+b)	234,663,296	169,779,057

(19) Other Income:

(i) Other Income comprises of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Interest Income on		
» Fixed Deposits with Banks	2,715,142	1,811,615
» Other Deposits/Loans	10,293,731	24,804,814
	13,008,873	26,616,429
Net gain/loss on sale of investments		
Profit on sale of current non-trade Investments	179,386	139,258
Dividend Income :		
Mutual fund	21,748,692	11,636,796
Profit on sale of Fixed Assets	220,932	48,466
Interest on income tax refund	5,110,837	-
Foreign Exchange Gain	34,229,554	48,451,418
Miscellaneous Income	40,982,778	11,482,101
	115,481,052	98,374,468

⁽ii) Miscellaneous Income includes ₹ 25,383,000/- (Previous year ₹ 10,399,100/-) being the reversal of excess provision for Performance Pay for the previous year and ₹ 15,574,776/- towards recovery of fund set up cost (Previous year ₹ Nil)

⁽iii) Interest Income is gross of tax deducted at source of ₹ 1,294,964/- (Previous year ₹ 2,658,751/-)

(20) Employee Benefit Expense:

Employee Benefit Expense include :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Salaries and Allowances	234,297,508	270,858,151
Contribution to Provident Fund and Other Funds	26,707,247	18,935,544
Staff Training and Welfare Expenses	2,253,250	2,284,648
	263,258,005	292,078,343
Less : Recovery on deputation cost	(23,700,000)	(4,000,000)
	239,558,005	288,078,343

(21) Other Administrative and Operating Expenses :

(a) Other Administrative and Operating Expenses consists of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Rent	35,211,596	38,292,567
Rates and Taxes	758,625	1,949,756
Electricity and Water Charges	1,009,666	861,322
Travelling and Conveyance	17,729,684	15,128,009
Insurance	3,356,204	4,059,998
Repairs and Maintenance	4,288,124	6,458,658
Legal and Professional Expenses	38,224,495	43,489,398
Brand Subscription Fees	15,139,320	12,901,488
Expenditure on Corporate Social Responsibility	4,513,020	-
Miscellaneous Expenses	27,158,422	31,857,474
	147,389,156	154,998,670

Miscellaneous Expenses includes commission to non-whole time directors, advertisement expenses, service promotion expenses, postage and telecommunication, printing and stationery, subscription to clubs/association, general office expenses

(b) Amounts paid/payable to the Statutory Auditors :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
As Auditors	2,500,000	2,500,000
For audit of consolidated accounts	600,000	500,000
In any other capacity		
For taxation matters	900,000	622,000
For other services, certification etc	550,000	432,000
Total	4,550,000	4,054,000
The above fees are exclusive of service tax		

For The Year Ended 31st March, 2015

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

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Fees from Fund Management and Advisory Services	645,063,480	773,282,923
Dividend Income	153,588,750	120,105,000

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

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Legal and Professional fees	5,127,078	11,712,264
Travelling Expenses	2,682,691	4,607,680
Conference and Seminar	988,500	2,778,363
Books and Periodicals	628,863	305,212
Subscription to association	1,730,728	1,738,350

(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	March 31, 2015	March 31, 2014
Profit After Tax (₹)	558,916,310	537,618,994
Weighted Average Number of Equity Shares in calculating Basic EPS	313,821,481	313,516,170
Add: Potential Equity Shares on conversion of ESOPs outstanding at the end of the year (weighted average from date of grant for options issued during the year)	69,694	65,394
Weighted Average Number of Equity Shares in calculating Diluted EPS	313,891,175	313,581,564
(i) Nominal Value per share (₹)	2.00	2.00
(ii) Basic Earnings per share (₹)	1.78	1.71
(iii) Diluted Earnings per share (₹)	1.78	1.71

The Earning Per Share for the previous period have been recomputed taking into account the effect of the issue of bonus shares during the previous year in accordance with the Accounting Standard 20–"Earnings Per Share"

For The Year Ended 31st March, 2015

(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, 2015 (₹)	March 31, 2014 (₹)
Not later than one year	6,364,105	7,159,965
Later than one year but not later than 5 years	6,211,099	12,575,204
Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	7,687,952	7,357,498
Amount charged to the Statement of Profit and Loss (on cancellable lease)	27,058,644	30,515,069

(24) 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

(25) Derivatives and foreign currency Exposures:

(a) The Company has following forward exchange contracts outstanding:

Particulars	As at March 31, 2015	As at March 31, 2014
Number of Contracts	3	3
Notional amount (Sell)	\$ 4,500,000	\$ 5,000,000
Notional amount (Buy)	₹ 290,306,250	₹ 315,617,500

(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, 2015	As at March 31, 2014
Receivables	-	\$ 4,453,030
Amount in ₹	-	267,626,212
EEFC Account Balance	-	\$ 22,995
Amount in ₹	-	1,382,678

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 (with whom transactions entered into during the year) 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 Advisors LLC [IAL]
6	IIML Fund Managers (Singapore) Pte Ltd [IFMSPL]
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 [IIF]
5	IL&FS Infrastructure Equity Fund–I [IIEF-I]
6	IL&FS Trust Company Limited [ITCL]
7	IL&FS Energy Development Company Limited [IEDCL]
8	IL&FS Education & Technology Services Limited [IETSL]
9	IL&FS Technology Limited [ITL] from January 30,2015
10	Livia India Limited [Livia] from January 30, 2015
11	IL&FS Academy of Applied Development [IAAD]
Sr No	Joint Venture Companies
1	IL&FS Milestone Realty Advisors Private Limited [IMRAPL]
2	Standard Chartered IL&FS Management (Singapore) Pte Limited [SCI Asia]
Sr No	Other Enterprise over which IIML has significant influence
1	IVC Employee Welfare Trust [IVC EWT]

 $^{^{\}star}$ As certified by the holding company and with whom the transactions are done during the year

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

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Joint Venture	Key Management personnel
Advisory Fee Income		I				
IIAL	-	643,835,660	-	-	-	-
IAIML	-	8,681,000	-	-	-	-
IFINRT	-	-	15,914,153	-	-	-
IIF	-	-	1,000,000	-	-	-
IIEF-1	-	-	25,341,330	-	-	-
Dividend received	1					
IAAL	-	44,952,400	-	-	-	-
IUIML	-	10,000,000	-	-	-	-
IIAL	-	153,588,750	-	-	-	-
IMRAPL	-	-	-	-	17,094,748	-
Interest Income						
IL&FS	10,234,503	-	-	-	-	-
Term Deposit Placed					'	
IL&FS	43,239,998	-	-	-	-	-
Repayment of Term De	eposits					
IL&FS	190,000,000	-	-	-	-	-
Other Expenses						
IL&FS	1,178,426	-	-	-	-	-
ITCL	-	-	55,494	-	-	-
ISSL	-	-	28,200	-	-	-
IAAD	-	-	44,944	-	-	-
Rent paid					·	
IL&FS	27,538,644	-	-	-	-	-
Repairs & Maintenanc	e - Others					
IL&FS	525,960	-	-	-	-	-
ITL	-	-	711,018	-	-	-
Livia	-	-	2,114,364	-	-	-
IFSL	-	-	45,753	-	-	-
Electricity Charges						
IL&FS	1,001,164	-	-	-	-	-
Professional Fees						
ISSL	-	-	40,000	-	-	-
Brand subscription fe	es					
IL&FS	15,139,320	-	-	-	-	-
(Other Reimbursemen	t Paid) / Recovere	d				
IL&FS	(1,030,047)	-	-	-	-	-
IAAL	-	1,951,888	-	-	-	-
IAIML	-	889,078	-	-	-	-
IETSL	-	68,656	-	-	-	-
IEDCL	-	75,457	-	-	-	-
Director Remuneration	n					
Dr Archana Hingorani	-	-	-	-	-	28,480,633

For The Year Ended 31st March, 2015

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

Advisory Fee Income	Nature of ansaction	Holding Company	Subsidiaries	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Venture	Key Management personnel
IAIML	ory Fee Income		,	,		'	
IFINRT		-	767,646,162	-	-	-	-
IIF		-	8,100,000	-	-	-	-
ILEF - 1		-	-	16,245,740	-	-	-
Dividend received		-	-	1,000,000	-	-	-
IUML		-	-	24,611,316	-	-	-
IIAL	nd received		,	,		'	
IMRAPL		-	10,000,000	-	-	-	-
Itage		-	120,105,000	-	-	-	-
IL&FS	L	-	-	-	-	33,510,800	-
IVC EWT	st Income			,			
Term Deposit Placed		20,334,454	-	-	-	-	-
IL&FS 330,000,000 - - - - - -	VT	-	-	-	4,443,905	-	-
Repayment of Term Deposits IL&FS 300,000,000 - - 184,575,000 - Purchase of Investments IVC EWT - - - 241,347,750 - Other Expenses ETSL - - 300,000 - - ITCL - 47,778 - - ISSL - - 41,630 - - Rent paid IL&FS 30,995,069 - - - - - Electricity Charges IL&FS 325,360 - - - - - Erand subscription fees IL&FS 12,901,488 - - - - - Repairs and Maintenance ILFS 525,960 Payment of Interest	Deposit Placed						
IL&FS 300,000,000 - - 184,575,000 -		330,000,000	-	-	-	-	-
Purchase of Investments IVC EWT	ment of Term Depos	its					
IVC EWT		300,000,000	-	-	184,575,000	-	-
Other Expenses IETSL - - 300,000 - - ITCL - - 47,778 - - ISSL - - 41,630 - - Rent paid IL&FS 30,995,069 - - - - Electricity Charges IL&FS 325,360 - - - - Brand subscription fees IL&FS 12,901,488 - - - - Repairs and Maintenance ILFS 525,960 - - - - - Payment of Interest	ase of Investments						
IETSL	VT	-	-	-	241,347,750	-	-
TCL	Expenses						
SSL		-	-	300,000	-	-	-
Rent paid		-	-	47,778	-	-	-
IL&FS 30,995,069 - - - - -		-	-	41,630	-	-	-
Electricity Charges	aid						
IL&FS 325,360 - - - - -		30,995,069	-	-	-	-	-
Brand subscription fees	city Charges						
IL&FS		325,360	-	-	-	-	-
Repairs and Maintenance ILFS 525,960 Payment of Interest	subscription fees						
ILFS 525,960 Payment of Interest		12,901,488	-	-	-	-	-
Payment of Interest	s and Maintenance						
		525,960					
	ent of Interest		,			'	
IVC EWT 64,034,006	VT				64,034,006		
Director Remuneration	or Remuneration			,			
Dr Archana Hingorani 30	nana Hingorani	-	-	-	-	-	30,513,073

For The Year Ended 31st March, 2015

(d) Statement of significant balances as at March 31, 2015 are as follows :

Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Joint Venture	Key Management personnel
Trade Receivables						
IIAL	-	162,736,080	-	-	-	-
IIF	-		1,023,601	-	-	-
Income Received in a	dvance					
IFIN Realty	-	-	249,647	-	-	-
Interest accrued - Cu	rrent assets					
IL&FS	3,204,972	-	-	-	-	-
Current Maturities of	Long-term Loans	& Advances				
IL&FS	43,239,998	-	-	-	-	-
Maximum outstanding	g Inter Corporate I	Deposits durin	g the year		,	
IL&FS	193,239,998					
Short Term Advances						
IL&FS	51,376	-	-	-	-	-
IIAL	-	2,809,052	-	-	-	-
IIAL-Dubai	-	(17,951)	-	-	-	-
IEDCL	-	-	186,145	-	-	-
IETSL	-	-	52,656	-	-	-
Trade Payables	'			'		
IL&FS	717,145	-	-	-	-	-
IFSL	-	-	56,180	-	-	-
ISSL	-	-	11,760	-	-	-
ITL	-	-	45,226	-	-	-
Livia	-	-	2,138,129	-	-	-
ITCL	-	-	39,326	-	-	-

For The Year Ended 31st March, 2015

(e) Statement of significant balances as at March 31, 2014 are as follows:

Nature of	Holding	Subsidiaries	Fellow	Other Enterprise	Joint	Key
Transaction	Company		Subsidiary	over which IIML	Venture	Management
				has significant		personnel
				influence		
Trade Receivables						
IIAL	-	566,140,116	-	-	-	-
Sundry Advances						
IAIML	-	535,282	-	-	-	-
IIAL-Dubai	-	-	-	-	-	-
IIAL-Mauritius	-	1,985,096	-	-	-	-
IAAL	-	8,665	-	-	-	-
IETSL	-	-	86,536	-	-	-
IEDCL	-	-	110,688	-		-
Interest accrued-Curr	ent assets					
IL&FS	7,072,398	-	-	-	-	-
Current Maturities of	Long-term Loans	& Advances	·			
IL&FS	110,000,000	-	-	-	-	-
Maximum outstanding	g Inter Corporate D	Deposits during	the year			
IL&FS	270,000,000	-	-	-	-	-
Short Term Advances			·	·		
IL&FS	80,000,000	-	-	-	-	-
Other Non-Current As	sets		·			
IL&FS	4,251,939	-	-	-	-	-
Trade Payables			,			
IL&FS	592,438	-	-	-	-	-
ITCL	-	-	7,663	-	-	-
IETSL	-	-	319,372	-	-	-

(28) Joint Venture Disclosure:

The Company has the following Joint Ventures as on March 31, 2015 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	40%	50,314,234	9,205,056	36,827,536	33,164,443
Private Limited		(65,863,414)	(6,703,630)	(65,146,174)	(42,379,262)
Standard Chartered IL&FS	E00/	181,267,996	74,006,235	98,819,602	77,074,880
Management (Singapore) Pte Limited	50%	(185,543,154)	(84,158,893)	(94,705,664)	(78,873,088)

(Figures in brackets represent figures of previous year)

For The Year Ended 31st March, 2015

(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) Figures for the previous period/year have been regrouped and rearranged wherever considered necessary to conform to those of the current period

The accompanying Notes are integral part of the Financial Statements

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner

S M Datta Archana Hingorani
Chairman Chief Executive Officer &
Executive Director

Manoj BorkarSanjay MitraChief Financial OfficerCompany Secretary

Place : Mumbai Date : May 5, 2015

FORM AOC - 1

[Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014}

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in $\overline{}$)

	Sr. No.	1	2	3	4	5	6
	Name of the subsidiary	IL&FS Asian Infrastructure Managers Limited	IL&FS Urban Infrastructure Managers Limited	IIML Asset Advisors Limited	IL&FS Investment Advisors LLC	IIML Advisors LLC	IIML Fund Managers (Singapore) Pte Limited
(1)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015
(2)	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	USD @ 62.5908	USD @ 62.5908	USD @ 62.5908
(3)	Share capital	45,918,370	10,000,000	44,071,000	3,630,266	15,647,700	90,756,660
(4)	Reserves & surplus	14,424,392	139,558,556	72,470,318	2,116,559,226	(13,520,364)	(61,332,742)
(5)	Total assets	75,970,694	198,728,577	188,002,976	2,430,391,876	2,415,254	33,202,015
(6)	Total Liabilities	15,627,932	49,170,021	71,461,658	310,202,384	287,918	3,778,097
(7)	Investments	71,156,241	-	144,084,202	125,432	-	-
(8)	Turnover	12,501,130	152,373,980	101,393,869	1,504,256,088	-	31,814,215
(9)	Profit before taxation	1,367,701	31,638,160	31,109,682	254,063,818	(2,899,769)	(623,918)
(10)	Provision for taxation	(310)	8,831,888	8,292,000	13,410,079	-	-
(11)	Profit after taxation	1,368,011	22,806,272	22,817,682	240,653,739	(2,899,769)	(623,918)
(12)	Proposed Dividend	11,479,593	10,000,000	44,952,400	-	-	-
(13)	% of shareholding	51.00%	100%	100%	100%	100%	100%

Notes:

(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

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to 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, 2015	March 31, 2015
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	Extend of Holding %	40%	50%
5	Description of how there is significant influence	Based on S	hareholding
6	Reason why the Joint venture is not consolidated	NA	NA
7	Networth attributable to Shareholding as per latest audited Balance Sheet (₹)	₹ 32,800,770	₹ 76,009,607
8	Profit/Loss for the year		
	(i) Considered in Consolidation (₹)	₹ 3,663,095	₹ 7,986,627
	(ii) Not Considered in Consolidation	-	-

Notes:

(1) Names of associates or joint ventures which are yet to commence operations NIL

(2) Names of associates or joint ventures which have been liquidated or sold during the year NIL

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. MehtaSM DattaArchana HingoraniPartnerChairmanChief Executive Officer & Executive Director

Manoj BorkarSanjay MitraChief Financial OfficerCompany Secretary

Mumbai, May 5, 2015



Independent Auditors' Report on Consolidated Financial Statements

TO THE MEMBERS OF

IL&FS INVESTMENT MANAGERS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IL&FS INVESTMENT MANAGERS LIMITED** ("the Holding Company"), its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31 March, 2015, 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

The Holding Company's Management and Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used to the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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 judgement, 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 and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Auditors' Report on Consolidated Financial Statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 its jointly controlled entities as at 31 March, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of four subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of ₹ 26,737.88 lakhs as at 31 March, 2015, total revenues of ₹ 15,852.93 lakhs and net cash inflows of ₹ 1,084.82 lakhs for the year then ended, 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 entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the auditor's reports of the Holding Company and the subsidiaries and a jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
- (2) As required by Section 143 (3) of the Act, 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 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 the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and a jointly controlled company incorporated in India, none of the Directors of the Group companies and its jointly controlled company incorporated in India are disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities—Refer Note 17 to the consolidated financial statements;
 - (ii) The Group and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and a jointly controlled company incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants (Firm's Registration No. 117366W/W-100018)

Kalpesh J. Mehta Partner (Membership No. 48791)

Mumbai, May 05, 2015

Annexure To The Independent Auditor's Report

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

- (1) Having regard to the nature of the business/activities/results of the Holding Company and its subsidiaries and jointly controlled company incorporated in India (hereinafter referred to as "the Companies") during the year, clauses (ii), (vi) and (xi) of paragraph 3 of the Order are not applicable to the Companies.
- (2) In respect of the Companies' fixed assets:
 - (a) The Companies have respectively maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective companies in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (3) According to the information and explanations given to us, the Holding Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act. In respect of such loans:
 - (a) The receipts of principal amounts and interest have been regular.
 - (b) There are no overdue amounts in excess of Rs 100,000 remaining outstanding as at March 31, 2015.
- (4) In our opinion and according to the information and explanations given to us', there are adequate internal control systems commensurate with the sizes of the Companies and the nature of their business with regard to purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any major weaknesses in such internal control systems.
- (5) According to the information and explanations given to us, the Companies have not accepted any deposits during the year.
- (6) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Companies have generally been regular in depositing undisputed statutory dues, including provident fund, income tax, service tax, value added tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of income tax which have not been deposited by the Companies as at March 31, 2015 on account of disputes are given below:

Name of			Period to which the amount	Amount involved
statue	dues	pending	relates	(₹)
Income Tax Act, 1961	Income tax in demand	High Court of Bombay	AY 2008 - 09	1,051,814
Income Tax Act, 1961	Income tax in demand	Appeals under process to CIT(A)	AY 2009 -10	38,693
Income Tax Act, 1961	Income tax in demand	Appeals under process to CIT(A)	AY 2010 -11	799,800
Income Tax Act, 1961	Income tax in demand	Appeals under process to CIT(A)	AY 2010 -11	7,641,704

(d) The Companies have generally been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

- (7) The Companies do not have accumulated losses at the end of the financial year and the Companies have not incurred cash losses during the financial year covered by our audit and in the immediately preceeding financial year.
- (8) In our opinion and according to the information and explanations given to us, the Companies have not defaulted in the repayment of dues to financial institutions and banks. The Companies have not issued any debentures.
- (9) According to the information and explanations given to us, the Companies have not given guarantees for loans taken by others from banks and financial institutions.
- (10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Companies and no material fraud on the Companies have been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants (Firm's Registration No.117366W/W-100018)

Kalpesh J. Mehta Partner (Membership No. 48791)

Place : Mumbai Date : May 5, 2015

(Amount in ₹)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	628,085,480		627,204,230	
Reserves and Surplus	3	3,017,323,444	3,645,408,924	2,636,198,506	3,263,402,736
Minority Interest			36,338,071		35,667,746
Non - Current Liabilities					
Deferred tax liabilities (Net)	4	7,223,292		11,448,021	
Long term provisions	5	63,024,647	70,247,939	50,064,630	61,512,651
Current Liabilities					
Trade payables		264,367,041		323,165,551	
Other current liabilities	6	39,358,388		61,514,341	
Short term provisions	7	518,948,306	822,673,735	535,666,424	920,346,316
Total			4,574,668,669		4,280,929,449
ASSETS					
Non - current assets					
Fixed assets (net)	8				
Tangible assets		26,400,735		28,289,575	
Intangible assets		1,391,317,028		1,492,278,311	
Non Current Investments	9	325,383,546		351,179,408	
Deferred tax assets (net)	4	33,188,324		19,231,252	
Long term Loans and Advances	10	85,511,561		85,265,840	
Other Non Current Assets	11	42,489,859	1,904,291,053	67,341,356	2,043,585,742
Current assets					
Current Investments	12	1,112,471,979		442,529,058	
Trade receivables	13	1,017,327,793		1,175,073,362	
Cash and Cash Equivalents	14	384,324,673		231,053,773	
Short term Loans and Advances	15	140,809,547		363,803,598	
Other Current Assets	16	15,443,624	2,670,377,616	24,883,916	2,237,343,707
Total			4,574,668,669		4,280,929,449

The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

Place : Mumbai Date : May 5, 2015

102 — Annual Report 2015 — Annual Report 2015 —

Consolidated Statement of Profit and Loss For The Year Ended 31st March, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue:			
Revenue from Operations	18	1,909,925,184	2,082,206,513
Other Operating Income	19	9,536,935	6,254,247
Other Income	20	167,339,879	140,357,249
Total Revenue		2,086,801,998	2,228,818,009
Expenses:			
Employee benefit expenses	21	523,758,680	612,222,378
Finance Cost	22	_	7,789,952
Depreciation and amortisation expense	8	192,533,663	189,553,671
Other Administrative and Operating expenses	23	405,438,106	411,803,140
Total Expenses		1,121,730,449	1,221,369,141
Profit before tax		965,071,549	1,007,448,868
Tax expense:			
» Current tax		241,228,634	280,804,061
» Short Provision for tax relating to prior years		11,459,690	_
» Deferred tax	4	(18,547,935)	(1,988,130)
Profit after tax before Minority Interest		730,931,160	728,632,937
Less : Share of profit attributable to Minority Interest		(670,325)	(3,760,375)
Group Profit for the year (attributable to Shareholders of the Company)		730,260,835	724,872,562
Earning per equity share : (Not Annualised) (Equity shares of Face value ₹ 2/- each)	27		
» Basic		2.33	2.31
» Diluted		2.33	2.31
The accompanying Notes are an integral part of the Financial Statements			

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

Place : Mumbai Date : May 5, 2015

(Amount in ₹)

			Figures for the Year Ended March 31, 2015	Figures for the Year Ended March 31, 2014
(A)	CASH FLOW FROM OPERATING ACTIVITIES			
	PROFIT BEFORE TAX		965,071,549	1,007,448,868
	Adjustments for :			
	Depreciation and Amortisation		192,533,663	189,553,671
	Bad Debts/Advances written off		1,143,940	-
	Provision for Doubtful trade receivables		41,303,615	-
	Provision & Contingencies		-	808,632
	Foreign Currency Translation Reserve		7,781,368	(3,941,326)
	Provision for Employee Benefits (Net)		7,563,489	(11,243,931)
	Interest Income		(17,746,141)	(31,777,732)
	Dividend Income		(33,075,445)	(25,399,719)
	Finance Cost		-	7,789,952
	Net Profit on Sale of Investments		(9,536,935)	(6,478,154)
	Profit on sale of Fixed Assets (Net)		(641,011)	(239,050)
	Operating Profit before working capital changes		1,154,398,092	1,126,521,211
	Changes in working capital :			
	Adjustments for (increase)/decrease in operating assets:			
	Trade Receivables		153,595,168	(375,928,372)
	Short Term Loans and Advances		27,455,986	(181,476,213)
	Long Term Loans and Advances		1,021,743	136,657,978
	Other Current Assets		3,432,888	20,216,138
	Other Non-current Assets		27,005,040	4,203,359
	Adjustments for increase/(decrease) in operating liabilities:			
	Trade Payables		(80,531,998)	(4,636,270)
	Other Current Liabilities		(25,647,097)	(52,679,677)
	Non-current Liabilities		-	(898,672)
	Short Term Provisions		-	(428,598)
	Long Term Provisions		118,431	-
	Cash Flow after Working Capital Changes		1,260,848,253	671,550,884
	Payment of Taxes (Net)		(263,077,137)	(275,776,871)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	(A)	997,771,116	395,774,013
(B)	CASH FLOW FROM INVESTING ACTIVITIES	(/		
(-/	Investment in Other Long-term Investments		(3,000,000)	(241,324,889)
	Proceeds from sale of Other Non-current Investments		42,438,247	12,465,361
	Decrease/(Increase) in Current Investments (Net)		(669,942,921)	73,855,157
	Dividend Income on Current Investments		33,075,445	25,399,719
	Inter Corporate Deposits Given		(43,239,998)	(380,000,000)
	Inter Corporate Deposits Refunded		240,000,000	300,000,000
	Capital Expenditure on Fixed Assets		(11,387,509)	(5,835,617)
	Proceeds from Sale of Fixed Assets		1,345,442	507,240
	Interest Received		17,746,141	
	Loans Refunded		-	184,575,000
	Bank Balance not considered as cash and cash equivalent			137,570,500
	Fixed Deposit Placed		(472,827,451)	(22,621,100)
	Fixed Deposit Natured		462,621,100	66,291,086
	NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(B)	(403,171,504)	110,525,338

104 — Annual Report 2015

Consolidated Cash Flow Statement For The Year Ended 31st March, 2015

(Amount in ₹)

			Figures for the Year Ended March 31, 2015	Figures for the Year Ended March 31, 2014
(C)	CASH FROM FINANCING ACTIVITIES			
	Proceeds from issuance of Share Capital at premium		5,640,000	2,562,000
	Interest Paid		-	(7,789,952)
	Borrowing repaid		-	(302,481,062)
	Dividend paid		(407,669,750)	(313,355,865)
	Payment of Dividend Distribution tax		(59,416,542)	(53,758,293)
	NET CASH USED IN FINANCING ACTIVI TIES	(C)	(461,446,292)	(674,823,172)
(D)	Net Increase/(Decrease) in Cash and Cash Equivalent	(A+B+C)	133,153,320	(168,523,821)
	Impact of Foreign Currency Translation		6,950,724	23,110,357
	Cash and Cash Equivalent at the beginning of the year as per Balance Sheet (refer note 14)		194,013,692	339,427,156
	Cash and Cash Equivalent at the end of the year (Refer Note 14)		334,117,736	194,013,692
	Reconciliation of Cash and cash equivalents with the Balance Sheet :			
	Cash and cash equivalents as per Balance Sheet (Refer Note 14)		384,324,673	231,053,773
	Less : Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) :			
	(i) In other deposit accounts			
	» original maturity more than 3 months		(22,827,451)	(12,621,099
	(ii) In earmarked accounts (Refer Note (i) below)			
	» Unpaid dividend accounts		(27,379,486)	(24,418,982)
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 14 *		334,117,736	194,013,692
	* Comprises			
	(a) Cash on hand		201,897	121,540
	(b) Balances with banks			
	(i) In current and fixed deposit accounts		333,915,839	192,509,474
	(ii) In EEFC accounts		_	1,382,678
			334,117,736	194,013,692

Notes:

- (i) These earmarked account balances with banks can be utilised only for the specific identified purposes
- (ii) The accompanying Notes are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman

Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

Place : Mumbai Date : May 5, 2015

(1) Significant Accounting Policies

(a) Basis of accounting and preparation of Consolidated Financial Statements

The Consolidated Financial Statement (CFS) relates 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 Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013/Companies Act 1956, as applicable. The CFS have been prepared on accrual basis under the historical cost convention. 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 financial statements 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 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 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 year. 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 resulting in 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

(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, 2015 (₹)	Percentage of Voting power As at March 31, 2015	Amount of Investment As at March 31, 2014 (₹)	Percentage of Voting power As at March 31, 2014
Subsidiaries					
IL&FS Asian Infrastructure Managers Limited	India	23,418,370	51	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	900,200	100	900,200	100
Saffron Investment Trust	Mauritius	92,920,000	100	92,920,000	100
IIML Asset Advisors Limited	India	49,864,117	100	49,864,117	100
IIML Advisors LLC	Mauritius	12,599,998	100	12,599,998	100
IIML Fund Managers (Singapore) Pte Ltd	Singapore	84,707,823	100	84,707,823	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) Fixed Assets (Tangible) and Depreciation

Fixed Assets are carried at cost less accumulated depreciation and impairment losses if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use

Depreciation on fixed 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)
Fixed Assets Tangible :	,
Building/Premises	15
Furniture and Fixtures	5
Computers and Data Processing Equipment	3
Data Processing Equipments (Servers & Networking)	4
Office Equipments	4
Vehicles	4
Asset given to employees	3
Lease hold improvement	Over the lease period

As per 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 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 (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

Assets of the Company and its Indian subsidiaries whose useful life has been completed as at March 31, 2014 are fully depreciated and such depreciation is routed through the Reserves and Surplus Account. All other assets outstanding in the books as at March 31, 2014 are depreciated over the balance useful life

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)
Fixed Assets Intangible : (Acquired)	
Computer Software	3
Goodwill	5
Business know-how, Management & Advisory Contracts	Over the life of the Fund
Placement Fees	5

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

Placement Fees incurred in the establishment of the Fund are carried as Intangible Assets and are amortised on a straight line basis over five years from the commencement date of the Fund to which the placement fee relate

Goodwill acquired represents excess of consideration paid over assets taken over on amalgamation of the companies with the Group. Such Goodwill is amortised over 5 years on a straight line basis in accordance with AS-14 "Accounting for Amalgamations"

(q) 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, 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. Foreign currency monetary items outstanding as at the Balance Sheet date are restated at the closing rate

(ii) Measurement at the balance sheet date

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

(k) Forward Contract Transactions

The Group enters into forward contracts to hedge its assets and liabilities

The premium or discount arising at the inception of a Forward Contract is amortised as income or expense over the life of such Contract

At the reporting date, Forward contracts are revalued and gains/losses if any, are recognised in the Statement of Profit and Loss

Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income or expense in the period in which such cancellation or renewal is made

(I) Revenue Recognition

- (i) Management fee income on Units of Private Equity Funds (PEF) under management and advisory fee income are recognised based on contractual arrangements
- (ii) Income from Investment (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 is accrued proportionately based on period for which the same is placed

(m) Employee Benefits

(i) The Company's contribution to provident fund, superannuation fund are considered as defined contribution plans and are charged as an expense in the 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) The Indian entities of the Group have taken 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 to the Profit and Loss Statement
- (iii) The leave balance is classified as short term and long term based on the leave policy. The leave encashment 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

(n) Placement Fees Expense

Placement Fees paid to the Arranger of PEF are recognised over period of 5 years

(o) 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 liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets

Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Statement of Profit and Loss in the period of substantive enactment of the change

The Group offsets deferred tax assets and liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and is relate to taxes on income levied by the same governing taxation laws

(p) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (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

(q) 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) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

(r) Earnings Per Share (EPS)

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 period. 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

(s) Service tax input credit

Service tax input credit 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

(t) Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan

(2) Share Capital

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

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
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, 2014 : 313,592,115 Equity shares of ₹ 2/- each) with voting rights	628,065,480	627,184,230
Add : Forfeited shares	20,000	20,000
	628,085,480	627,204,230

(b) 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, 2015		As at March 31, 2014	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	313,592,115	627,184,230	208,903,910	417,807,820
Add : Allotment made towards Bonus Issue	-	-	104,530,705	209,061,410
Add: Allotment made towards Employee Stock Option Plan [ESOP] shares exercised	440,625	881,250	157,500	315,000
At the end of the year	314,032,740	628,065,480	313,592,115	627,184,230

(c) List of the shareholders holding more than 5% of the share capital:

	As at March 31, 2015		March 31, 2015 As at March 31, 20	
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	50.49

(d) Rights, preference and restrictions attached to equity shares :

The Company has one class of Equity Shares with face value of ₹ 2/- each. Each Share Holder has a voting right in proportion to their holding of the paid up Equity Share Capital of the Company.

(e) 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 (₹)
2014-15	-	-	-
2013-14	2	104,530,705	209,061,410
2012-13	-	-	-
2011-12	-	-	-
2010-11	-	-	-

(f) 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/-

(g) 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 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

(h) 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

112 - Annual Report 2015

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

Bertheden	ESOP 2006		
Particulars	No of Options	Weighted Average Exercise Price* (₹)	
Authorised to be Granted	16,875,000	-	
Granted and outstanding at the beginning of the year	440,625	12.80	
Granted during the year	-	-	
Forfeited during the year	-	-	
Exercised during the year	440,625	12.80	
Lapsed during the year	-	-	
Granted and outstanding at the end of the year	-	-	
Vested and Exercisable at the end of the year	-	-	
Additional option on account of bonus issue	-		
Total Options outstanding at the end of the year	-	-	

^{*} Determined at the time of grant

- (j) 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
- (k) 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
- (I) No Options were granted during the year
- (m) The weighted average market price at the dates of exercise for options during the year was ₹ 22.95

(3) Reserves and Surplus

The movement in Reserves and Surplus are as under:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Securities Premium Account		
Balance as per previous Balance Sheet	-	141,638,254
Add : Premium on ESOP shares issued during the year	4,758,750	2,247,000
Less : Utilised during the year for Issuing bonus shares	-	(143,885,254)
Balance at the end of the year	4,758,750	-
General Reserve		
Balance as per previous Balance Sheet	258,657,591	259,385,027
Add: Appropriation from Statement of Profit and Loss	57,000,000	64,448,720
Less : Appropriation for Bonus	-	(65,176,156)
Balance at the end of the year	315,657,591	258,657,591
Capital Reserve on Consolidation		
Balance as per previous Balance Sheet	49,169,392	49,169,392
Add : Addition	-	-
Balance at the end of the year	49,169,392	49,169,392

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Surplus in Statement of Profit and Loss		
Balance as per previous Balance Sheet	1,951,202,525	1,758,254,815
Add : Group profit for the year	730,260,835	724,872,562
Add : Reversal of Excess Dividend tax	-	6,891,196
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Refer Note 8)	(306,856)	-
Less : Appropriation for Dividend	(408,242,562)	(407,669,750)
Less : Appropriation for Dividend tax	(55,990,527)	(66,697,578)
Less : Transfer to General Reserve	(57,000,000)	(64,448,720)
Balance at the end of the year	2,159,923,415	1,951,202,525
Foreign Currency Translation Reserve		
Balance as per previous Balance Sheet	377,168,998	209,147,621
Add : Addition	110,645,298	168,021,377
Balance at the end of the year	487,814,296	377,168,998
	3,017,323,444	2,636,198,506

(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 current year ended March 31, 2015 the timing difference has resulted in a net deferred tax credit of ₹ 17,400,204/-
- (b) The Net deferred tax asset recognised in the accounts as of March 31, 2015 are as follows:

Nature of Timing Differences	As at March 31, 2014 Asset/(Liability) (₹)	Adjusted/ Added during the year	As at March 31, 2015 Asset/(Liability) (₹)
Difference between book and tax Depreciation	7,890,866	94,909	7,985,775
Employee Benefits	11,419,009	244,199	11,663,208
Provision for Bad debts	-	13,400,958	13,400,958
Deferred Rent	149,937	(11,554)	138,383
Deferred Income	291,440	(291,440)	-
Mobilisation Expenses	(520,000)	520,000	-
Total	19,231,252	13,957,072	33,188,324
Previous year	22,005,117	(2,773,865)	19,231,252

(c) The deferred tax liability recognised in the accounts as of March 31, 2015 is as follows:

Nature of Timing Differences	As at March 31, 2014 Asset/(Liability) (₹)	Adjusted/ Added during the year (₹)	As at March 31, 2015 Asset/(Liability) (₹)
Placement Fees	(7,331,320)	4,590,863	(2,740,457)
Others *	(4,116,701)	(366,134)	(4,482,835)
Total	(11,448,021)	4,224,729	(7,223,292)
Previous year	(14,663,759)	3,215,738	(11,448,021)

^{*} The amount of ₹ 366,134/- (Previous year ₹ 901,753/-) is on account of Foreign Exchange Fluctuation adjusted in Foreign Currency Translation Reserves under the head 'Reserves and Surplus'

(5) Long Term Provisions

(a) 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, 2015 (₹)	As at March 31, 2014 (₹)
Provision for Employee benefits :		
For compensated absences benefits	22,193,477	18,170,785
For gratuity	40,712,739	31,893,845
Provision Others :		
Deferred Rent	118,431	-
	63,024,647	50,064,630

(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 parent company and its

(i) Defined Contribution Plans :

Indian group entities is provided below:

The Group has recognised ₹ 14,442,444/- (Previous year ₹ 14,956,207/-) 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 ₹ 4,416,470/- (Previous year ₹ 4,897,176/-) as Group's contribution to Superannuation Fund maintained with Life Insurance Corporation of India

(ii) Defined Benefit Plans :

The Group 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, 2015	For the year ended March 31, 2014
(I)	Assumptions		
	Discount Rate	7.94%-8.25%	8.25% - 9.33%
	Rate of Return on Plan Assets	7.95%-9.00%	8.70% - 9.00%
	Salary Escalation	6.50%	6.50%
	Attrition Rate	2%-3%	2%-3%
	Mortality Table	Indian Assured Lives mortality (2006–2008) Ultimate	Indian Assured Lives mortality (2006 - 2008) Ultimate and LIC (94 - 96) Ultimate Mortality Table
(II)	Table Showing Change in Benefit Obligation :	March 31, 2015 (₹)	March 31, 2014 (₹)
	Liability at the beginning of the year	82,329,596	74,638,392
	Interest Cost	7,617,182	6,157,668
	Current Service Cost	7,980,065	7,577,364
	Liability Transfer In	105,356	-
	Benefit Paid	(8,785,875)	(2,485,580)
	Actuarial (gain)/loss on obligations	5,817,846	(3,558,248)
	Liability at the end of the year	95,064,170	82,329,596
(III)	Tables of Fair value of Plan Assets :		
	Fair Value of Plan Assets at the beginning of the year	97,444,562	80,591,618
	Expected Return on Plan Assets	8,486,184	7,054,435
	Contributions	3,549,567	11,859,510
	Transfer from other Company	105,356	-
	Benefit Paid	(7,778,789)	(1,961,538)
	Actuarial Gain/(Loss) on Plan Assets	(276,030)	(99,463)
	Fair Value of Plan Assets at the end of the year	101,530,850	97,444,562
	Total Actuarial Gain/(Loss) to be recognised	(6,093,876)	3,458,785
(IV)	Actual Return on Plan Assets :		
	Expected Return on Plan Assets	8,486,184	7,054,435
	Actuarial Gain/(Loss) on Plan Assets	(276,030)	(99,463)
	Actual Return on Plan Assets	8,210,154	6,954,972

	Particular	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
(V)	Amount Recognised in	the Balance She	et:			
	Liability at the end of the year	95,064,170	82,329,596	74,638,392	69,070,807	51,521,128
	Fair Value of Plan Assets at the end of the year	101,530,850	97,444,562	80,591,618	69,511,030	39,913,251
	Difference	(6,466,680)	(15,114,966)	(5,953,225)	(440,223)	11,607,877
	Unrecognised Past Service Cost	-	-	-	-	-
	Amount Recognised in the Balance Sheet	(6,466,680)	(15,114,966)	(5,953,225)	(440,223)	11,607,877

(VI)	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	Expenses Recognised in the Statement of Profit an	nd Loss :	
	Current Service Cost	7,980,065	7,577,364
	Interest Cost	7,617,182	6,157,668
	Expected Return on Plan Assets	(8,486,184)	(7,054,435)
	Net Actuarial (Gain)/Loss To be Recognised	6,093,876	(3,458,785)
	Expense Recognised in Statement of Profit and Loss	13,204,939	3,221,812
(VII)	Balance Sheet Reconciliation :	As at March 31, 2015 (₹)	As at March 31, 2015 (₹)
	Opening Net Liability	(15,114,965)	(5,953,225)
	Expense as above	13,204,939	3,221,812
	Employers Contribution	(3,549,567)	(11,859,510)
	Benefits Paid	(1,007,086)	(524,042)
	Amount Recognised in Balance Sheet	(6,466,679)	(15,114,965)
(VIII)	Description of Plan Assets :		
	Insurer Managed Funds	100%	100%

(IX)	Experience	Adjustments:	
---	-----	------------	--------------	--

Particular	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Experience adjustments on plan liabilities Gain/(Loss)	4,712,156	4,072,380	1,118,740	12,825,806	(2,731,448)
Experience adjustments on plan assets Gain/(Loss)	(276,030)	(99,463)	45,116	1,112,106	321,976

Other Details:

The employer's best estimate of the contributions expected to be paid to the plan during the next 12 month ₹ 202,765/- (Previous year ₹ 171,400/-)

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, 2015 (₹)	As at March 31, 2014 (₹)
Income Received in advance	-	28,136,843
Unclaimed Dividend	27,379,486	24,418,982
Unamortised Deferred Income	308,085	898,672
Statutory Payments	10,785,298	6,661,701
Other Liabilities	885,519	1,398,143
	39,358,388	61,514,341

- (b) Other Liabilities pertains to amount payable to Provident Fund and Profession Tax
- (c) Unclaimed dividend of ₹ 27,379,486/- relates to the period from FY 2007-2008 to FY 2013-2014. During the year ended March 31, 2015 an amount of ₹ 1,414,260/- (Previous year : ₹ 920,601/-) has been transferred to the Investor Education and Protection Fund relating to amounts for the year ended March 31, 2007

(7) Short Term provisions:

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, 2015 (₹)	As at March 31, 2014 (₹)
Provision for employee benefits :		
For compensated absences	7,745,511	11,738,263
For Gratuity	461,297	64,380
Provision Others :		
Provision for Taxation (Net)	46,622,033	56,891,113
Provision for Dividend	408,242,562	407,669,750
Provision for Dividend Tax	55,876,903	59,302,918
	518,948,306	535,666,424

Notes Forming part of Consolidated Financial Statements

(8) Fi

Fixed Assets:

(a) Tangible and Intangible Assets

Current Year

5										
		GROSS BLOC	OCK (AT COST)			DEP	DEPRECIATION/AMORTISATION	ORTISATION		NET BLOCK
Description of Assets	As on 1.04.2014	Additions	Deductions/ Adjustments*	As at 31.03.2015	As at 1.04.2014	For the Year	Deductions/ Adjustments*	Transitional adjustment recorded against Surplus balance in Statement of Profit and Loss 1	Up to 31.03.2015	As at 31.03.2015
Tangible Assets:										
Building	20,459,859		845,674	21,305,533	4,439,931	1,387,489	216,215	•	6,043,635	15,261,898
Furniture and Fixtures	11,872,612	1,211,645	(1,705,866)	11,378,391	8,636,906	2,741,864	(1,403,602)	306,857	10,282,025	1,096,366
Vehicles	14,602,569	2,715,618	135,503	17,453,690	12,604,243	1,514,267	271,371	1	14,389,881	3,063,809
Office Equipments	13,128,005	1,436,500	(3,322,196)	11,242,309	10,106,296	2,293,638	(3,137,506)	•	9,262,428	1,979,881
Data Processing Equipments	13,242,653	3,813,061	(2,754,706)	14,301,008	10,201,657	2,422,285	(2,751,935)	1	9,872,006	4,429,002
Lease Improvements	22,366,522		(1,119,141)	21,247,381	21,393,612	403,130	(1,119,140)	•	20,677,602	569,779
Total (A)	95,672,220	9,176,824	(7,920,732)	96,928,312	67,382,645	10,762,673	(7,924,597)	306,857	70,527,577	26,400,735
Intangible Assets (Other than internally generated):										
Goodwill on amalgamation	18,402,681	•	(18,402,681)	•	18,402,681	•	(18,402,681)	•	•	•
Computer Software	7,804,388	27,883	•	7,832,271	7,049,376	448,598	-	•	7,497,974	334,297
Business Know-how, Management and Advisory Contracts ²	2,243,116,536	•	3,888,324	2,239,228,212	751,593,237	181,322,392	(84,670,148)	•	848,245,481	1,390,982,731
Placement Fees	838,545,414	•	•	838,545,414	838,545,414	•	-	•	838,545,414	•
Total (B)	3,107,869,019	27,883	(22,291,005)	3,085,605,897	1,615,590,708	181,770,990	(103,072,829)	•	1,694,288,869	1,391,317,028
Total (A+B)	3,203,541,239	9,204,707	(30,211,737)	3,182,534,209	1,682,973,353	192,533,663	(110,997,426)	306,857	1,764,816,446	1,417,717,763

^{*} Adjustments include movement due to foreign exchange fluctuations

Note no 2: Of the Business Know-how, Management and Advisory Contracts a sum of ₹ 113,099,511/- represents amount capitalised in Group Company in FY 2002 – 03 towards acquisition of management contracts for funds. This has been amortised over a period of 5 years. Since the life of the fund has expired, the amount of asset disclosed in Fixed Assets schedule has been written back against the provision for depreciation in the books. A sum of ₹ 2,239,228,212/- (gross block as at March 31, 2015) represents the amount recognised as intangibles in subsidiary financials being the fair value of the management and advisory contracts acquired by the Company 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 (K2) and Saffron India Real Estate Fund – I (SIREF I), pursuant to the amalgamation with Saffron Capital Advisors Limited (K2) and Saffron India Real Estate Fund – I (SIREF I), pursuant to the amalgamation with Saffron Capital Advisors Limited (K2) and Saffron India Real Estate Fund – I (SIREF II), pursuant to the amalgamation with Saffron Capital Advisors Limited (K2) and Saffron India Real Estate Fund – I (SIREF II), pursuant to the amalgamation with Saffron Capital Advisors Limited (K2) and Saffron Limited (K3) and Saffron Limited (K3) and Saffron Limited (K4) and Saffron Limited (K4) and Saffron Limited (K5) and Saffron Lim

Company based on steps taken by the Management towards appointment of appropriate placement agencies and legal counsel and formation of the structures in raising new funds. On the basis that the Company will continue to earn management fee income from the new funds in addition to the management fee income from K2 and SIREF I. The management has determined that the carrying value of the intangible assets is fully recoverable and therefore no impairment of the intangible assets is required following the proposed divestment of K2 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. Due to divestment of K2 planned in the short term, Yatra Capital Limited will launch a new fund in FY 2016 to replace K2. The recoverable amount of the intangible assets is dependent on the successful launch of the new fund. The directors believe that the targeted capital to be raised by the new funds will be achievable and future economic benefits will accrue to the

Note no 1 : ₹ 306,857/- depreciation on assets whose useful life is completed on March 31, 2014, routed through Reserves and Surplus in terms of transitional provisions of the Schedule II of the CA 2013

Notes Forming part of Consolidated Financial Statements

8

Fixed Assets:

Previous Year

Amount (₹)

972,910 755,012 31.03.2014 16,019,928 3,235,706 1,998,326 3,021,709 3,040,996 28,289,575 1,491,523,299 1,492,278,311 1,520,567,886 **NET BLOCK** Up to 31.03.2014 1,615,590,708 1,682,973,353 751,593,237 8,636,906 12,604,243 10,106,296 10,201,657 21,393,612 67,382,645 7,049,376 838,545,414 18,402,681 4,439,931 Deductions/ Adjustments* DEPRECIATION/AMORTISATION 284,222 929,032 47,573,305 47,181,878 646,271 (902,559)(959,837)(391, 427)3,002,297 44,571,008 (388,556)1,775,404 1,910,250 456,026 593,815 179,986,195 For the Year 1,588,735 2,464,280 9,567,476 179,392,380 189,553,671 1,372,781 As at 1.04.2013 9,193,966 527,629,849 838,545,414 1,388,031,208 1,446,237,804 2,782,928 8,008,008 10,182,568 8,030,572 20,008,554 6,455,561 58,206,596 15,400,384 As at 31.03.2014 3,203,541,239 3,107,869,019 838,545,414 11,872,612 14,602,569 13,128,005 7,804,388 20,459,859 13,242,653 22,366,522 95,672,220 18,402,681 2,243,116,536 Deductions/ Adjustments* 208,911,848 207,511,112 (1,849,598)947,192 361,395 (937,366) 929,032 1,400,736 3,002,297 204,508,815 1,950,081 **GROSS BLOCK (at Cost)** 8,030,478 Additions 2,650,950 1,058,824 1,087,197 3,233,507 1,058,824 6,971,654 As on 1.04.2013 2,986,598,913 12,635,013 9,533,103 11,529,069 21,437,490 87,299,830 6,745,564 2,899,299,083 18,509,778 13,655,377 15,400,384 2,038,607,721 838,545,414 Business Know-how, Management Intangible Assets (Other than Data Processing Equipments Goodwill on amalgamation internally generated): and Advisory Contracts **Description of Assets** Furniture and Fixtures Lease Improvements Computer Software Office Equipments Tangible Assets Placement Fees Total (A+B) Total (B) Total (A) Building Vehicles

* Adjustments include movement due to foreign exchange fluctuations

(9) Non Current Investments

Non Current Investment consists of :

Particulars	Face Value (₹)	No. of Shares/ Units	Cost As at March 31, 2015 (₹)	Face Value (₹)	No. of Shares/ Units	Cost As at March 31, 2014 (₹)
A-Trade Investments Investment in Equity Instruments (Fu	ully 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	62,591	\$ 10	100	60,100
IL&FS India Realty Fund II LLC	\$ 0.01	100,000	62,591	\$ 0.01	100,000	60,100
TARA India Fund III LLC	\$ 1	2	125	\$ 1	2	120
TARA Feeder Fund Limited	\$ 1	2	125	\$ 1	2	120
Tara India Fund IV LLC (Class C Shares)	\$ 1	1	63	\$ 1	1	60
Tara India Fund IV LLC (Class D Shares)	\$ 1	1	63	\$ 1	1	60
Saffron India Real Estate Fund – I (Class A Shares)	\$ 0.01	15,236	94,672,088	\$ 0.01	18,448	109,710,336
Saffron India Real Estate Fund – I (Class C Shares)	\$ 0.01	75,000	46,943	\$ 0.01	75,000	45,075
Saffron India Real Estate Fund – I (Class D Shares)	\$ 0.01	25,000	15,648	\$ 0.01	25,000	15,025
K2 Property Limited (Class C Shares)	\$ 0.01	75,000	46,943	\$ 0.01	75,000	45,075
K2 Property Limited (Class D Shares)	\$ 0.01	25,000	15,648	\$ 0.01	25,000	15,025
IL&FS Nucleus Fund (Class B Shares)	-	-	-	\$ 1	1	60
Total (A)			95,005,328			110,033,656
B-Investment in Units of Venture Fur	nd (Fully paid	- up) (Unquot	ed)			
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	803.36	80,336,063	100,000	860	86,002,037
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	69.97	69,972,700	1,000,000	74.27	74,266,100
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	71.72	71,718,046	1,000,000	75.53	75,526,206
TARA India Fund III Trust (Class D Units)	1,000,000	3.10	3,101,409	1,000,000	3.10	3,101,409
TARA India Fund III Domestic Trust	1,000	500	500,000	1,000	500	500,000

Particulars	Face Value (₹)	No. of Shares/ Units	Cost As at March 31, 2015 (₹)	Face Value (₹)	No. of Shares/ Units	Cost As at March 31, 2014 (₹)
Tara India Fund IV Trust-(Class A Units)	1,000,000	3	3,000,000	-	-	-
Urjankur Nidhi Trust	100	1,000	100,000	100	1,000	100,000
PAN Asia Project Development Fund	100	1,000	100,000	100	1,000	100,000
Milestone Real Estate Fund-IL&FS Milestone Fund I	1,000	200	200,000	1,000	200	200,000
Milestone Real Estate Fund-IL&FS Milestone Fund II	1,000	200	200,000	1,000	200	200,000
Milestone Real Estate Fund-IL&FS Milestone Fund IIA	1,000	200	200,000	1,000	200	200,000
Milestone Real Estate Fund-IL&FS Milestone Fund IIB	1,000	200	200,000	1,000	200	200,000
Total (B)			230,378,218			241,145,752
Total (A+B)			325,383,546			351,179,408
Aggregate book value of unquoted Investments			325,383,546			351,179,408

(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, 2015 (₹)	As at March 31, 2014 (₹)
Secured, considered good :		
Staff Loan	1,040,897	337,350
Unsecured, considered good :		
Staff Loan	754,800	807,920
Advance Tax (net of provision)	73,416,412	72,148,948
Security Deposits	2,434,820	3,012,540
Prepaid Expenses	7,864,632	8,959,082
	85,511,561	85,265,840

(11) Other Non-Current Assets:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Unamortised Placement Fees	42,489,859	67,341,356
	42,489,859	67,341,356

(12) Current Investments:

The details of Current Investments are provided below :

	As at March 31, 2015			As at March 31, 2014					
Particulars	Units	Face Value (₹)	Amount in (₹)	Units	Face Value (₹)	Amount in (₹)			
Investment in Mutual Funds - Non Trade - Unquoted (lower of cost or fair value)									
ICICI Prudential Flexible Income Plan-Daily Dividend	-	-	-	189,415	100	20,027,919			
ICICI Prudential Saving Fund - Regular Plan - Daily Dividend	-	-	-	199,794	100	20,025,817			
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	-	-	-	4,026,657	10	40,420,251			
Reliance Liquid-Daily Dividend- Treasury Plan	71,192	1,000	108,833,766	50,547	1,000	77,272,698			
Baroda Pioneer Treasury Advantage Fund - Daily Dividend Plan	-	-	-	44,487	1,000	45,593,190			
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan A – Daily Dividend	50,490	1,000	50,546,224	8,211	1,000	8,223,130			
JPMorgan India Treasury Fund- Super Institutional Daily Dividend Reinvestment	-	-	-	2,003,997	10	20,057,804			
Birla Sun Life Saving Fund - Daily Dividend - Regular Plan - Reinvestment	277,361	100	27,818,484	605,309	100	60,710,722			
Birla Sunlife Cash plus-Daily Dividend – Regular Plan	1,200,583	100	120,292,461	528,367	100	52,939,756			
Kotak Flexi Debt Plan A-Daily Dividend	-	-	-	1,992,380	10	20,018,440			
Kotak Liquid Scheme Plan A – Daily Dividend	37,220	1,000	45,512,805	3,694	1,000	4,516,943			
TATA Floater Fund	-	-	-	40,346	1,000	40,487,986			
HDFC Floating Rate Income Fund- Daily Reinvestment	-	-	-	223,277	10	2,250,831			
SBI Ultra Short Term Debt Fund- Regular Fund-Daily Dividend	-	-	-	29,947	1,000	30,003,571			
DWS Insta Cash Plus Fund - Daily Dividend – Reinvestment	142,476	100	14,290,899	-	-	-			
ICICI Prudential Liquid-Regular Plan - Daily Dividend	558,659	100	55,901,381	-	-	-			
ICICI Prudential Money Market Fund - Regular Plan-Daily Dividend	504,746	100	50,539,918	-	-	-			
Franklin India Treasury Management Account - Super Institutional Plan- Daily Dividend Reinvestment	46,453	100	46,486,339	-	-	-			
Sundaram Money Fund Regular Daily Dividend Reinvesment	3,005,656	10	30,343,002	-	-	-			

	A	s at March 31,	2015	As at March 31, 2014		
Particulars	Units	Face Value (₹)	Amount in (₹)	Units	Face Value (₹)	Amount in (₹)
Investment in Mutual Funds - Non T	rade – Unquo	ted (lower of	cost or fair value)		
Reliance Liquidity Fund – Daily Dividend Reinvestment Option	30,328	1,000	30,342,972	-	-	-
Tata Liquid Fund Plan A - Daily Dividend	45,353	1,000	50,546,590	-	-	-
LIC NOMURA MF Liquid Fund – Daily Dividend Plan	46,033	1,000	50,544,006	-	-	-
Kotak Floater Treasury Advantage Fund-Daily Dividend – Regular Plan	6,204,686	10	62,541,994	-	-	-
Kotak Floater Short Term - Daily Dividend	60,039	1,000	60,736,947	-	-	-
Tata Treasury Manager Fund-Plan A – Daily Dividend	10,160	1,000	10,246,284	-	-	-
HLFDD-HDFC Liquid Fund- Dividend - Daily Reinvestment	3,969,006	10	40,476,720	-	-	-
HDFC Cash Management Fund - Savings Plan-Daily Dividend Reinvestment	4,704,154	10	50,035,267	-	-	-
SBI Premier Liquid Fund-Regular Plan - Daily Dividend	49,855	1,000	50,016,693	-	-	-
Tata Money Market Fund Plan A- Daily Dividend	55,311	1,000	55,394,386	-	-	-
JPMorgan India Liquid Fund-Super Institutional Plan - Daily Dividend	5,039,378	10	50,534,375	-	-	-
Taurus Liquid Fund - Existing Plan - Super Institutional Daily Dividend Reinvestment	30,474	1,000	30,481,618	-	-	-
IDFC Cash Fund-Daily Dividend - (Regular Plan)	20,000	1,000	20,008,848	-	-	-
Total Current Investments			1,112,471,979			442,529,058
Aggregate book value of unquoted Investment			1,112,471,979			442,529,058

124 — Annual Report 2015 — Annual Report 2015

(13) 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, 2015 (₹)	As at March 31, 2014 (₹)
Secured, considered good : (outstanding for more than 6 months from the date they are due for	27,659,670	78,098,468
Secured, Doubtful: (outstanding for more than 6 months from the date they are due for payment)	28,240,778	-
Less : Provision for Doubtful trade receivables	(28,240,778)	-
Secured, considered good: (outstanding for less than 6 months from the date they are due for payment)	42,371,237	48,553,936
Secured, Doubtful: (outstanding for less than 6 months from the date they are due for payment)	13,062,837	
Less: Provision for Doubtful trade receivables	(13,062,837)	-
Unsecured, considered good: (outstanding for more than 6 months from the date they are due for payment)	576,392,029	636,897,755
Unsecured , considered good : (outstanding for less than 6 months from the date they are due for payment)	370,904,857	411,523,203
	1,017,327,793	1,175,073,362

(14) Cash and Cash Equivalents:

Cash and Cash Equivalents consists of :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
(a) Cash on hand	201,897	121,540
(b) Balance with Banks		
(i) in Current Accounts	313,157,433	165,211,223
(ii) in EEFC Accounts	-	1,382,678
(iii) in Fixed Deposit Accounts	43,585,857	39,919,350
(iv) in earmarked Accounts-		
in Current Accounts referring to unclaimed dividend accounts	27,379,486	24,418,982
	384,324,673	231,053,773

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 on hand, Balances with bank in Current EEFC accounts and Fixed Deposits amounting to ₹ 334,117,736/- (Previous year ₹ 194,013,692/-)

(15) 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, 2015 (₹)	As at March 31, 2014 (₹)
Secured, considered good :		
Staff Loan	160,898	154,260
Unsecured, considered good :		
Staff Loan	213,437	52,196
Inter Corporate Deposits given to Related Parties (Refer note 28 d)	43,239,998	240,000,000
Security Deposit	1,319,939	1,336,222
Prepaid Expenses	26,706,629	29,203,037
Advances Recoverable in cash or in kind or for value to be received from Related Parties (Refer note 28 d)	290,177	360,824
Advances Recoverable in cash or in kind or for value to be received from Other Parties	66,190,231	85,145,828
Indirect Tax credit Receivables	2,688,238	7,551,231
	140,809,547	253,803,598

- (b) 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
- (c) Inter Corporate Deposits given to Related Parties represent the company's short term surplus funds placed with Infrastructure Leasing & Financial Services Limited

As at March 31, 2015			As at March 31, 2014			
Amount (₹)	Interest rate	Tenor	Amount (₹)	Interest rate	Tenor	
43,239,998	9%	368 days	40,000,000	9.00%	364 days	
			10,000,000	9.00%	368 days	
			50,000,000	10.25%	396 days	
			50,000,000	10.25%	396 days	
			40,000,000	9.00%	365 days	
			50,000,000	9.00%	366 days	

(16) Other Current Assets:

Other Current Assets consists of :

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Interest accrued	4,488,368	13,746,538
Unamortised Distributor Fees	-	1,601,469
Contractually Re-imbursable expenses	5,583,251	-
Other Recoverables	1,843,500	-
Forward Cover Premium	2,403,305	2,404,909
Revaluation on derivative contracts	1,125,200	7,131,000
	15,443,624	24,883,916

(17) Contingent Liabilities:

Particulars	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
Claims not acknowledged as debts :		
Income tax demand contested by the Group	83,124,674	52,045,730

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

(18) Revenue from Operations:

Revenue from Operations comprises of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Fees from Fund Management and Advisory Services	1,909,925,184	2,082,206,513
	1,909,925,184	2,082,206,513

(19) Other Operating Income

Other Operating Income comprises of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Net gain/loss on sale of investments :		
Profit on sale of non-current trade investments	509,537	90,990
Income from Venture Capital Fund units	9,027,398	6,163,257
	9,536,935	6,254,247

(20) Other Income:

Other Income comprises of :

	For the year ended	For the year ended
Particulars	March 31, 2015	March 31, 2014
	(₹)	(₹)
Dividend Income :		
From Current non-trade Investments	33,075,445	25,399,719
Net gain/loss on sale of investments :		
Profit on sale of current non-trade Investments	194,304	223,907
Interest Income on		
- Fixed Deposits with Banks	4,794,885	4,957,593
- Other Deposits/Loans	12,951,256	26,820,139
Profit on sale of Fixed Asset	641,011	239,050
Foreign Exchange Gain	43,664,028	65,001,572
Interest on Income Tax refund	5,116,987	-
Reversal of excess Performance Related Pay Provision	46,036,545	13,658,632
Miscellaneous Income	20,865,418	4,056,637
	167,339,879	140,357,249

(21) Employee Benefit Expense:

Employee Benefit Expense include :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Salaries and Allowances	489,132,010	567,333,129
Staff Deputation cost	13,845,285	11,132,178
Gratuity Expense (Unfunded)	8,451,272	8,885,753
Contribution to Provident Fund and Other Funds	31,482,605	24,244,977
Staff Training and Welfare Expenses	4,547,508	4,626,341
Less : Recovery of deputation cost	(23,700,000)	(4,000,000)
	523,758,680	612,222,378

(22) Finance Cost:

Finance Cost include:

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Interest Expense	-	4,945,825
Other Borrowing Costs	-	2,844,127
	-	7,789,952

(23) Other Administrative and Operating Expenses :

(a) Other Administrative and Operating Expenses consists of :

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Rent	58,835,635	58,580,165
Repairs and Maintenance	6,586,360	9,319,464
Insurance	6,507,580	7,414,723
Rates and Taxes	2,683,566	3,113,820
Legal and Professional Expenses	116,051,112	148,342,876
Advisory Fees	46,995,196	68,820,242
Electricity and Water Charges	1,960,343	1,745,286
Travelling and Conveyance	44,680,030	35,534,061
Postage and Telecommunication	5,252,179	6,454,621
Printing and Stationery	2,767,418	2,830,290
Provision for Doubtful trade receivables	41,303,615	-
Debts/Advances Written Off	1,143,940	-
Brand Subscription Fees	18,205,970	16,770,933
Expenditure on Corporate Social Responsibility	4,556,679	-
Miscellaneous Expenses	47,908,483	52,876,659
	405,438,106	411,803,140

128 — Annual Report 2015

b) Miscellaneous Expenses includes commission to non-whole-time directors, advertisement expenses, service promotion expenses, subscription to clubs association and general office expenses

(24) 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 year is as follows:

Future Lease Rentals	March 31, 2015 (₹)	March 31, 2014 (₹)
Not later than one year	9,907,089	12,866,054
Later than one year but not later than 5 years	7,573,053	17,266,884
Later than 5 years	-	-

Particulars	For the year ended March 31, 2015 (₹)	For the year ended March 31, 2014 (₹)
Amount charged to the Statement of Profit and Loss (on non-cancellable lease)	11,053,290	13,000,919

(25) 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

(26) Derivatives and foreign currency Exposures:

(i) The Group has following forward exchange contract outstanding :

Particulars	As at March 31, 2015	As at March 31, 2014
Number of Contracts	3	4
Notional amount (Sell)	\$ 4,500,000	\$ 5,400,000
Notional amount (Buy)	₹ 290,306,250	₹ 340,072,500

(ii) 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, 2015	As at March 31, 2014
Receivables	\$ 344,173	\$ 4,876,275
Amount in ₹	21,542,083	292,648,038
EEFC Balance	-	\$ 22,995
Amount in ₹	-	1,382,678

(27) Earning 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 year as under:

Particulars	March 31, 2015	March 31, 2014
Profit After Tax (₹)	730,260,835	724,872,562
Weighted Average Number of Equity Shares in calculating Basic EPS	313,821,481	313,516,170
Add: Potential Equity Shares on conversion of ESOPs outstanding during the end of the year(weighted average from date of grant for options issued during the year)	69,694	65,394
Weighted Average Number of Equity Shares in calculating Diluted EPS	313,891,175	313,581,564
(i) Nominal Value per share (₹)	2.00	2.00
(ii) Basic Earnings per share (₹)	2.33	2.31
(iii) Diluted Earnings per share (₹)	2.33	2.31

(28) 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, 2015) and Description of Relationship:

Sr No	Holding Company
1	Infrastructure Leasing & Financial Services Limited [IL&FS]
Sr No	Fellow Subsidiaries*
1	IL&FS Education & Technology Services Limited [IETS]
2	IL&FS Financial Services Limited [IFIN]
3	IL&FS Securities Services Limited [ISSL]
4	IFIN Realty Trust [IFINRT]
5	IL&FS IIDC Fund [IIDC Fund]
6	IL&FS Infrastructure Equity Fund – 1 [IIEF-1]
7	IL&FS Trust Company Limited [ITCL]
8	Integrated Waste Management & Urban Services Company (Tamil Nadu) Private Limited [IWMUSCL]
9	IL&FS Environnemental Infrastructure & Service Limited [IEISL]
10	Vansh Nimay Infraproject Private Limited [VNIPL]
11	IL&FS Maritime International FZE
12	East Delhi Waste Processing Company Private Limited [EDWPC]
13	IL&FS Prime Terminals FZE
14	IL&FS Energy Development Company Limited [IEDCL]
15	Gujarat International Finance Tec-city Co Limited [GIFT]
16	IL&FS Tamil Nadu Power Company Limited [ITPCL]
17	IL&FS Renewable Energy Limited [IREL]
18	IL&FS Engineering & Construction Co. Ltd.
19	Elsamex S.A
20	RDF Power Projects Limited (from June 23, 2014) [RDFPPL]

Sr No	Fellow Subsidiaries*
21	IL&FS Global Pte Limited
22	IL&FS Technology Limited (from January 30, 2015) [ITL] *
23	Livia India Limited (from January 30, 2015) [Livia] *
Sr No	Key Managerial Personnel
1	Dr Archana Hingorani [CEO & Executive Director]
2	Mr Shahzaad Dalal [Director–IL&FS Investment Advisors LLC]

^{*}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, 2015, with the above related parties were as follows:

Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management personnel
Advisory Fee Income			
EDWPC	-	11,714,607	-
GIFT	-	4,177,600	-
IFINRT	-	15,914,153	-
IEISL	-	7,290,225	-
IIEF-1	-	25,341,330	-
IIDC Fund	-	1,000,000	-
RDFPPL	-	9,899,647	-
VNIPL	-	1,035,290	-
IL&FS Maritime International FZE	-	5,095,020	-
IEDCL	-	10,999,260	-
IL&FS Global Pte Limited	-	67,951,107	-
Interest Income			
IL&FS	12,826,068	-	-
Term Deposit Placed			
IL&FS	43,239,998	-	-
Repayment of Term Deposits			
IL&FS	240,000,000	-	-
Rent paid			
IL&FS	36,769,837	-	-
Repairs & Maintenance			
IL&FS	525,960	-	-
IFIN	-	50,000	-
ITL	-	818,538	-
Livia	-	2,114,364	-
Legal and Professional Fees			
ISSL	-	89,290	-
ITL	-	109,296	-
RDFPPL	-	375,000	-
ITCL	-	425,000	-
Livia	-	742,597	-

Nature of Transactions	Holding Company	Fellow Subsidiary	Key Management personnel
Electricity Charges			
IL&FS	1,001,164	-	-
Brand subscription fees			
IL&FS	17,880,239	-	-
Staff Deputation Cost			
IL&FS	1,250,000	-	-
IFIN	-	13,509,258	-
Other Expenses			
ITCL	-	55,494	-
IAAD	-	44,944	-
ISSL	-	28,200	-
ITCL	-	1,413,901	-
IFIN	-	6,000	-
(Other Reimbursement Paid)/Recovered			
IL&FS	(1,229403)	-	-
ITCL		(846,227)	-
IETS	-	68,656	-
IEDCL	-	75,457	-
Managerial Remuneration			
Archana Hingorani	-	-	28,480,633
Shahzaad Dalal	-	-	74,584,787

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

Nature of Transaction	Holding Company	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Key Management personnel
Advisory Fee Income				
IFINRT	-	16,245,758	-	-
IIF	-	1,000,000	-	-
IIEF	-	24,611,316	-	-
IWMUSC	-	2,855,626	-	-
IEISL	-	4,384,528	-	-
VNIPL	-	1,650,992	-	-
EDWPC	-	13,496,484	-	-
GIFTCL	-	9,170,445	-	-
IL&FS Maritime International FZE	-	5,832,151	-	-
Consultancy Fees				
IEISL	-	12,500,000	-	-
IEDCL	-	32,667,955	-	-
IECCL	-	12,704,205	-	-
Elsamex SA	-	10,889,318	-	-
Interest Income				
IL&FS	22,307,057	-	-	-
IVC EWT	-	-	4,443,905	-

132 - Annual Report 2015

Nature of Transaction	Holding Company	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Key Management personnel
Term Deposit Placed				
IL&FS	380,000,000	-	-	-
Repayment of Term Deposits				
IL&FS	300,000,000	-	-	-
IVC EWT	-	-	184,575,000	-
Purchase of Investments				
IVC EWT	-	-	241,347,750	-
Other Expenses				
ISSL	-	66,630	-	-
ITCL	-	47,778	-	-
IETS	-	300,000	-	-
Business Centre Service Charges				
IL&FS	41,291,305	-	-	-
Salary Deputation Cost Recovery				
IL&FS	8,131,164	-	-	-
Legal and Professional Fees				
ISSL	-	5,500	-	-
IWMUSC	-	19,000,000	-	-
IFIN	-	15,000,000		
Electricity Charges				
IL&FS	325,360	-	-	-
Brand subscription fees				
IL&FS	16,381,045	-	-	-
Repairs and Maintenance				
IL&FS	525,960	-	-	-
Managerial Remuneration				
Archana Hingorani	-	-	-	30,513,073
Shahzaad Dalal	-	-	-	82,758,238

(d) Statement of significant balances as at March 31, 2015 are as follows :

Nature of Transaction	Holding Company	Fellow Subsidiary	Key Management personnel
Trade Receivables			
IEDCL	-	466,489	-
RDFPPL	-	14,774,790	-
EDWPC	-	5,344,675	-
IIDC Fund	-	1,023,600	-
IL&FS Global Pte Limited	-	69,555,466	-
IEISL	-	8,348,627	-
Income Received in advance-Creditors			
IFINRT	-	249,647	-

Nature of Transaction	Holding	Fellow	Key Management
	Company	Subsidiary	personnel
Maximum Outstanding Inter Corporate Deposits during the year			
IL&FS	43,239,998	-	-
Short Term Advances			
IEDCL	-	186,145	-
IL&FS	43,291,374	-	-
IETS	-	52,656	-
Other Current Assets			
IL&FS	3,204,972	-	-
Trade Payables			
IFIN	-	20,378,366	-
IL&FS	990,700	-	-
ISSL	-	28,091	-
ITL	-	45,226	-
Livia	-	2,834,475	-
ITCL	-	727,595	-
Transfer of deposits			
IEISL	-	435,960	-

(e) Statement of significant balances as at March 31, 2014 are as follows :

Nature of Transaction	Holding Company	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Key Management personnel
Trade Receivables				
VNIPL	-	2,491	-	-
EDWPC	-	47,025	-	-
IEDCL	-	32,453,892	-	-
GIFTCL	-	415,840	-	-
IECCL	-	12,620,958	-	-
Maximum outstanding Inter Corporate Deposits During the year				
IL&FS	320,000,000	-	-	-
Interest accrued-Current assets				
IL&FS	8,847,741	-	-	-
Current Maturities of Long-term Loans and Advances				
IL&FS	110,000,000	-	-	-

Nature of Transaction	Holding Company	Fellow Subsidiary	Other Enterprise over which IIML has significant influence	Key Management personnel
Short Term Advances				
IL&FS	130,000,000	-	-	-
IFIN	-	104,634	-	-
IEDCL	-	256,190	-	-
Other Current Assets				
IL&FS	8,847,741	-	-	-
Other Non Current Assets				
IL&FS	4,251,939	-	-	-
Trade Payables				
IL&FS	1,726,179	-	-	-
IETSL	-	319,372	-	-
IFIN	-	15,168,600	-	-
ISSL	-	450	-	-
ITCL	-	7,663	-	-
IWMUSC	-	976,097	-	-
IEISL	-	12,478,042	-	-

(29) Joint Venture Disclosure:

The Company has the following Joint Ventures as on March 31, 2015 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%	50,314,274	9,205,056	36,827,536	33,164,443
		(65,863,414)	(6,703,630)	(65,146,174)	(42,379,262)
Standard Chartered IL&FS Management	50%	181,267,996	74,006,235	98,819,602	77,074,880
(Singapore) Pte Limited	50%	(185,543,154)	(84,158,893)	(94,705,664)	(78,873,088)

(Figures in brackets represent figures of previous year)

(30) 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"

(31) Figures for previous year have been regrouped and rearranged wherever considered necessary to conform with those of the current year

(32) 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	t or loss	
	As % of consolidated net assets	(₹)	As % of consolidated profit or loss	(₹)	
1	2	3	4	5	
Parent	21.87%	797,415,335	-42.49%	(310,270,393)	
Subsidiaries					
Indian					
IL&FS Asian Infrastructure Managers Limited	1.97%	71,822,355	1.38%	10,049,011	
IL&FS Urban Infrastructure Managers Limited	4.38%	159,558,556	3.12%	22,806,272	
IIML Asset Advisors Limited	1.89%	68,734,389	-8.79%	(64,204,561)	
Foreign					
IL&FS Investment Advisors LLC	61.68%	2,248,622,195	145.91%	1,065,507,681	
IIML Advisors LLC	0.06%	2,127,336	-0.39%	(2,832,883)	
Saffron Investment Trust	4.48%	163,245,459	-0.16%	(1,164,165)	
IIML Fund Managers Singapore Pte Limited	0.60%	21,850,431	-1.97%	(14,367,621)	
Minority Interest in all subsidiaries					
IL&FS Asian Infrastructure Managers Limited	-1.00%	(36,338,071)	-0.09%	(670,325)	
Joint Ventures					
(as per proportionate consolidation/ investment					
as per the equity method)					
Indian					
IL&FS Milestone Realty Advisors Private Limited	1.13%	41,109,178	0.50%	3,663,097	
Foreign					
Standard Chartered IL&FS Asset Management Pte Limited	2.94%	107,261,761	2.98%	21,744,722	
Total	100%	3,645,408,924	100%	730,260,835	

The accompanying Notes are integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells LLP Chartered Accountants

Kalpesh J. Mehta Partner S M Datta Chairman Archana Hingorani Chief Executive Officer & Executive Director

Manoj Borkar Chief Financial Officer Sanjay Mitra Company Secretary

Place : Mumbai Date : May 5, 2015

Notice

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of the Company will be held on Tuesday, August 11, 2015, at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbai 400 021, 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, 2015 together with the Reports of the Auditors and Directors thereon
- (2) To declare dividend on Equity Shares for the year ended March 31, 2015
- (3) To appoint a Director in place of Mr Ravi Parthasarathy [DIN 00002392] who retires by rotation and being eligible, has offered himself for re-appointment
- (4) To appoint a Director in place of Mr Arun Kumar Saha [DIN 00002377] who retires by rotation and being eligible, has offered himself for re-appointment
- (5) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration Number 117366W/W100018), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, at a remuneration to be fixed by the Board of Directors of the Company"

SPECIAL BUSINESS

- (6) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT Mr Milind Patel [DIN 00058358], who was appointed as an Additional Director of the Company pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and who holds office upto the date of the ensuing Annual General Meeting and being eligible for appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation"
- (7) 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 the Articles of Association of the Company, Section 196, Section 197 and all the other applicable provisions of the Companies Act, 2013 read with Schedule V and Rules made thereunder, Mr Ramesh Bawa [DIN 00040523], be and is hereby appointed as the Managing Director of the Company for a period of five years with effect from May 5, 2015 on the following remuneration:
 - (a) Consolidated Salary: Rupees Fifty Lakhs per annum subject to such changes as may be approved by the Board of Directors from time to time
 - (b) Perquisites: As per the Company's policy
 - (c) Performance Related Pay: Such remuneration by way of commission or performance based rewards/incentives, in addition to the above salary and perquisites as may be decided by the Board of Directors from time to time
 - (d) General Conditions:
 - (i) The total remuneration payable to the Managing Director as per (a), (b) & (c) above in aggregate shall not exceed such limits as may be prescribed in the Companies Act, 2013 and by the Central Government
 - (ii) The Managing Director shall be entitled to such other privileges, facilities and amenities in accordance with the Company's Rules as may be applicable to other employees of the Company within the overall limits prescribed under the Companies Act, 2013

Notice

(e) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding five years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V to the Companies Act, 2013, whichever is lower, unless otherwise determined by the Board of Directors, subject to approval of the Central Government, if required

"RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, any Director or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, usual, expedient and proper"

Registered Office:

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

Place : Mumbai Date : May 5, 2015 By Order of the Board of Directors

SANJAY MITRA Company Secretary

- (1) A MEMBER 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 MEMBER OF THE COMPANY
 - The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting
 - A person can act as a proxy on behalf of members 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 member 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 member
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 7, 2015 to Tuesday, August 11, 2015 (both days inclusive). The Dividend as recommended by the Directors, if approved by the members will be payable on or after August 11, 2015 and will be paid to those members whose names appear in the Company's Register of Members on August 6, 2015. 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 and Central Depository Services (India) Limited. HDFC Bank Limited has been appointed as the banker for the payment of dividend to the members
- (3) In order to enable the Company to remit dividend through National Electronic Clearing Services (NECS), members are requested to provide details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code (as appearing on the cheque). It is advisable to attach a photocopy of the cheque leaf/cancelled cheque leaf. The said information should be submitted to the Company, if the shares are held in physical form and to the concerned Depository Participant (DP), if the same are held in electronic form. Payment through NECS shall be subject to availability of NECS Centres and timely furnishing of complete and correct information by members
- (4) Members are requested to :
 - (a) Intimate the Registrar and Transfer Agents 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 DPs
 - (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) Members 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 Registrar and Transfer Agents of the Company. Members 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) Members 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
- (7) Section 101 of Companies Act, 2013 and rules made thereunder also allows serving notice of the general meeting in electronic mode. Therefore, the email addresses registered by the members: (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 Registrar and Transfer Agent of the Company will be deemed to be the registered email address for serving all notices/documents including those covered under applicable provisions of Companies Act 2013. Members 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 Registrar and Transfer Agent of the Company, M/s. Link Intime India Private Limited, C-13, Kantilal Manganlal Estate, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai 400078. The Annual Report of your Company for the Financial Year 2014-15 will also be displayed on the website of the Company i.e. www.iimlindia.com. As a member of the Company you will be entitled to be furnished, free of cost, an Annual Report of the Company upon receipt of a written request from you

- (8) As per applicable provisions of Companies Act, 1956 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. No claims shall lie against the Company or the Investor Education and Protection Fund in respect of amounts which were unclaimed or unpaid for a period of seven years from the dates that they became due for payment and no payment shall be made in respect of any such claims. Hence, members who have not encashed their dividend should contact the Registrar and Transfer Agent of the Company for the same. Please note that the dividend paid for 2007-2008 and fractional amount arising out of bonus paid for 2007-2008 are due for transfer to the Investor Education and Protection Fund in August 2015 and January 2016 respectively. Further, please note that the dividend paid for 2008-2009 is due for transfer to the Investor Education and Protection Fund next year
- (9) The resolutions regarding the : (i) re-appointment of Mr Ravi Parthasarathy and Mr Arun Kumar Saha as Directors (ii) appointment of Mr Milind Patel as a Director and (iii) appointment of Mr Ramesh Bawa as the Managing Director of the Company are placed before the members. As per Clause 49 of the Listing Agreement with the Stock Exchanges the following particulars of Mr Ravi Parthasarathy, Mr Arun Kumar Saha, Mr Milind Patel and Mr Ramesh Bawa are being provided:

Mr Ravi Parthasarathy: Mr Ravi Parthasarathy is an M.B.A. from I.I.M. (Ahmedabad). He is currently the Chairman of Infrastructure Leasing & Financial Services Limited (IL&FS). IL&FS started its operations under him in 1988 and is a financial institution with a focus on commercialisation of infrastructure projects. IL&FS is currently promoting, developing and financing diverse projects in surface transport, power, telecommunications, ports, SEZs, water supply and area development, working closely in this regard with Central Government agencies, and numerous State Governments and local authorities in a public-private partnership format

Mr Ravi Parthasarathy started his career with Citibank. Thereafter he joined 20th Century Finance Corporation Limited as Executive Director. By the time he left the Company as Executive Director, the Company had grown to be the largest Private Sector Company in the financial services sector

Mr Ravi Parthasarathy is also on the Board of several organisations

Mr Ravi Parthasarathy is also a member of the Nomination & Remuneration Committee of the Company. He is not related to any Director of the Company except to the extent of his serving as the nominee director of Infrastructure Leasing & Financial Services Limited (IL&FS) on the Board of the Company along with other nominee directors of IL&FS. As on March 31, 2015, Mr Parthasarathy holds 1,350,000 Equity Shares in the Company

Other Directorships:

Name of the Company	Position held	Membership of Committees*
Infrastructure Leasing & Financial Services Limited	Chairman	-
IL&FS Cluster Development Initiative Limited	Chairman	-
IL&FS Education & Technology Services Limited	Chairman	-
IL&FS Energy Development Company Limited	Chairman	-
IL&FS Financial Services Limited	Chairman	-
IIDC Limited	Chairman	-
IL&FS Maritime Infrastructure Company Limited	Chairman	-
IL&FS Skill Development Corporation Limited	Chairman	-
IL&FS Transportation Networks Limited	Director	-

Note: The list of Directorships excludes Foreign Companies

^{*} The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholder Relationship Committee of Public Limited Companies as per Clause 49 of the Listing Agreement

Mr Arun Kumar Saha: Mr Arun Saha, is the Joint Managing Director & CEO of Infrastructure Leasing & Financial Services Limited (IL&FS). Mr Saha has been with IL&FS since its inception in 1988 and is presently a member of the Committee of Directors responsible for overseeing the operations and growth of IL&FS. He is also a member of the IL&FS Management Board which supervises the entire IL&FS Group operations. He is also the functional head of Finance, Operations, Legal, Compliance and Risk Management for the IL&FS Group. Mr Saha is a member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and has also completed an Advanced Management Programme at the Wharton Business School

Mr Saha is not related to any Director of the Company except to the extent of his serving as the nominee director of Infrastructure Leasing & Financial Services Limited (IL&FS) on the Board of the Company along with other nominee directors of IL&FS. As on March 31, 2015, Mr Saha holds 290,000 Equity Shares of the Company

Other Directorships:

Name of the Company	Position held	Membership of Committees*
Infrastructure Leasing & Financial Services Limited	Joint Managing Director & CEO	Member of the Stakeholders Relationship Committee
IL&FS Securities Services Limited	Executive Chairman	-
IL&FS AMC Trustee Limited	Chairman	Member of the Audit Committee
Hill County Properties Limited	Chairman	Member of the Audit Committee
IL&FS Energy Development Company Limited	Director	-
IL&FS Financial Services Limited	Director	Chairman of the Stakeholders Relationship Committee Member of the Audit Committee
IL&FS Transportation Networks Limited	Director	Chairman of the Stakeholders Relationship Committee Member of the Audit Committee
Noida Toll Bridge Company Limited	Director	Member of the Audit Committee
ISSL Market Services Limited	Director	-

Note: The list of Directorships excludes Foreign Companies

Mr Milind Patel: Mr Milind Patel, is currently the Joint Managing Director of IL&FS Financial Services Limited and holds a Bachelors Degree in Commerce, Graduation Degree from the Institute of Cost and Works Accountants of India and a Masters Degree in Business Administration. He is responsible for the Investment Banking arm of IL&FS Financial Services Limited. His ability to encash opportunities at regular intervals, management of risk and keeping a close watch on the portfolio has resulted in growth

Mr Patel is not related to any Director of the Company except to the extent of his serving as the nominee director of Infrastructure Leasing & Financial Services Limited (IL&FS) on the Board of the Company along with other nominee directors of IL&FS. As on May 5, 2015, Mr Patel holds 112,500 Equity Shares of the Company

Other Directorships:

Name of the Company	Position held	Membership of Committees*	
IL&FS Financial Services Limited	Joint Managing Director	-	
IL&FS Portfolio Management Services Limited	Director	-	
IL&FS Milestone Realty Advisors Private Limited	Director	-	
Maytas Metro Limited	Director	-	
IL&FS Capital Advisors Limited	Director	-	

^{*} The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholder Relationship Committee of Public Limited Companies as per Clause 49 of the Listing Agreement

IL&FS Wind Farms Limited	Nominee Director	- Member of the Audit Committee	
IL&FS Infra Asset Management Limited	Director		
IL&FS Broking Services Private Limited	Director	-	

Note: The list of Directorships excludes Foreign Companies

Mr Ramesh Bawa: Mr Ramesh Bawa, presently is the Managing Director & Chief Executive Officer of IL&FS Financial Services Limited. Mr Bawa is a Post Graduate in Personnel Management & Industrial Relationships and also a Post Graduate in Political Science

Mr Bawa in the preliminary phase of his career has served organisations like Syndicate Bank and National Housing Bank. During 1995 he joined the IL&FS Group. He has been instrumental for a number of initiatives of the IL&FS Group with the Banking Sector/ Insurance Companies and Financial Institutions at the domestic & international level. He is also a member of IL&FS Management Board and is also responsible for the entire financial services of the IL&FS Group

Mr Bawa is not related to any Director of the Company except to the extent of his serving as the nominee director of Infrastructure Leasing & Financial Services Limited (IL&FS) on the Board of the Company along with other nominee directors of IL&FS. As on March 31, 2015, Mr Bawa does not hold any Equity Share of the Company

Other Directorships:

Name of the Company	Position held	Membership of Committees*	
IL&FS Financial Services Limited	Managing Director & CEO	-	
Gujarat International Finance Tec-City Company Limited	Director	-	
IL&FS Maritime Infrastructure Company Limited	Director	-	
IL&FS Tamil Nadu Power Company Limited	Director	Member of the Audit Committee	
IL&FS Energy Development Company Limited	Director	-	
IL&FS Trust Company Limited	Director	Member of the Audit Committee	
IL&FS Securities Services Limited	Director	-	
IL&FS Capital Advisors Limited	Director	Chairman of the Audit Committee	
IL&FS Infra Asset Management Limited	Chairman	-	

Note: The list of Directorships excludes Foreign Companies

(10) E-Voting Facility:

- (a) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide to the members facility of remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting). The Company has appointed National Securities Depository Limited (NSDL) to provide remote e-voting facility to its members
- (b) The facility for voting through ballot paper shall be made available at the AGM and the members 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 members 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 Thursday, August 6, 2015 at 9.00 a.m. and ends on Monday, August 10, 2015, at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote is casted by member, the member shall not be allowed to change it subsequently

^{*} The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholder Relationship Committee of Public Limited Companies as per Clause 49 of the Listing Agreement

^{*} The Membership of Committees includes only two Committees i.e. Audit Committee and Stakeholder Relationship Committee of Public Limited Companies as per Clause 49 of the Listing Agreement

- The cut-off date (record date) for members eligible for remote e-voting is August 4, 2015
- (e) Mr Jagdish Patel of M/s Jagdish Patel & Co., Practicing Company Secretaries, has been appointed as 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) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "IIML remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password
 - (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
 - (iii) Click on Shareholder Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles
 - (vii) Select "EVEN" (E-Voting Event Number) of IL&FS Investment Managers Limited
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jppvapi13@yahoo.com with a copy marked to evoting@nsdl.co.in
 - (B) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s)]:
 - (i) Initial password is provided at the bottom of the Attendance Slip
 - (ii) Please follow all steps from SI. No. (ii) to SI. No. (xii) of (A) above, to cast vote
 - (C) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990
 - (D) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote
 - (E) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
 - (F) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date: August 4, 2015

- (G) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 4, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor.relations@ilfsindia.com
 - However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990
- (g) A person, whose name is recorded in the register of members 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 members 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, will 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 authorized 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. 6

Mr Milind Patel was appointed as an Additional Director of the Company by the Board of Directors of the Company at their meeting held on May 5, 2015. Since Mr Milind Patel was appointed as an Additional Director he holds office upto the date of the ensuing Annual General Meeting as per the provisions of Section 161(1) of the Companies Act, 2013 and Article 137 of the Articles of Association of the Company

The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing Mr Patel's candidature for the office of Director

It is proposed to appoint Mr Milind Patel as a Director of the Company, liable to retire by rotation

The Board of Directors recommend passing of this resolution

None of Directors/Key Managerial Personnel of the Company nor their relatives except Mr Milind Patel are concerned or interested in the resolution

Item No. 7

The Board of Directors of the Company at their meeting held on May 5, 2015 appointed Mr Ramesh Bawa as the Managing Director of the Company for a period of five years with effect from May 5, 2015 subject to the approval of the members. The remuneration payable to Mr Ramesh Bawa was approved by the Nomination & Remuneration Committee at their Meeting held on May 5, 2015. Accordingly the approval of the members is sought by way of this resolution

Copies of the Letter of appointment regarding his appointment are available for inspection at the registered office of the Company during business hours on all working days till the date of the ensuing Annual General Meeting

This Statement togother with the proposed Special Resolution at Item No. 7 may be treated as the abstract pursuant to Section 190 of the Companies Act, 2013

The Board of Directors recommend passing of this resolution

None of Directors/Key Managerial Personnel of the Company nor their relatives except Mr Ramesh Bawa are concerned or interested in the resolution

STATEMENT CONTAINING INFORMATION REQUIRED TO BE GIVEN UNDER SCHEDULE V - FOR ITEM NO. 7

(I) General Information:

The Company is in the business of fund management for private equity funds. The Company was incorporated on February 10, 1986 and commenced business on March 6, 1986. The Company is not a new Company so the date of commencement of activities as per prospectus does not apply. The financial performance of the Company for the year ended March 31, 2015 is as follows::

Total Income	₹ 1,154.63 million	
Net Profit before Tax	₹ 761.68 million	
Networth	₹ 1,147.45 million	

The Company does not export any product of the Company. The Company has foreign exchange earnings of ₹ 798.65 million for the services rendered during year ended March 31, 2015. The foreign investment made by the Company during the year was by way of investment made in the subsidiary of the Company (foreign investments or collaborations if any)

(II) Information about the appointee:

Mr Ramesh Bawa, presently is the Managing Director & Chief Executive Officer of IL&FS Financial Services Limited. Mr Bawa is a Post Graduate in Personnel Management & Industrial Relationships and also a Post Graduate in Political Science

Mr Bawa in the preliminary phase of his career has served organisations like Syndicate Bank and National Housing Bank. During 1995 he joined the IL&FS Group. He has been instrumental for a number of initiatives of the IL&FS Group with the Banking Sector/Insurance Companies and Financial Institutions at the domestic & international level. He is also a member of IL&FS Management Board and is also responsible for the entire financial services of the IL&FS Group

Mr Bawa is not related to any Director of the Company except to the extent of his serving as the nominee director of Infrastructure Leasing & Financial Services Limited (IL&FS) on the Board of the Company along with other nominee directors of IL&FS. As on March 31, 2015, Mr Bawa does not hold any Equity Share of the Company

The proposed remuneration for Mr Ramesh Bawa is given in Resolution No. 7 placed before the members

Taking into consideration the profile of Mr Ramesh Bawa, the industry benchmarks, responsibilities, the size of the funds being managed by the Company, the remuneration being paid is similar to other persons at similar levels in other companies

Other than the extent that Mr Ramesh Bawa is nominated by Infrastructure Leasing & Financial Services Limited (IL&FS), Mr Ramesh Bawa does not have any other pecuniary relationship directly or indirectly with the Company other than the remuneration being paid to him

(III) Other Information:

The main income stream for the Company is from management fees received from the funds under its management. The management fee provides a fixed annuity to the Company over the life of the funds and helps to cover its overheads during the normal course of business. The Company has been taking steps to augment the funds under its management in order to improve the profitability of the Company. In the past the Company had set up new funds, which resulted in significant increase in income and profits for the Company. The Company is also in the process of setting up other new Funds to enhance the funds under its management. On completion of these initiatives the Company expects to improve its income and profits in the coming years

All the relevant disclosures pertaining to the Directors of the Company and which are required to be disclosed in the Report of the Board of Directors under the heading "Corporate Governance" attached to the annual report has been disclosed therewith

Registered Office:

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

Place : Mumbai Date : May 5, 2015 By Order of the Board of Directors

SANJAY MITRA
Company Secretary

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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 member(s): Registered address: E-mail d: Folio No/Client ld: DP ID: I/We, being the member (s) of shares of the above named company, hereby appoint 1/Nome: Address:, or falling him; 2) Name:, Address:, signature:, or falling him; 3) Name:, Address:, signature:, or falling him; 4 and ID:, signature:, or falling him; 5 is my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Manitalays, Mumbai 400 201 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Rav Parthasarathy (DIN 00002392), who retires by rotation (4) Re-appointment of Mr Avan Kumar Saha [DIN 00002392], who retires by rotation (5) Ratification of appointment of Mr Millind Patel [DIN 000058358] as a Director (7) Appointment of Mr Ramesh Bawa [DIN 00040523] as the Managing Director Re.1/- Revenue Signature of Proxy Holder(s)	CIN		:	L65999MH1986PLC147981		
Name of the member(s): Registered address: E-mail Id: Folio No/Client Id: DP ID: I/We, being the member (s) of shares of the above named company, hereby appoint 1) Name:, Address:, or failing him; 2) Name:, Address:, or failing him; 3) Name:, Address:, or failing him; 4) Name:, or failing him; 5) Name:, or failing him; 6) Name:, or failing him; 7) Name:, or failing him; 8) Name:, or failing him; 9) Name:, or failing him; 1) Name:, or failing him; 1) Name:, or failing him; 1) Name:, or failing him; 2) Name:, or failing him; 3) Name:, or failing him; 3) Name:, or failing him; 4) Name:, or failing him; 5) Name:, or failing him; 6) Name:, or failing him; 6) Name:, or failing him; 6) Name:, or failing him; 7) Name:, or failing him; 8) Name:, or failing him; 8) Name:, or failing him; 9) Name:, or failing him	Name	of Company	:	IL&FS Investment Managers Limited		
Registered address: E-mail Id: Folio No/Client Id: DP ID: IVWe, being the member (s) of shares of the above named company, hereby appoint 1) Name:, Address:, or failing him; 1) Name:, Address:, or failing him; 2) Name:, Address:, or failing him; 3) Name:, Address:, or failing him; 3) Name:, Address:, or failing him; 3) Name:, Address:, or failing him; as mylour proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbal 400 021 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002397], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of Mrs Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment of Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Signature of Proxy Holder(s)	Regist	tered Office	:	The IL&FS Financial Centre, Plot No. C	-22, G Block, Bandra-Kurla Complex, Bandra (East), N	/lumbai 400 051
E-mail Id: Folio No/Client Id: DP ID: I/We, being the member (s) of shares of the above named company, hereby appoint 1) Name:, address:, or falling him; 2) Name:, Address:, or falling him; 3) Name:, Address:, or falling him; 3) Name:, Address:, or falling him; 3) Name:, Address:, or falling him; as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbal 400 021 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of Mrs Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment of Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signature of Shareholder Stamp Signature of Proxy Holder(s)	Nar	me of the mer	mber(s):			
Folio No/Client Id: DP ID: I/We, being the member (s) of shares of the above named company, hereby appoint 1) Name:, Address:, Signature:, or failing him; 2) Name:, Address:, Signature:, or failing him; 3) Name:, Address:, Signature:, or failing him; 3) Name:, Address:, Signature:, or failing him; 3) Name:, Address:, Signature:, or failing him; 3s my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbai 400 021 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002392], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00040523] as the Managing Director Re.1/- Revenue Signature of Shareholder	Reg	gistered addre	ess:			
I/We, being the member (s) of shares of the above named company, hereby appoint 1) Name :, Address :	E-m	nail ld :				
I/We, being the member (s) of shares of the above named company, hereby appoint 1) Name :, Address :, Signature :, or failing him; 2) Name :, Address :, Signature :, or failing him; 3) Name :, Address :, Signature :, or failing him; 3) Name :, Address :, Signature :, or failing him; as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbai 400 021 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business : (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Proxy Holder(s)	Foli	o No/Client lo	d :			
1) Name :	DP	ID :				
E-maid ID:	I/We, I	being the me	mber (s) c	of shares of the above named	company, hereby appoint	
2) Name:	1) Nar	me :		, Address :		
E-maid ID:	E-m	aid ID :			, Signature :	_, or failing him;
3) Name:	2) Nar	ne :		, Address :		
E-maid ID:	E-m	aid ID :			, Signature :	_, or failing him;
as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbai 400 021 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	3) Nar	me :		, Address :		
on Tuesday, August 11, 2015 at 3.00 p.m. at the Rangaswar Hall, Y B Chavan Centre, General Jagannathrao Bhosale Marg, Opposite Mantralaya, Mumbai 400 021 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, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Re-1/- Revenue Stamp	E-m	aid ID :			, Signature :	_, or failing him;
(1) Adoption of the Audited Financial statements for the financial year ended March 31, 2015 (2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Milind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	on Tu	esday, Augus	t 11, 201	5 at 3.00 p.m. at the Rangaswar Hall, \	Y B Chavan Centre, General Jagannathrao Bhosale	
(2) To declare dividend on Equity Shares for the year ended March 31, 2015 (3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Milind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	Ordin	ary Busines	s :			
(3) Re-appointment of Mr Ravi Parthasarathy [DIN 00002392], who retires by rotation (4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	(1)	Adoption of t	he Audite	d Financial statements for the financial y	ear ended March 31, 2015	
(4) Re-appointment of Mr Arun Kumar Saha [DIN 00002377], who retires by rotation (5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Millind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	(2)	To declare di	vidend on	Equity Shares for the year ended March	1 31, 2015	
(5) Ratification of appointment of M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company Special Business: (6) Appointment of Mr Milind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	(3)	Re-appointm	ent of Mr	Ravi Parthasarathy [DIN 00002392], who	o retires by rotation	
Special Business: (6) Appointment of Mr Milind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp	(4)	Re-appointm	ent of Mr.	Arun Kumar Saha [DIN 00002377], who	retires by rotation	
(6) Appointment of Mr Milind Patel [DIN 00058358] as a Director (7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Signed this day of 2015 Signature of Shareholder Stamp Signature of Proxy Holder(s)	(5)	Ratification of	f appointr	ment of M/s Deloitte Haskins & Sells LLP	as the Statutory Auditors of the Company	
(7) Appointment Mr Ramesh Bawa [DIN 00040523] as the Managing Director Re.1/-	Speci	al Business	:			
Signed this day of 2015 Signature of Shareholder Signature of Proxy Holder(s)	(6)	Appointment	of Mr Mili	ind Patel [DIN 00058358] as a Director		
Signed this day of 2015 Signature of Shareholder Signature of Proxy Holder(s)	(7)	Appointment	Mr Rame	esh Bawa [DIN 00040523] as the Managi	ng Director	
Signature of Shareholder Signature of Proxy Holder(s)						Re.1/-
Signature of Shareholder Signature of Proxy Holder(s)	Signe	d this da	ay of	2015		Revenue
	Signat	ture of Share	holder			Stamp
Signature						
						Signature

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

CORPORATE SOCIAL RESPONSIBILITY PROGRAM

IL&FS Investment Managers Limited (IIML) has been supporting 3 Non Government Organisations (NGOs) based in Mumbai over the last couple of years. These NGOs work with underprivileged children in providing nutrition and education support. This year IIML expanded the scope of its Corporate Social Responsibility program to cover a skill development program, a women entrepreneurship program and a livelihood programme for ragpickers







Key Attainments

The skill development program covers unemployed youth from low income households and provides fully sponsored training, assessment and certification, and thereafter placement in appropriate positions. The target is to cover 200 people under this program

60 women across 3 villages completed the entrepreneurship training program in March 2015, of which 30 women have started their own business

Supported a recycled paper unit wherein its intervention resulted in employment of several waste-pickers

Sponsored nutrition program for 500 children at construction sites in Mumbai. The intervention led to reduction in acute malnutrition from 29% to 14% for a sample of 100 children. An annual camp for 400 children was also organized at Marve (near Mumbai). Annual book week, annual puppet week and a staff picnic were also organized

Sponsored an educational program for 140 girl students at a night school in Wadala (Mumbai). Given IIML's support since FY2012, the school is now in the 'A' grade and would not require additional support going forward

Supported 275 children of Class II for a booster education program which entailed provision of teacher's salaries, educational infrastructure, school bags, stationary & recreation / incentives. The intervention led to significant improvement with 54% of children being assessed in the 'Good' and above grade, compared to 27% prior to the intervention. Improved attendance was also a resultant outcome - 81% of children registered 81%+ attendance compared to 58% earlier



FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1,,	Name of the Company	IL&FS Investment Managers Limited
2.	Annual standalone and consolidated financial	March 31, 2015
	statements for the year ended	
3.	Type of Audit observation	Un-qualified (Refer Audit Report dated
		May 5, 2015 on the standalone and
		consolidated financial statements of the
		Company)
4.	Frequency of observation	Not applicable
5.	Signed by –	
	E. DEL OPPEE VIACIZINO O CELLO LA D	
	For DELOITTE HASKINS & SELLS LLP Chartered Accountants	For and on behalf of IL&FS INVESTMENT
	(Firm Registration No. 117366W/W-100018)	MANAGERS LIMITED
	(1 mm Registration No. 11/300 W/W-100018)	
	anta	A C - 4 C - 4 C
	Huchta	Bench Me mehot
	Kalpesh J. Mehta	Bansi Mehta
	Partner	Chairman – Audit Committee
	(Membership No. 48791)	
	,	and .
	3	astinguant.
		Archana Hingdrani
		Chief Executive Officer
		♥
		Marleas.
		Manoj Borkar
		Chief Financial Officer
	MUMBAI, May 5, 2015	
	,,	