

Deloitte Haskins & Sells LLP

Chartered Accountants
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Elphinstone Road (West),
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IL&FS BROKING SERVICES PRIVATE LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **IL&FS BROKING SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, 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 Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

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

In conducting 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 of the financial statements 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.

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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. 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(ICAI Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 18 April 2017
PG/SB/AZ-2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **IL&FS Broking Services Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(ICAI Registration No. 117366W/W-100018)


Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has 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 in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There are no overdue amounts remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.



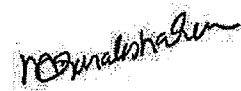
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Service Tax, Stamp Duty, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanation given to us, excise duty and employees' state insurance are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became except in case of stamp duty charges, where the dues are outstanding for more than six months amounting to Rs. 16,761
 - (c) There are no dues of Income-tax and Service Tax, as on 31 March 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.



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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its Holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 177366W / W-100018)




Pallavi A. Gorakshakar
Partner
(Membership No.105035)

Mumbai, 18 April 2017
PG/SB/AZ-2017

IL&FS BROKING SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT March 31, 2017

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016
			₹	₹
A	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	2	302,160,000	302,160,000
	(b) Reserves and surplus	3	(169,703,039)	(153,572,177)
			132,456,961	148,587,823
(2)	Non-current liabilities			
	(a) Long-term provisions	4	-	6,830,250
			-	6,830,250
(3)	Current liabilities			
	(a) Short-term borrowings	5	-	11,604,029
	(b) Trade payables	6	-	-
	(i) Dues to micro and small enterprises		-	-
	(ii) Dues to others		2,115,290	4,030,353
	(c) Other current liabilities	7	401,683	63,739,439
	(d) Short-term provisions	8	-	2,859,156
			2,516,973	82,232,977
	TOTAL		134,973,934	237,651,050
B	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets	9		
	(i) Tangible assets		582,192	1,006,526
	(ii) Intangible assets		46,941	97,890
			629,133	1,104,416
	(b) Deferred Tax Assets (Net)	10	-	-
	(c) Long-term loans and advances	11	50,835,000	78,501,320
			51,464,133	79,605,736
(2)	Current assets			
	(a) Trade receivables	12	-	2,701,261
	(b) Cash and cash equivalents	13	62,365,334	147,151,073
	(c) Short-term loans and advances	14	20,385,632	6,784,295
	(d) Other current assets	15	758,835	1,408,685
			83,509,801	158,045,314
	TOTAL		134,973,934	237,651,050
	See accompanying notes to the financial statements			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner

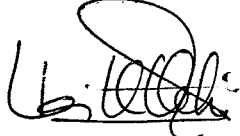
Place : Mumbai
Date : April 18, 2017

For and on behalf of the Board of Directors

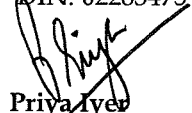

Milind Patel
Chairperson & Director
DIN: 00058358




Ravi Sikaraya
Chief Financial Officer




Rajesh Kotian
Director
DIN: 02283475


Priya Iyer
Company Secretary

IL&FS BROKING SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED March 31, 2017

Particulars		Note No.	For the year ended March 31, 2017		For the year ended March 31, 2016	
			₹	₹	₹	₹
I.	Revenue from operations	16		28,511,965		24,552,246
II.	Other income	17		7,646,158		11,714,048
III.	Total revenue (I + II)			36,158,123		36,266,294
IV.	Expenses:					
	(a) Employee benefits expense	18	15,833,100		54,617,232	
	(b) Finance costs	19	3,546,354		1,631,737	
	(c) Depreciation and amortisation expense	9	502,495		648,455	
	(d) Other expenses	20	32,407,036		39,963,983	
	Total expenses			52,288,985		96,861,407
V.	Loss before tax (III- IV)			(16,130,862)		(60,595,113)
VI.	Tax expense:					
	Deferred tax expense	10		-		2,135,649
VII.	Loss for the year (V- VI)			(16,130,862)		(62,730,762)
VIII.	Earnings per equity share :-					
	Face value of ₹ 10/- each					
	Basic and diluted	25		(3.23)		(12.55)
See accompanying notes to the financial statements						

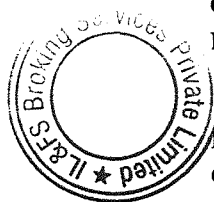
In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner


Place : Mumbai
Date : April 18, 2017


For and on behalf of the Board of Directors


Milind Patel
Chairperson & Director
DIN: 00058358




Ravi Sikeriya
Chief Financial Officer



Rajesh Kotian
Director
DIN: 02283475


Priya Iyer
Company Secretary

IL&FS BROKING SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Loss before exceptional item and tax		(16,130,862)		(60,595,113)
Add / (Less) : Adjustments for				
Depreciation and amortisation expense	502,495		648,455	
Interest on short term borrowings	2,692,866		366,690	
Profit on sale of fixed assets	(96,254)		(3,000)	
Provision for employee benefits (net)	-		1,664,953	
Interest income on fixed deposits	(6,754,216)		(11,687,771)	
Amount written back for earlier year	(90,619)		-	
Interest income on inter corporate deposits	(439,725)		-	
		(4,185,453)		(9,010,673)
Operating loss before working capital changes		(20,316,315)		(69,605,786)
Changes in working capital:				
Adjustment for increase/(decrease) in operating assets:				
Trade receivables	2,701,260		2,682,701	
Short-term loans and advances	6,398,664		(5,187,415)	
Long-term loans and advances	28,816,530		(30,574,219)	
	37,916,454		(33,078,933)	
Adjustment for increase/(decrease) in operating liabilities:				
Trade payables	(1,824,444)		(3,197,045)	
Other non current and current liabilities	(73,027,162)		54,721,020	
	(74,851,606)		51,523,975	
Net changes in working capital		(36,935,152)		18,445,042
Net income tax paid		(57,251,467)		(51,160,744)
Net cash flow used in operating activities (A)		(58,401,677)		(52,359,066)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets including capital advances		(342,393)		(528,307)
Proceeds from sale of fixed assets		411,434		3,000
Interest received on inter corporate deposits		43,972		-
Interest received from fixed deposits		7,799,820		12,811,112
Inter corporate deposits placed		(20,000,000)		-
Net cash flow (used in) / generated from investing activities (B)		(12,087,167)		12,285,805
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Receipt of short term borrowing		41,000,000		9,000,000
Repayment of short term borrowing		(50,000,000)		-
Changes in bank overdraft		(2,604,029)		2,604,029
Interest on short term borrowings		(2,692,866)		(366,690)
Net cash flow generated from / (used in) financing activities (C)		(14,296,895)		11,237,339
Net decrease in cash and cash equivalents (A+B+C)		(84,785,739)		(28,835,922)
Cash and cash equivalents at the beginning of the year		147,151,073		175,986,995
Cash and cash equivalents at the end of the year (Refer note no. 13)		62,365,334		147,151,073
Less : Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements				
- In deposit accounts (earmarked)		54,875,000		119,000,000
- In current accounts (earmarked)		22,964		28,081,180
- Other bank balances in deposit accounts		4,000,000		-
Net Cash and cash equivalents (Refer note no. 13)		3,467,370		69,893

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner

Place : Mumbai
Date : April 18, 2017

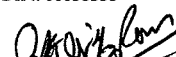
For and on behalf of the Board of Directors

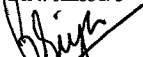
 

Milind Patel
Chairperson & Director
DIN: 00058358

Rajesh Kotian
Director
DIN: 02283475




Ravi Sikeria
Chief Financial Officer


Priya Iyer
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.00 COMPANY BACKGROUND

IL&FS Broking Services Private Ltd is incorporated in India as a private limited company and registered with Securities and Exchange Board of India (SEBI) as Stock Broker. The Company is engaged in institutional broking and advisory services. During the year, IL&FS Financial Services Limited has purchased 24% shareholding from Avendus Capital Private Ltd in IL&FS Broking Services Private Limited and hence IBSPL has become wholly owned subsidiary of IFIN.

The Company has decided to surrender the stock broking licence in its extra ordinary general meeting held on February 27, 2017. The Company will be providing advisory services going forward. Considering the same the management of the Company has viewed the entity as a going concern and financial statements have been prepared under the going concern basis.

1.01 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENT

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 and the relevant provisions of the Companies Act, 2013 ("the Act"), 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 the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non-current classification of assets and liabilities.

1.02 USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The management believes that the estimates used in preparation of the financial statement are prudent and reasonable. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialise.

1.03 FIXED ASSETS

All Fixed Assets, whether tangible or intangible, are recorded at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed asset comprises its purchase price net of any trade discounts and rebates, taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

1.04 DEPRECIATION / AMORTISATION

Tangible Assets:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Mobile Phones, Tablets and Soft Furnishing which are depreciated in the year of capitalisation as the life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Assets costing ₹ 5,000 or less, are fully depreciated in the year of purchase

The residual value of all the assets is retained at ₹ 1/- each

Intangible Assets:

Computer software is amortised over estimated useful life i.e. a period of four years on Straight Line Method.

1.05 IMPAIRMENT OF ASSETS

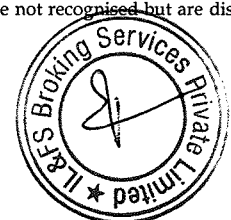
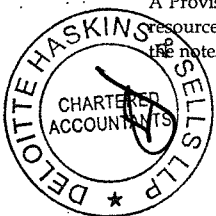
An asset is treated as impaired when the carrying amount of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impaired loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

1.06 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss. Guarantee commission paid for availing bank guarantees is expensed over the period of the guarantee.

1.07 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A Provision is recognised when the Company has present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.



IL&FS BROKING SERVICES PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.08 REVENUE RECOGNITION

Brokerage, net of applicable tax and cess, is recognised as income on the trade date of the transaction. Revenue comprises of fees received in respect of Consultancy/ management services rendered. Brokerage and Commission fees are recognised as per the terms of arrangements entered into with individual parties. Revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

1.09 OTHER INCOME

Interest income is accounted on accrual basis.

1.10 EMPLOYEE BENEFITS

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost

Compensated Absences

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

1.11 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of the transactions. Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the year-end rates. Any gains or losses on account of exchange difference either on settlement or translation are recognised in Statement of Profit and Loss.

1.12 OPERATING LEASES

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are effectively retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease period.

1.13 TAXES ON INCOME

Income taxes are accounted for in accordance with Accounting Standard (AS-22) - "Accounting for taxes on income", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable.

Current tax is the amount of tax payable on the 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.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

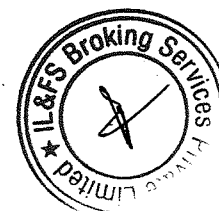
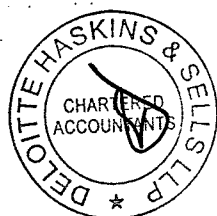
Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

1.14 CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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.

1.15 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items and 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



IL&FS BROKING SERVICES PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.16 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.17 SERVICE TAX INPUT CREDIT

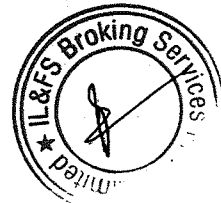
Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.18 SEGMENT REPORT

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".



2 SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	₹	Number	₹
Authorised:				
Equity shares of ₹ 10/- each	15,000,000	150,000,000	15,000,000	150,000,000
Preference shares of ₹ 100/- each	2,525,000	252,500,000	2,525,000	252,500,000
		402,500,000		402,500,000
Issued, Subscribed and Paid up:				
Equity shares of ₹ 10/- each fully paid-up	5,000,000	50,000,000	5,000,000	50,000,000
Redeemable cumulative preference shares of ₹ 100/- each fully paid-up series B	2,252,000	225,200,000	2,252,000	225,200,000
Redeemable cumulative preference shares of ₹ 100/- each fully paid-up series C	269,600	26,960,000	269,600	26,960,000
Total		302,160,000		302,160,000

Notes:

(a) (i) Rights, preferences and restrictions attached to equity shares :

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
 - Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of the preferential amounts in proportion to their shareholdings.
 - The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- In terms of the Subscription & Share Purchase Agreement dated June 27, 2013 entered into between the Company, IL&FS Financial Services Ltd. (IFIN) and Avendus Capital Pvt. Ltd. (Avendus), Avendus has transferred its 76% shareholding to IFIN on September 30, 2013 (closing date). Pursuant to which the Articles of Association of the Company has got amended. As per the amended Articles of Association of the Company, the rights attached to such shares, inter alia, include the following:

A) Avendus shares

- i) Right to appoint a Director on the Board of Directors on a non-executive basis.
- ii) Right to contribute to the Additional Capital Raised in proportion to the Pre-Capitalisation Economic Interest.
- iii) Restriction on transfer and / or encumber any shares held by Avendus for a period of 3 years from the Closing date.
- iv) In case of sale of shares by IL&FS viz. Parent / Ultimate Parent companies to any outside party, Avendus has Drag Along / Tag Along rights to dispose off its shares.

With reference to the abovesaid Subscription & Share Purchase Agreement dated June 27, 2013, Avendus had exercised the put option for transferring its stake in the Company to IFIN. The put option was accepted by IFIN & the transaction has been consummated in February 2017 at the price as per the Agreement. Consequently, the Company is a wholly-owned subsidiary of IFIN. Post the transfer of shares Avendus doesn't have the abovementioned rights.

B) IFIN shares

- i) Right to appoint three Directors on the Board of Directors.
- ii) During the period commencing on the third anniversary of the closing date and expiring on the fifth anniversary of the closing date, IFIN has a right to call upon Avendus to purchase its shares at a specific predetermined price.

(ii) Rights, preferences and restrictions attached to preference shares :

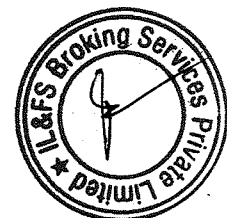
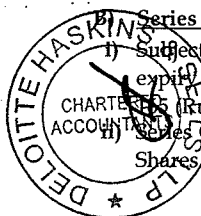
A) Series 'B' preference shares

- i) Subject to the provisions of the Companies Act, Series B Shares will be redeemable on and from the date of expiry of 5 (five) years from the Closing Date. The Company shall redeem Series B Shares at par value.
- ii) Series B Shares shall have preference over the Equity Shares in all respects including dividends. The Series B Shares shall be entitled to a cumulative dividend of 0.01% per annum.
- iii) Neither IFIN nor the Company, till expiry of five years from the Closing Date, decrease the tenor of the Series B Shares, increase the redemption premium/dividend rights of the Series B Shares or convert the Series B shares.

TERMS OF SERIES 'C' SHARES

A) Series 'C' preference shares

- i) Subject to the provisions of the Companies Act, Series C Shares will be redeemable on and from the date of expiry of 5 (five) years from the Closing Date. The Company shall redeem Series C Shares at a premium of Rs. 165 (Rupees one hundred and sixty five only) per Series C Share.
- ii) Series C Shares shall have preference over the Equity Shares in all respects including dividends. The Series C Shares shall be entitled to a cumulative dividend of 0.01% per annum.



IL&FS BROKING SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) (i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

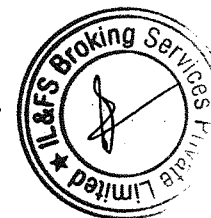
Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	₹	Number	₹
Shares outstanding at the beginning and end of the year	5,000,000	50,000,000	5,000,000	50,000,000

(ii) Reconciliation of the number of redeemable cumulative preference shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2017				As at March 31, 2016			
	Series B		Series C		Series B		Series C	
	Number	₹	Number	₹	Number	₹	Number	₹
Shares outstanding at the beginning and end of the year	2,252,000	225,200,000	269,600	26,960,000	2,252,000	225,200,000	269,600	26,960,000

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares; name of shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares:				
IL&FS Financial Services Limited (Holding Company) and its nominees	5,000,000	100%	3,800,000	76%
Aventus Capital Private Limited	-	-	1,200,000	24%
Redeemable cumulative preference shares series B:				
IL&FS Financial Services Limited (Holding Company)	2,252,000	100%	2,252,000	100%
Redeemable cumulative preference shares series C:				
IL&FS Financial Services Limited (Holding Company)	269,600	100%	-	-
Aventus Capital Private Limited	-	-	269,600	100%



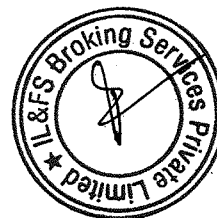
IL&FS BROKING SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 RESERVES AND SURPLUS

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
(a) Deficit in statement of profit and loss		
Opening balance	(153,572,177)	(90,841,415)
Add: Loss for the year	(16,130,862)	(62,730,762)
Closing balance	(169,703,039)	(153,572,177)
Total	(169,703,039)	(153,572,177)

4 LONG-TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Provision for employee benefits (Refer Note no 26)	-	6,830,250
Total	-	6,830,250



5 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Secured		
Loans repayable on demand		
Bank overdraft (Secured against fixed deposits placed with the bank)	-	2,604,029
Short term loan (Secured against fixed deposits placed with the bank)	-	9,000,000
Total	-	11,604,029

6 TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Dues to micro and small enterprises	-	-
Dues others	2,115,290	4,030,353
Total	2,115,290	4,030,353

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
(i) Principal amount outstanding	-	-
(ii) Interest due on above and unpaid	-	-
(iii) Interest paid alongwith amount beyond appointed day	-	-
(iv) Interest due and payable for the period of delay	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest due and payable in succeeding year	-	-

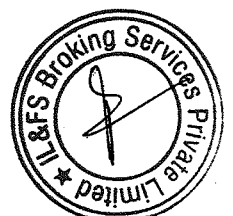
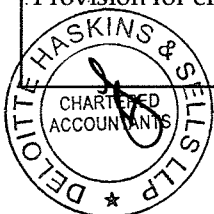
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

7 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Statutory liabilities	401,683	2,082,397
Security deposits	-	61,657,042
Total	401,683	63,739,439

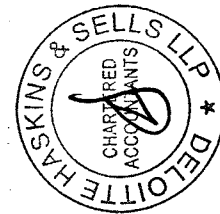
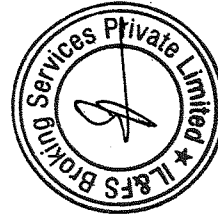
8 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Provision for employee benefits (Refer Note no 26)	-	2,859,156
Total	-	2,859,156



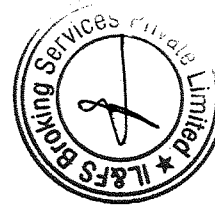
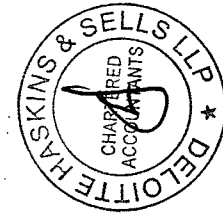
IL&FS BROKING SERVICES PRIVATE LIMITED
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS
 9 FIXED ASSETS

Particulars	Gross Block (At Cost)				Accumulated Depreciation/ Amortisation				Net Block	
	As at April 1, 2016	Additions during the year	Disposal during the year	As at March 31, 2017	Upto March 31, 2016	For the year	Disposal during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Tangible Assets										
(i) Office equipment	1,483,481	-	186,197	1,297,284	1,064,948	131,740	146,477	1,050,211	247,073	418,533
(ii) Computers	9,136,489	292,984	4,496,644	4,932,829	8,574,706	314,490	4,221,184	4,668,012	264,817	561,783
(iii) Furniture & fixtures	26,260	49,408	-	75,668	50	5,316	-	5,366	70,302	26,210
Total	10,646,230	342,392	4,682,841	6,305,781	9,639,704	451,546	4,367,661	5,723,589	582,192	1,006,526
(b) Intangible Assets										
Software (acquired)	3,282,191	-	-	3,282,191	3,184,301	50,949	-	3,235,250	46,941	97,890
Total	3,282,191	-	-	3,282,191	3,184,301	50,949	-	3,235,250	46,941	97,890
Total - (a) + (b)	13,928,421	342,392	4,682,841	9,587,972	12,824,005	502,495	4,367,661	8,958,839	629,133	1,104,416



IL&FS BROKING SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
9(a) FIXED ASSETS

Particulars	Gross Block (At Cost)			Accumulated Depreciation / Amortification				Net Block	
	As at April 1, 2015	Additions during the year	Disposal during the year	As at March 31, 2016	Upto March 31, 2015	For the year	Disposal during the year	As at March 31, 2016	As at March 31, 2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Tangible Assets									
(i) Office equipment	1,803,090	53,549	373,158	1,483,481	1,186,976	251,130	373,158	418,533	616,114
(ii) Computers	8,687,991	448,498	-	9,136,489	8,333,961	240,745	-	561,783	354,030
(iii) Furniture & fixtures	-	26,260	-	26,260	-	50	-	26,210	-
Total	10,491,081	528,307	373,158	10,646,230	9,520,937	491,925	373,158	1,006,526	970,114
(b) Intangible Assets									
Software (acquired)	3,282,191	-	-	3,282,191	3,027,771	156,530	-	97,890	254,420
Total	3,282,191	-	-	3,282,191	3,027,771	156,530	-	97,890	254,420
Total - (a) + (b)	13,773,272	528,307	373,158	13,928,421	12,548,708	648,455	373,158	1,104,416	1,224,564



IL&FS BROKING SERVICES PRIVATE LIMITED
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10 DEFERRED TAX

Components of net deferred tax asset are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Deferred tax liability on account of:		
Difference between book balance and tax balance of fixed assets	-	(330,935)
Deferred tax liabilities	-	(330,935)
Deferred tax assets on account of:		
Difference between book balance and tax balance of fixed assets	368,795	-
Provision for gratuity	-	212,447
Provision for compensated absences	-	118,488
Unabsorbed business loss	149,681,640	144,897,323
Unabsorbed depreciation	2,958,106	2,743,469
Deferred tax assets	153,008,541	147,971,727
Net deferred tax assets*	-	-

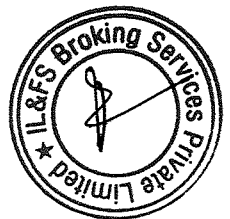
* Deferred tax assets are recognised to the extent of deferred tax liability in the absence of virtual certainty regarding sufficient future taxable income available to realise the assets

11 LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Unsecured, considered good		
(a) Deposits		
- With stock exchanges, clearing house	22,125,000	22,125,000
- Others (Refer Note no. 23)	1,285,000	29,990,000
(b) Other loans and advances		
- Advance income tax	13,836,110	12,685,900
- Service tax input credit	13,588,890	13,353,293
- Prepayments	-	347,127
Total	50,835,000	78,501,320

12 TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Unsecured, considered Good		
Outstanding for a period not exceeding six months from the date they are due for payment	-	2,701,261
Total	-	2,701,261



IL&FS BROKING SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at March 31, 2017	As at March 31, 2016
	₹	₹
Cash and Cash Equivalents		
- In current accounts	3,467,370	69,893
Other Bank Balances		
- In earmarked accounts		
- Fixed deposits under lien more than 3 months but less than 12 months	54,875,000	119,000,000
- In current account	22,964	28,081,180
- Fixed deposits more than 3 months but less than 12 months	4,000,000	-
(Balances held as margin money or security against borrowings, guarantees and other commitments with original maturity more than 12 months) (Residual maturity less than 12 months)		
Notes:		
(i) Balances with the bank include deposits amounting to Nil/- as at March 31, 2017 (Previous Year ₹ 59,000,000/-) placed in favour of NSCCL A/c IL & FS Securities Services Limited guaranteeing due performance of obligations under Future and Options segment.		
(ii) Balances with the bank include deposits amounting to ₹ 40,000,000/- as at March 31, 2017 (Previous Year ₹ 45,000,000/-) under lien against Bank Guarantee.		
(iii) Balances with the bank include deposits amounting to ₹ 10,000,000/- as at March 31, 2017 (Previous Year ₹ 10,500,000/-) under lien against Bank Overdraft.		
(iv) Balances with bank include deposits amounting to ₹ Nil/ as at March 31, 2017 (Previous Year ₹ 4,500,000/-) under lien against Short Term Loan		
(v) Balances with bank include deposits amounting to ₹ 4,875,000/ as at March 31, 2017 (Previous Year ₹ Nil/-) under lien against base capital with BSE Ltd		
(vi) Balances with banks - Other earmarked accounts include ₹ 22,964/- as at March 31, 2017 (Previous Year ₹ 28,081,180/-) which have restriction on repatriation.		
Total	62,365,334	1,47,151,073
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	3,467,370	69,893

The details of Specified Bank Notes (SBNs) held and transacted during the period November 08, 2016 to December 30, 2016 as required by MCA notification S.O. 3407 (E), dated the November 08, 2016 has been provided in the Table below:

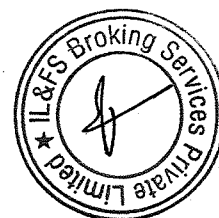
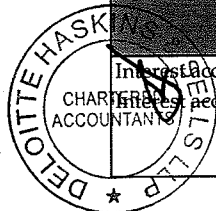
Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

14 SHORT-TERM LOAN AND ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Others (unsecured, considered good)		
Inter Corporate Deposit with Related Party (Refer Note no. 23)	20,000,000	-
Other advances	385,632	4,860,357
Prepayments	-	1,923,938
Total	20,385,632	6,784,295

15 OTHER CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Interest accrued on deposits with banks	363,082	1,408,685
Interest accrued on Inter Corporate Deposit (Refer Note no. 23)	395,753	-
Total	758,835	1,408,685



IL&FS BROKING SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
Sale of services - brokerage income (Refer Note no. 23)		
(a) Cash segment	3,776,579	21,521,585
(b) Futures & options segment	725,254	2,233,043
Other operating revenue		
(a) Fees from advisory services	24,010,132	797,618
Total	28,511,965	24,552,246

17 OTHER INCOME

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
(a) Interest from		
-Banks on fixed deposits	6,754,216	11,687,771
-Inter corporate deposit (Refer Note no. 23)	439,725	-
-Income tax refund	49,901	-
-Interest Others	209,469	-
(b) Other non-operating income:		
- Excess provision written back	54,758	-
- Miscellaneous income	138,089	26,277
Total	7,646,158	11,714,048

18 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
(a) Salaries, allowances and incentives	14,983,031	52,033,039
(b) Contribution to provident and other funds	383,895	1,570,096
(c) Staff welfare expenses	466,174	1,014,097
Total	15,833,100	54,617,232

19 FINANCE COST

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
(a) Interest expense	2,692,866	366,690
(b) Other borrowing costs - bank guarantee charges	853,488	1,265,047
Total	3,546,354	1,631,737



20 OTHER EXPENSES

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	₹	₹
Rent (Refer Note no. 23)	3,459,724	6,777,909
Rates and taxes	1,164,345	243,614
Insurance	284,404	328,834
Legal and professional charges	2,027,625	2,006,649
Payments to auditors	758,274	625,000
Electricity charges	165,526	136,393
Printing and stationery	47,973	216,909
Membership fees and subscription	11,579,560	9,003,900
Travelling and conveyance (Refer Note no. 22)	124,657	899,369
Telephone, fax and postage	658,201	999,502
Repairs and maintenance - others	917,215	817,616
Business development	3,425	821,206
Software expenses (Refer Note no. 22)	3,155,520	4,296,284
Service charges (Refer Note no. 23)	5,220,219	5,402,084
Manpower expenses	144,339	656,877
General office expenses	521,454	327,710
Dealing error / trading error	5,059	96,102
Referral fees	1,508,948	4,533,863
Net loss on foreign currency transaction and translation	23,534	45,867
Miscellaneous expenses	637,034	1,728,295
Total	32,407,036	39,963,983
Note:		
Payments to auditors (net of service tax input credit):		
For statutory audit	628,124	625,000
For tax audit	100,000	-
For other services	30,150	-
Total	758,274	625,000

21 COMMITMENTS

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Arrears of dividend on redeemable cumulative preference shares.	88,291	63,075
Premium payable on redemption of series C preference shares at any time after the expiry of five years from September 30, 2013	44,484,000	44,484,000

22 Additional information to the financial statements

A. Earnings in foreign currency

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Fee for research report	10,132	116,651

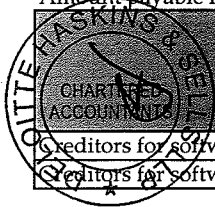
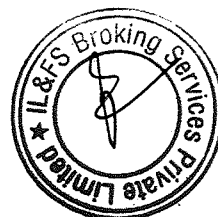
B. Expenditure in foreign currency

Particulars	As at March 31, 2017	As at March 31, 2016
	₹	₹
Software expenses	1,422,058	2,371,950
Travelling and conveyance	-	244,563

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

Amount payable in foreign currency on account of the following:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹	Foreign currency	₹	Foreign currency
Creditors for software related expenses	-	-	225,475	SGD 4,600
Creditors for software related expenses	-	-	66,333	USD 1,000



IL&FS BROKING SERVICES PRIVATE LIMITED
 NOTES FORMING PART OF THE FINANCIAL STATEMENTS
 23 RELATED PARTY TRANSACTIONS

(a) Names of related parties where there were transactions during the year :

Sr. No.	Name of the related party	Nature of Relationship
1	IL&FS Financial Services Limited	Holding company
2	Infrastructure Leasing & Financial Services Limited	Ultimate holding company
3	IL&FS Securities Services Limited	Fellow subsidiary
4	ISSL CPG BPO Private Limited	Fellow subsidiary
5	IL&FS Maritime Infrastructure Co Limited	Fellow subsidiary
6	Livia India Limited	Fellow subsidiary
7	Mr. Sachin Shahane	Manager (upto 30 June 2016)
8	Mr. P Manikandan	Manager (w.e.f. 30 December 2016)

(b) Details of transactions with related party during the year:

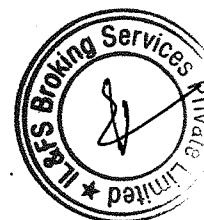
Name of the Party	Nature of Transaction	As at March 31, 2017	As at March 31, 2016
		₹	₹
IL&FS Financial Services Limited	Brokerage income	520,414	1,986,025
	Inter corporate deposit (ICD) placed	20,000,000	-
	Interest income on ICD	439,725	-
	Advisory income	-	533,117
	Rent expenses	59,190	1,935,349
Infrastructure Leasing & Financial Services Limited	Service charges	2,423,117	1,991,256
	Service charges	360,000	360,000
	Rent expenses	3,442,511	4,931,307
IL&FS Maritime Infrastructure Co Limited	Brokerage income	-	45,895
	Advisory income	-	147,850
IL&FS Securities Services Limited	Bank guarantee charges	-	447,122
	Institutional charges	80,068	112,962
	Deposits placed/ (withdrawn)	(28,700,000)	29,500,000
ISSL CPG BPO Private Limited	Professional fees	16,000	15,000
Livia India Limited	Service charges	2,298,448	2,899,619
Sachin Shahane	Managerial remuneration	3,965,204	6,348,228

(c) Details of balance as at March 31, 2017:

Name of the Party	Nature of Transaction	As at March 31, 2017	As at March 31, 2016
		₹	₹
IL&FS Financial Services Limited	Trade payable	402,217	561,600
	Inter Corporate Deposits	20,000,000	-
	Interest Receivable on ICD	395,753	-
IL&FS Securities Services Limited	Deposits	1,200,000	29,900,000

Notes:

- There are no amounts written off or written back during the year for debts due from or to related parties
- Above items do not include reimbursement of expenses
- Service charges to IL&FS Financial Services Limited includes deputation cost of Mr. P. Manikandan amounting to ₹ 383,065/-
- Details of Inter Corporate Deposit
 - During the year, the Company has placed Inter Corporate Deposits (ICD's) with IL&FS Financial Services Ltd. The period of ICD's is 1 year, placed on arm's length basis at prevailing market interest rate of 7.50% for the purpose of business requirements of the borrowers
 - The Outstanding balance of Inter Corporate Deposits as on March 31, 2017, with related parties is detailed in the table above



24 EARNINGS PER SHARE

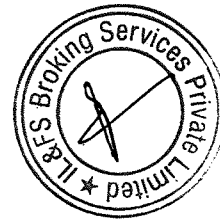
The calculation of basic and diluted earnings per share is based on the earnings and numbers of shares as computed below:

(i) Reconciliation of earnings

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss for the year	(16,130,862)	(62,730,762)
Less: Dividend on redeemable cumulative preference shares	25,216	25,216
Net loss attributable to equity shareholders	(16,156,078)	(62,755,978)

(ii) Basic & diluted earnings per share

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Loss for the year attributable to equity shareholders (₹)	(16,156,078)	(62,755,978)
(b) Weighted average number of shares outstanding during the year	5,000,000	5,000,000
(c) Nominal value of each share (₹)	10	10
(d) Basic/ diluted earnings per share (₹) (a/b)	(3.23)	(12.55)



IL&FS BROKING SERVICES PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25 (i) DISCLOSURE IN RESPECT OF GRATUITY LIABILITY

In accordance with the Payment of Gratuity Act, the Company provides for Gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to all employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to a maximum of ₹ 10,00,000/-

I. ASSUMPTIONS:	2016-17	2015-16			
Discount rate	-	8.04%			
Salary escalation	-	5.00%			
Attrition rate	-	2.00%			
II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	2016-17	2015-16			
	₹	₹			
Present value of benefit obligation as at the beginning of the year	6,220,208	5,362,310			
Interest cost	-	424,695			
Current service cost	487,951	1,749,154			
Benefits paid	(6,708,159)	(1,188,704)			
Actuarial gains on obligations	-	(127,247)			
Present value of benefit obligation as at the end of the year	-	6,220,208			
III. ACTUARIAL GAINS/LOSSES:	2016-17	2015-16			
	₹	₹			
Actuarial gains on obligation for the year	-	(127,247)			
Actuarial gains on asset for the year	-	-			
Actuarial gains recognised in income & expenses statement	-	(127,247)			
IV. AMOUNT RECOGNISED IN THE BALANCE SHEET:	2016-17	2015-16			
	₹	₹			
Fair value of plan assets at the end of the year	-	-			
Present value of benefit obligation as at the end of the year	-	(6,220,208)			
Net liability recognised in the balance sheet	-	(6,220,208)			
V. EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:	2016-17	2015-16			
	₹	₹			
Current service cost	487,951	1,749,154			
Interest cost	-	424,695			
Actuarial (gains)/losses	-	(127,247)			
Expense recognised in the statement of profit and loss	487,951	2,046,602			
VI. BALANCE SHEET RECONCILIATION:	2016-17	2015-16			
	₹	₹			
Opening net liability	6,220,208	5,362,310			
Expenses as above	487,951	2,046,602			
Benefit paid directly by the employer	(6,708,159)	(1,188,704)			
Net Liability recognised in the balance sheet	-	6,220,208			
VII. EXPERIENCE ADJUSTMENT:	2016-17	2015-16	2014-15	2013-14	2012-13
	₹	₹	₹	₹	₹
On plan liability (gains)/losses	-	833,634	(725,972)	(16,482)	(16,482)
On plan assets (gains)/losses	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

As there are no employees as at March 31, 2017, no liability has been provided for

(ii) DEFINED CONTRIBUTION PLAN

EMPLOYEES BENEFITS EXPENSES INCLUDES:	2016-17	2015-16
	₹	₹
Employer contribution to provident fund	350,219	1,569,628

(iii) The Company has accrued the liability for compensated absences based on actuarial valuation as at balance sheet date conducted by an independent actuary and provided for actuarial liability of ₹ Nil/- (Previous Year ₹ 3,469,198/-)

Actuarial assumptions used

Particulars	2016-17	2015-16
Discount rate	-	8.04%
Salary escalation rate	-	5.00%



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

26 SEGMENT REPORTING

The Company is principally engaged in the business of Broking in securities. For the purpose of reporting under Accounting Standard (AS 17) "Segment Reporting", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014

a) Information on primary business segment is as follows:-

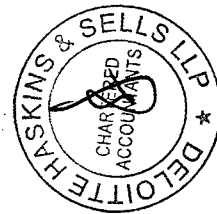
Reportable segments *	Broking in securities		Advisory services		Unallocated		Total	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue								
(a) External revenue	45,01,833	2,37,54,628	2,40,10,132	7,97,618	-	-	2,85,11,965	2,45,52,246
(b) Inter segment revenue	-	-	-	-	-	-	-	-
(c) Total revenue	45,01,833	2,37,54,628	2,40,10,132	7,97,618	-	-	2,85,11,965	2,45,52,246
Segment results (loss) / profit								
Other income	(4,45,69,234)	(7,31,06,779)	2,07,92,214	7,97,618	-	-	(2,37,77,020)	(7,23,09,161)
(Loss) / profit before tax	72,06,433	1,17,14,048	4,39,725	-	-	-	76,46,158	1,17,14,048
Tax expense	(3,73,62,801)	(6,13,92,731)	2,12,31,939	7,97,618	-	-	(1,61,30,862)	(6,05,95,113)
(Loss) / profit after tax	-	-	-	-	-	(21,35,649)	-	(21,35,649)
Other information								
Segment assets	(3,73,62,801)	(6,13,92,731)	2,12,31,939	7,97,618	-	-	(1,61,30,862)	(6,27,30,762)
Segment liabilities	10,07,42,071	22,49,65,150	2,03,95,753	-	1,38,36,110	1,26,85,900	13,49,73,934	23,76,51,050
Capital Expenditure	19,73,223	8,90,63,227	5,43,750	-	-	-	25,16,973	8,90,63,227
Depreciation	3,42,393	5,28,307	-	-	-	-	3,42,393	5,28,307
	5,02,495	6,48,455	-	-	-	-	5,02,495	6,48,455

a) Revenue has been identified to a segment on the basis of relationship to operating activities of the segment. Revenue which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocated".

b) In absence of a reasonable basis for the allocation of expenses between the above mentioned segments the expenses are disclosed as pertaining to the segment viz. broking in securities, this being the principal business activity.

c) The Company does not have a secondary segment. Accordingly, disclosures required under AS 17 are not applicable.

d) In computing the above information certain assumptions and estimates have been made by the management which have been relied upon by the auditors



IL&FS BROKING SERVICES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27 OPERATING LEASE

The Company holds a premises under a non-cancellable operating lease. The Company's future lease rentals under the operating lease arrangement as at the year end are as under:

Future lease rentals	For the year ended March 31, 2017	For the year ended March 31, 2016
Within one year	-	6,548,484
Over one year but less than 5	-	6,548,484
Amount charged for the statement of profit and loss for rent	3,459,724	4,911,363

₹

28 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Milind Patel

Milind Patel
 Chairperson & Director
 DIN: 00058358

Rajesh Kotian

Rajesh Kotian
 Director
 DIN: 02283475

Kavi Sikeriya

Kavi Sikeriya
 Chief Financial Officer

Priya Iyer

Priya Iyer
 Company Secretary

Place: Mumbai
 Date : April 18, 2017

