

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2017**

IL&FS CAPITAL ADVISORS LIMITED

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BOARD OF DIRECTORS

Ramesh C Bawa (Chairman)

Hari Das Khunteta

Sharadchandra Abhyankar

Vibhav Kapoor

Milind N Patel

Rajesh Kotian

AUDITORS, BANKERS & REGD OFFICE

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Bankers

Axis Bank Ltd

Registered Office

The IL&FS Financial Centre, Plot C 22, G Block
Bandra Kurla Complex, Bandra East, Mumbai 400 051
Tel No +91-22-2659 3560 Fax No +91-22-2659 2966
Website: www.ilfscapital.com
Corporate Identity Number – U65191MH2012PLC226314

DIRECTORS' REPORT

To,
The Members,
IL&FS Capital Advisors Limited

The Directors are pleased to present the Fifth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2017

(1) FINANCIAL RESULTS:

The summarized financial results of the Company are as under:

Particulars	(₹ in mn)	
	FY 2017	FY 2016
Gross Revenue	55.83	52.70
Gross Profit / (Loss)	24.29	4.57
Non Cash Charges	2.05	0.54
Profit / (Loss) Before Tax	22.24	4.03
Income Tax	(5.61)	(0.52)
Profit / (Loss) After Tax	16.63	4.55

(2) SHARE CAPITAL:

During the period under review, there was no change in the authorised and paid-up share capital of the Company

(3) BUSINESS OPERATIONS:

(a) INDUSTRY OVERVIEW:

India's stock market barometers, BSE Sensex and NSE Nifty index both appreciated by about 12% during the Q4 FY 2017 with yearly gains in excess of 16%. This uptrend was coupled with strong primary equity market performance. The positive momentum with issue launches by corporates which included raising fresh funds as well providing exit to the existing shareholders totalling to approximately ₹ 42 billion being mobilized by corporates across sectors through initial public offering alone

IL&FS Capital Advisors Limited

📍 The IL&FS Financial Centre, 3rd Floor, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, INDIA

☎ +91 (22) 2653 3333 | 📠 +91 (22) 2659 2966 | 🌐 www.ilfscapital.com

(CIN U65191MH2012PLC226314)

(b) COMPANY OVERVIEW:

The Company was registered as a Category 1- Merchant Banker under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. It was set up to provide a varied range of services for Corporates in the areas of Merchant Banking and Advisory Services for Equity related products and instruments

Considering lack of robust distribution business, paucity of significant business opportunities /development over the years, the future viability of the operations of the Company seemed to be unfavourable

The Board of Directors of the Company at their Meeting held on January 27, 2017 approved the proposal of surrendering the License of Merchant Banking (MB) and to subsequently wind up the affairs of the Company subject to the approval of the Shareholders' of the Company

All business mandates have been closed and there are no business operations undertaken with effect from April 01, 2017. The Company has intimated SEBI for non-renewal of MB License vide intimation letter on March 27, 2017

(4) DIVIDEND :

The Board of Directors do not recommend any dividend on the equity share capital of the Company

(5) RESERVES :

The Board does not propose to transfer any amount to reserves

(6) NON ACCEPTANCE OF PUBLIC DEPOSITS :

The Company has not accepted any public deposits during the year under review

(7) DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have any subsidiary/joint venture/associate

(8) COMPLIANCE:

The Company has complied with the applicable provisions of the Companies Act, 2013 ("Act") and the applicable regulations of the Securities and Exchange Board of India (SEBI) from time to time

(9) DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of the knowledge and belief and according to the information and explanations obtained by them, the Directors make the following statements in terms of sections 134(3)(c) and 134(5) of the Companies Act, 2013 —

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates 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 financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

(10) CORPORATE GOVERNANCE:

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices

A summary of Corporate Governance measures taken by the Company is as follows:

(a) Composition of Board:

The current Composition of Board of Directors is as follows:

Sr No	Name of the Director	Designation	No. of Board Meetings attended	Last Annual General Meeting Attendance
(i)	Mr Ramesh C Bawa	Chairman	4	Yes
(ii)	Mr Vibhav Kapoor	Director	1	Yes
(iii)	Mr Milind Patel	Director	3	Yes
(iv)	Mr Rajesh Kotian	Director	4	Yes
(v)	Mr Hari Das Khunteta	Independent Director	4	Yes
(vi)	Mr Sharad Abhyankar	Independent Director	3	Yes

(b) Board Meetings:

During the year under review, four Board Meetings were held on April 29, 2016, July 27, 2016, November 10, 2016 and January 27, 2017

(d) Declaration by Independent Directors:

The Company has received declarations from the Independent Directors of the Company that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013

(e) Details of Committees:

In accordance with the Companies Act, 2013, the following Committees have been constituted/ re-constituted during the year under review:

(i) Audit Committee :

The Company has re-constituted the Audit Committee as under with effect from May 06, 2015:

Sr No	Name of the Director	Designation	No. of Audit Committee Meetings attended
(i)	Mr Hari Das Khunteta	Chairman	4
(ii)	Mr Sharad Abhyankar	Member	3
(iii)	Mr Ramesh C Bawa	Member	3

During the year under review, four Audit Committee Meetings were held on April 29, 2016, July 27, 2016, November 10, 2016 and January 27, 2017

(ii) Nomination and Remuneration Committee:

The Board at its meeting held on May 06, 2015 constituted Nomination and Remuneration Committee is as follows:

Sr No	Name of the Director	Designation	No. of Audit Committee Meetings attended
(i)	Mr Sharad Abhyankar	Chairman	1
(ii)	Mr Ramesh C Bawa	Member	1
(iii)	Mr Hari Das Khunteta	Member	1
(iv)	Mr Milind Patel	Member	0

During the year under review, one Nomination & Remuneration Committee Meeting was held on April 29, 2016

(iii) Grievance Redressal Committee:

The Grievance Redressal Committee is constituted in accordance with SEBI (Merchant Bankers) Regulations, 1992 to redress any complaints of the investors in an expedient manner

(g) Key Managerial Personnel:

The following persons are the Key Managerial Personnel (KMPs) of the Company as per the provisions of the Companies Act, 2013:

- Mr Avdhoot Deshpande resigned as Chief Executive Officer on February 27, 2017
- Ms Bhargavi Jamkhandi resigned as Company Secretary on July 21, 2016
- Mr Rakesh Gupte - Chief Financial Officer
- Ms Kruti Shah was appointed as a Company Secretary with effect from January 21, 2017

(h) Internal Governance Policies:

The Company has adopted the following policies:

- (a) Code of Conduct for Merchant Banking Activities
- (b) Unified Approval Framework
- (c) KYC and AML Policy
- (d) Anti-Fraud Policy
- (e) Code of Conduct for Prevention of Insider Trading
- (f) Policy on Conflict of Interest
- (g) Code of Conduct for Independent Directors
- (h) Depreciation policy
- (i) Guidelines for Related Party Transactions
- (j) Policy on Performance Evaluation of the Board of Directors
- (k) Employee Handbook
- (l) Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees and selection criteria for appointment of Directors.

In terms of Section 134 (3) (e) of the Companies Act, 2013, the Remuneration policy of the Company is as under:

REMUNERATION POLICY**(A) Preamble :**

IL&FS Capital Advisors Limited (ICAL) is Category I Merchant Banker registered with the Securities and Exchange Board of India ('SEBI') providing a full spectrum of equity capital markets services, using an industry-focused and knowledge-driven approach. As a full service Merchant Banker, IL&FS Capital acts as a trusted advisor to serve the capital advisory needs of today's emerging growth corporations

ICAL is a part of the Infrastructure Leasing & Financial Services ('IL&FS') Group

- (I) Since the businesses of the Group are people centric, Human Resource Development (HRD) assumes great significance in facilitating the organization to meet this objective. The HRD strategy is to :
- (a) Attract and retain competent resources
 - (b) Provide competitive performance based compensation and benefits
 - (c) Facilitate and provide growth opportunities within the Group by encouraging movement of personnel across geographies
 - (d) Ensure clear communication of vision and business plans

(B) Managerial Remuneration:**(I) Compensation Forums:****(1) Nomination and Remuneration Committee :**

In accordance with the provisions of the Companies Act, 2013 the Company has constituted the Nomination & Remuneration Committee on May 06, 2015.

(II) Statutory Provisions:

Pursuant to the notification of the Companies Act 2013, effective April 01, 2014, the following provisions thereof have been considered while formulating the Remuneration Policy at ICAL:

- (a) Remuneration for Whole-time, Non-Executive Directors, Key Management Personnel and Senior Management
- (b) Role of the Nomination and Remuneration Committee
- (c) Disclosures in the Directors' Report

(III) Objective:

- (1) The key objective of the Remuneration Policy is to enable a framework that allows competitive and fair rewards for the achievement of key deliverables
- (2) While deciding remuneration for the Whole-time Directors various factors such as the market scenario, business performance of ICAL and the remuneration practices in the Financial Sector are considered
- (3) The composition of remuneration of the Company consists of fixed and incentive pay to meet performance benchmarks in alignment with the Company's objectives and goals

(IV) Remuneration Pattern:

- (1) **Structure** : A summary of the current structure set for the Whole-time Directors is as mentioned below :

Comp- onents	Criteria	Description
Base Salary	<ul style="list-style-type: none"> • Reflects the Directors' experience, and criticality of the roles and responsibilities 	<ul style="list-style-type: none"> • Consolidated Salary fixed for each financial year within the scale approved by the shareholders • This component is also used for paying retiral benefits • Paid on a monthly basis
Incentives	<ul style="list-style-type: none"> • Based totally on the performance of the Director • Drive and reward delivery of sustained long-term performance 	<ul style="list-style-type: none"> • Variable component of the remuneration package • Paid on an annually basis • Variable long-term remuneration component, paid in shares
Retiral Benefits	Provide for sustained contribution	Accrues depending on length of service in accordance with the applicable laws and Company's Policy

- (2) **Perquisites and benefits:** All other benefits including perquisites are as per the rules of the Company

(V) Key Managerial Personnel:

- (1) The Key Managerial Personnel (KMP) in the Company would be the Whole-time Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary
- (2) The KMPs have operational responsibilities in addition to the responsibilities specified by the Companies Act, 2013
- (3) The remuneration package of the KMP comprises of :

(a) Fixed Remuneration :

This includes a Monthly Salary such as Consolidated Pay, and other Allowances as per Rules of the Company

(b) Incentives:

It is based on the Company's and individual's performance

(c) Retirals:

This includes Provident Fund, Gratuity and Superannuation payable as per the rules of the Company

(VI) Senior Management:

- (1) The expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads
- (2) The senior management have functional and operational responsibilities
- (3) The remuneration package of the Senior Management comprises of:

(a) Fixed Remuneration :

This includes a Monthly Salary such as Consolidated Pay and other Allowances as per Rules of the Company

(b) Incentives:

It is based on the Company's and individual's performance

(c) Retirals:

This includes Provident Fund, Gratuity and Superannuation payable as per the rules of the Company

(VII) Non-Executive Directors/ Independent Directors:

The Non-Executive Directors are paid remuneration by way of sitting fees for attending the Board / Board Committee/s Meetings in accordance with the Companies Act, 2013

(VIII) Remuneration Mix:

The total remuneration package of Directors and KMPs is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that outstanding performance is incentivized accordingly

(IX) Disclosures:

In accordance with the provisions of Companies Act 2013, details of the managerial remuneration would be disclosed in the Directors' Report to the Shareholders

(C) Selection Criteria for appointment of Directors:

Pursuant to the provisions of the Companies Act, 2013, the Company is required to formulate the Selection Criteria for appointment of a Director. Accordingly, the following are indicative selection criteria which may be considered while appointing a Director:

(I) Experience / Know how :

The candidate must meet at least two of the below mentioned four criteria:

- (1) CEO in a related organization
- (2) Served on other Companies' Boards
- (3) Business Head for atleast 5 years
- (4) An independent expert in industry related field

(II) Behavioral Competencies:

- (1) Results and Achievement Oriented
- (2) Strategy Oriented
- (3) Ability to Influence and Inspire
- (4) Effective Decision Maker
- (5) Integrity ("Fit & Proper")

(D) Review and Modification:

Effectiveness of the Remuneration Policy is ensured through periodic review. The Board of Directors of the Company may amend or modify this Policy in whole or in part at any time as may be deemed appropriate

(11) DISCLOSURE OF RELATED PARTY TRANSACTIONS:

All the 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. During the year, the Company had entered into contract/arrangement/transaction with related parties which are considered to be material related party transaction

The Company considers, the lending, borrowing & investment transactions entered into during the financial year that exceeds ten percent of its asset size and the income / expense transactions entered into during the financial year that exceeds ten percent of its annual turnover of the company, as "Material Related Party Transaction". Also the disclosure of transactions with related parties set out in notes to accounts of Financial Statements is forming part of the Annual Report. The details of Related Party Transactions pursuant to section 134 (3) (h) of the Act is annexed in Form AOC - 2 as an Annexure - I

(12) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

NIL

(13) EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return as provided under section 92(3) in form MGT-9 is annexed herewith as Annexure - II

(14) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE :

NIL

(15) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

To the best of the knowledge and belief and according to the information and explanations obtained, there have been no material changes and commitments if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

(16) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Conservation of energy and technology absorption - Not Applicable
- (b) During the period under review, there was no foreign exchange earnings and outgo

(17) RISK MANAGEMENT AND DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. The Company's internal control systems are commensurate with the nature of its business. The Company has put in place a sound internal control system which ensures that all transactions are recorded and reported correctly. The Company has an Internal Auditor who conducts the audit of the Company's operations

(18) PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 134 of the Companies Act, 2013 and the applicable rules framed there under, the names and other particulars of employees are enclosed as Annexure – III to the Directors' Report.

As on March 31, 2017, there are no employees on the payroll of the Company except KMP on deputation basis

(19) ACKNOWLEDGEMENTS:

The Directors of the Company would like to express their grateful appreciation for the support and co-operation received from Members, employees, Central and State Governments, Securities and Exchange Board of India, Banks, Financial Institutions and other governing regulatory authorities

For and on behalf of the Board of Directors


Chairman



Date : April 19, 2017

Place : Mumbai

Annexure I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- (1) Details of contracts or arrangements or transactions not at arm's length basis: NIL
- (2) Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval at the meeting of the Board	Amount paid as advances, if any
Name: IL&FS Financial Services Limited (IFIN) Relation: Holding Company	Inter Corporate Deposits	1 year	Salient Terms: The Company has placed excess funds as Inter Corporate Deposit with Holding Company Value: ` 95 mn	April 19, 2017	Nil

Date : April 19, 2017

Place : Mumbai

For and on behalf of the Board of Directors



Chairman



EXTRACT OF ANNUAL RETURN -FORM MGT - 9

As on the financial year ended on March 31, 2017

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

(I) Registration and Other Details:

CIN	U65191MH2012PLC226314
Registration Date	January 20, 2012
Name of the Company	IL&FS Capital Advisors Limited
Category / Sub-Category of the Company	SEBI Registered Category I Merchant Banker
Address of the Registered Office and contact details	The IL&FS Financial Centre, 3 rd floor, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Tel.No: 022 2659 3560 Fax No: 022 2659 2966
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	NIL

(II) Principal Business Activities of the Company:

All the Business Activities contributing 10% or more of the total turnover of the Company is as stated below:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Financial and Related services	9971	90.64%
Other services auxiliary to financial services	9971599	9.54%

(III) Particulars of Holding, Subsidiary and Associate Companies:

Sr No	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
(1)	Infrastructure Leasing & Financial Services Limited	The IL&FS Financial Centre, 10 th floor, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	U65990MH1987PLC044571	Ultimate Holding Company	100% in IFIN	2(46)
(2)	IL&FS Financial Services Limited (IFIN)	The IL&FS Financial Centre, 3 rd floor, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	U65990MH1995PLC093241	Holding Company	100%	2(46)

(b) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	IL&FS Financial Services Limited (IFIN)	99,99,940	100%	Nil	99,99,940	100%	Nil	Nil
2	Mr Ramesh C Bawa & IFIN	10	-	Nil	10	-	Nil	Nil
3	Mr Milind Patel & IFIN	10	-	Nil	10	-	Nil	Nil
4	Mr Rajesh Kotian & IFIN	10	-	Nil	10	-	Nil	Nil
5	Mr Aresh Dutta & IFIN	10	-	Nil	10	-	Nil	Nil
6	Mr Deepak Pareek & IFIN	10	-	Nil	10	-	Nil	Nil
7	Ms Neelam Desai & IFIN	10	-	Nil	10	-	Nil	Nil
	Total	1,00,00,000	100%	Nil	1,00,00,000	100%	Nil	Nil

B. Public Shareholding															
(1) Institutions															
a) Mutual Funds / UTI															
b) Banks / FI															
c) Central Govt.															
d) State Govt.(s)															
e) Venture Capital Funds															
f) Insurance Companies															
g) FIIs															
h) Foreign Venture Capital Funds															
i) Others (specify)															
Sub-Total (B)(1):															
(2) Non-Institutions															
a) Bodies Corporate															
i) Indian															
ii) Overseas															
b) Individuals															
Individual Shareholders holding nominal share capital upto ₹ 1 lakh															
Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh															
c) Others (specify)															
Shares held by Pakistani citizens vested with the Custodian of Enemy Property															
ii) Other Foreign Nationals															
iii) Foreign Bodies															
iv) NRI / OCBs															
v) Clearing Members / Clearing House															
vi) Trusts															
vii) LLP															
viii) Foreign Portfolio Investor (Corporate)															
ix) Qualified Foreign Investor															
Sub-Total (B)(2):															
Total Public Shareholding (B)=(B)(1)+ B)(2)															
Grand Total (A+B)															
							---	1,00,00,000	1,00,00,000	100	--	1,00,00,000	1,00,00,000	100	NIL

(e) Shareholding of Directors and Key Managerial Personnel

For each of Directors & KMP	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative of Shares during the year	Shareholding % of total shares of the Company
		No. of Shares	% of total shares of the Company		
Mr Ramesh C Bawa (Holding shares in capacity of Nominee of IFIN)	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	-	Nil	-
	At the end of the year	10	0.00	10	0.00
Mr Milind Patel (Holding shares in capacity of Nominee of IFIN)	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	-	Nil	-
	At the end of the year	10	0.00	10	0.00
Mr Rajesh Kotian (Holding shares in capacity of Nominee of IFIN)	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	-	Nil	-
	At the end of the year	10	0.00	10	0.00

(V) INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
(₹ Lakhs)				
<u>Indebtedness at the beginning of the financial year</u>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
<u>Change in Indebtedness during the financial year</u>				
Addition				
Reduction				
Net Change				
<u>Indebtedness at the end of the financial year</u>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
				NIL

(VI) REMUNERATION OF DIRECTOR AND KMP:

(A) Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Sr No	Particulars of Remuneration	Name	Total Amount
1	Gross Salary	-	-
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	-	-
	Ceiling as per the Act	10%	10%

(B) Remuneration to other Directors:
(1) Independent Directors:

Sr No	Particular of Remuneration	Mr Hari Das Khunteta	Mr Sharad Abhyankar	Total Amount (in ₹)
1	Fee for attending Board/ Committee Meetings	1,20,000	90,000	2,10,000
2	Commission	-	-	-
3	Others, please specify	-	-	-
	Total B.1	1,20,000	90,000	2,10,000

(2) Other Non-Executive Directors:

Sr No	Particular of Remuneration	Mr Ramesh C Bawa	Mr Vibhav Kapoor	Mr Milind Patel	Mr Rajesh Kotian	Total Amount (in ₹)
1	Fee for attending Board/Committee Meetings	105,000	15,000	45,000	60,000	225,000
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	Total B.2	105,000	15,000	45,000	60,000	225,000
	Total (B1+B2)	-	-	-	-	435,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					11%

(C) Remuneration To Key Managerial Personnel Other Than Managing Director/ Manager/ Whole Time Director:

Sr No	Particular of Remuneration	Key Managerial Personnel				Total Amount (in ₹)
		Chief Executive Officer (Till February 27, 2017)	Company Secretary	CFO		
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,32,86,720	-	-	-	1,32,86,720
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	2,05,628	-	-	-	2,05,628
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Options	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify	-	-	-	-	-
5	Others, please specify – Deputation Cost	-	80,114*	15,00,000	-	15,80,114
	Total C	1,34,92,348	80,114	15,00,000	-	1,50,72,462

*Includes deputation cost of ₹ 52,916 for Ms Bhargavi Jamkhandi as Company Secretary till July 21, 2016

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Date : April 19, 2017

Place : Mumbai



[Signature]

Chairman

Annexure - III

A statement containing the names of employees employed throughout the financial year and in receipt of remuneration of ₹ 1.02 Crs or more, or employed for part of the financial year and in receipt of ₹ 8.5 lakhs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of employee	Last employment held by such employee before joining the company	Percentage of equity shares held by the employee	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
(1)	*Avdhoot Deshpande	CEO	1,34,77,953	Permanent Employee	MMS (1991), B.Com (1988) & 24.5 years	01-Mar-2012	49 Yrs	Avendus Capital Pvt Ltd.	NA	No

*Mr Avdhoot Deshpande resigned as CEO with effect from February 27, 2017

Date : April 19, 2017

Place : Mumbai

For and on behalf of the Board of Directors


Chairman



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IL&FS CAPITAL ADVISORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IL&FS CAPITAL ADVISORS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 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

- 1) 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.
- 2) 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

- 1) Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 1 and 2(a) to the financial statements, regarding the Company's decision for non-renewal of Merchant Banking License and thereby, subject to the approval of the Members, based on recommendation of the Board of Directors dated April 19, 2017, apply for voluntary winding up of the Company, under Section 59 of the Insolvency And Bankruptcy Code, 2016, read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. Accordingly, the financial statements for the year ended March 31, 2017 have been prepared on the basis other than going concern as explained in Note 2(a) to the financial statements.



Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, has an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- g) 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.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have 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 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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
(Firm's Registration No. 117366W/W-100018)



Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place: Mumbai
Date: April 19, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Re: IL&FS CAPITAL ADVISORS LIMITED)

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 CAPITAL ADVISORS LIMITED ("the Company")** as of March 31, 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 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 March 31, 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
(Firm's Registration No. 117366W/W-100018)



Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place: Mumbai
Date: April 19, 2017

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Re: IL&FS CAPITAL ADVISORS LIMITED)**

(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 3(i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans, to a company 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 is no overdue amount remaining outstanding as at the year-end.
- (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 and hence directives issued by the Reserve Bank



of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.

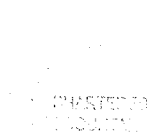
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that the provisions of Employees' State Insurance, Sales Tax, Value Added Tax, Customs Duty and Excise Duty 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 March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Service Tax, cess, which have not been deposited as on March 31, 2017 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of CARO 2016 is not applicable.
- (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 3(ix) of the CARO 2016 Order 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) In our opinion and according to the information and explanations given to us, the Company has not contracted to pay managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013. Hence, reporting under clause 3(xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 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 3(xiv) of CARO 2016 is not applicable.
- (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 persons connected with him 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. 117366W/W-100018)



Rukshad N. Daruvala
Partner
(Membership No. 111188)

Place: Mumbai
Date: April 19, 2017

BALANCE SHEET

(Amount ₹)

	Note	As at March 31, 2017	As at March 31, 2016
EQUITIES & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	100,000,000	100,000,000
Reserves & Surplus	4	1,902,091	(14,732,326)
		101,902,091	85,267,674
NON CURRENT LIABILITIES			
Long-Term Provisions	5	-	3,513,749
		-	3,513,749
CURRENT LIABILITIES			
Trade Payables other than MSME	6	866,250	1,682,585
Other Current Liabilities	7	-	6,751,597
Short-Term Provisions	8	-	5,710,485
		866,250	14,144,667
		102,768,341	102,926,090
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment (Net)	9	-	108,710
Tangible Assets		-	103,598
Intangible Assets	2	2	212,308
Deferred Tax Asset	10	-	1,329,000
Long-Term Loans and Advances	11	5,725,976	6,938,718
		5,725,976	8,267,718
CURRENT ASSETS			
Trade Receivables	12	-	34,938,513
Cash and Cash Equivalents	13	1,871,883	58,099,158
Short-Term Loans and Advances	14	95,119,625	1,299,646
Other Current Assets	15	50,855	108,747
		97,042,363	94,446,064
TOTAL		102,768,341	102,926,090

Notes 1 to 23 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants



Rukshad N. Daruvala
Membership No. 111188
Partner

Mumbai April 19, 2017

Chairman (DIN: 00040523)



Director (DIN: 00058358)

Chief Financial Officer

Company Secretary

STATEMENT OF PROFIT AND LOSS

(Amount ₹)

	Note	Year ended March 31, 2017	Year ended March 31, 2016
REVENUE			
Revenue from Operations	17	50,500,000	47,250,000
Other Income	18	5,327,233	5,454,548
		55,827,233	52,704,548
EXPENSES			
Employee Benefit Expenses	19(a)	20,617,903	37,031,586
Operating Expenses	19(b)	12,811,731	11,095,691
Depreciation & Amortisation	9	152,963	541,178
		33,582,597	48,668,455
PROFIT BEFORE TAX			
Current Tax		22,244,636	4,036,093
Adjustment for earlier year		(4,664,000)	(1,033,000)
Deferred Tax		382,781	-
MAT Credit	10	(1,329,000)	518,000
		-	1,033,000
PROFIT AFTER TAX			
		16,634,417	4,554,093
EARNING PER SHARE			
Basic and Diluted	20	1.66	0.46
(Face value per share ₹ 10)			

Notes 1 to 23 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For and on behalf of the Board

 For Deloitte Haskins & Sells LLP
Chartered Accountants



 Rukshad N. Daruvala
Membership No. 111188
Partner

Mumbai April 19, 2017


Chairman (DIN: 00040523)


Director (DIN: 00058358)


Chief Financial Officer


Company Secretary

CASH FLOW STATEMENT

(Amount ₹)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	22,244,636	4,036,093
Adjustments for:		
Depreciation and Amortisation	152,963	541,178
(Provision written back)/ Provision for Employee Benefits	(7,449,234)	6,437,990
(Gain) on Sale of Assets	(46,915)	(1,194)
Interest on Deposits	(3,405,318)	-
MAT Credit Impaired	1,033,000	-
Provisions no longer required Written back	(1,775,000)	-
Trade Receivables Written off	862,500	-
Operating Profit before Working Capital Changes	11,616,632	11,014,067
Adjustments for changes in:		
(Increase)/ (Decrease) in Long term and Short term Advances & Other Current Assets	(93,706,530)	76,216
Decrease/ (Increase) in Trade Receivables	34,076,013	(32,129,513)
(Decrease)/ Increase in Trade Payables & Current Liabilities	(7,567,932)	5,547,293
	(55,581,817)	(15,491,937)
Payment of Advance Tax	(4,157,034)	(2,313,252)
NET CASH (USED IN) OPERATING ACTIVITIES	(59,738,851)	(17,805,189)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(109,550)
Interest received on Deposits	3,405,318	-
Proceeds from Sale of Fixed Assets	106,258	1,200
NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES	3,511,576	(108,350)
CASH FLOW FROM FINANCING ACTIVITIES		
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(56,227,275)	(17,913,539)
Cash and cash equivalents at the beginning of the year	58,099,158	76,012,697
Cash and cash equivalents at the end of the year	1,871,883	58,099,158


Notes 1 to 23 annexed hereto forms part of Financial Statements

In terms of our Report attached.

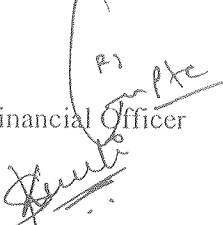
For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants


Chairman (DIN: 00040523)


Rukshad N. Daruvala
Membership No. 111188
Partner


Director (DIN: 00058358)


Chief Financial Officer

Mumbai April 19, 2017


Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Background

IL&FS Capital Advisors Limited was incorporated on January 20, 2012 and is a Subsidiary of IL&FS Financial Services Limited. The Company is registered with Securities and Exchange Board of India (SEBI) for carrying out Merchant Banking activities, as per SEBI (Merchant Bankers) Regulations, 1992.

The Company has intimated to the SEBI for non-renewal of Merchant Banking License vide intimation letter dated March 27, 2017. Subject to the approval of the Members, the Board of Directors of the Company at their meeting dated April 19, 2017 recommended for voluntary winding up of the Company, under Section 59 of the Insolvency and Bankruptcy Code, 2016, read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. The Company has hence discontinued its operations which is an evidence of the Company's inability to continue as a going concern. The fundamental accounting assumption of going concern is thus not valid for the Company.

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for preparation of Financial Statements

Based on the above background, the going concern assumption is no longer appropriate, hence the financial statements as at March 31, 2017 are required to be prepared and have been prepared on other than going concern basis. Accordingly the carrying value of all the material assets are stated at lower of cost or their estimated realisable value and the liabilities are presented at lower of cost or their estimated settlement amount. 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 2013 Act").

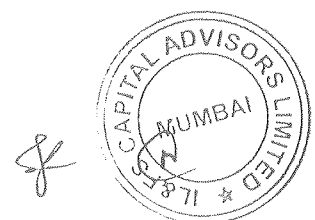
The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the Financial Statements and the reported income and expenses during the reporting year. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any change in the estimates is recognised prospectively in current and future period

(b) Property, Plant & Equipment and Depreciation/Amortisation

Tangible and Intangible Fixed assets are reported at acquisition cost, with deductions for accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost to bring the asset to its working condition for its intended use

The useful lives of the assets as determined by the Company are as stated below:

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para below



Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal technical evaluation, 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 etc.:

Asset	Useful Life (years)
Mobile Phones and I pad / Tablets	Fully depreciated in the year of capitalisation
All categories of assets costing less than ₹ 5,000/- each	Fully depreciated in the year of capitalisation
Software	4 years or the useful life of the software, whichever is shorter

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

(c) Operating Leases

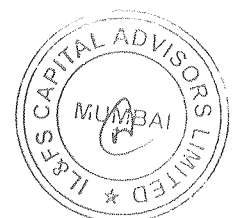
Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease rental income/expenses in respect of operating leases is recognised in the Statement of Profit and Loss on a straight line basis over the lease term

(d) Revenue Recognition

- (i) Income on services provided in the nature of Advisory services is recognised on an accrual basis on completion of services as enumerated in the milestones specified in the relevant mandate letters
- (ii) Interest Income is recognised on time proportion basis

(e) Employee Benefits

- (i) Contributions to Provident Fund and Superannuation Fund are charged to the Statement of Profit and Loss as per applicable law/ rules
- (ii) The Company has unfunded Gratuity payable to the eligible employees. Incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. Actuarial gain or losses are recognised in the Statement of Profit and Loss
- (iii) The leave balance has been classified as Short-term and Long-term, based on the best estimates after considering the past trends. The Short-term leave encashment liability for the expected leave to be encashed has been measured by actuary on actual component eligible for leave encashment and expected Short-term leave to be availed is valued at total cost to the Company. Long-term leave is valued on actuarial basis determined on the basis of projected unit cost method



(f) **Taxation**

Income Tax comprises of Current tax and net changes in Deferred Tax Assets or Liability during the period. Current tax is determined at the amount of tax payable in respect of taxable income for the period as per the Income Tax Act, 1961

The Company has not created the Deferred tax as on date since it is in the process of filing application for voluntary liquidation

Minimum Alternate tax (MAT) paid in accordance with tax laws is recognised as an asset in the balance sheet, if there is reasonable evidence that future economic benefits will flow to the Company by way of a set-off of the MAT paid against the normal tax payable in future periods

(g) **Earnings Per Share**

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

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

(h) **Cash Flow Statements**

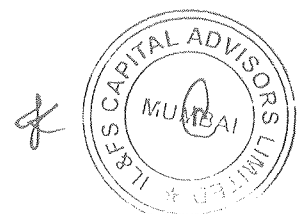
(i) Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the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

(ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

SHARE CAPITAL

(a) The details of the Authorised, issued, subscribed and paid up Share Capital is as below:
(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised Share Capital		
25,000,000 Equity Shares of ₹ 10 per share	250,000,000	250,000,000
Issued, Subscribed and Fully Paid-up		
10,000,000 Equity Shares of ₹ 10 per share	100,000,000	100,000,000



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

Particulars	(No. of Shares)	
	As at March 31, 2017	As at March 31, 2016
Equity shares outstanding at the beginning and end of the year	10,000,000	10,000,000

(c) The entire shareholding of the Company is held by IL&FS Financial Services Limited and its nominees

(d) The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Shares are entitled to interim dividend if proposed by the Board of Directors. The final dividend is subject to approval of the shareholder in the Annual General Meeting

RESERVES AND SURPLUS

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

Particulars	(Amount ₹)	
	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	(14,732,326)	(19,286,419)
Addition:		
Transferred from Statement of Profit & Loss	16,634,417	4,554,093
Balance at the end of the year	1,902,091	(14,732,326)

LONG-TERM PROVISIONS

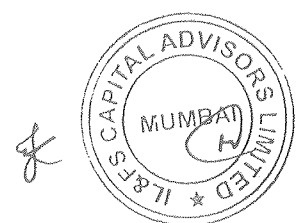
(a) Break- up of long-term provision is as below:

Particulars	(Amount ₹)	
	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits	-	3,513,749
	-	3,513,749

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

(i) The Company has recognised ₹ 510,532/- (Previous year ₹ 585,223) and ₹ 483,136/- (Previous year ₹ 469,886) in Statement of Profit and Loss under Company’s Contribution to Provident Fund and contribution to Superannuation fund respectively

(ii) The Company operates un-funded post retirement defined benefit plans for gratuity, details for which are as follows:



I. Assumption	As at March 31, 2017	As at March 31, 2016
Discount Rate	-	8.07%
Salary Escalation	-	8.50%
Mortality	-	Indian Assured Lives Mortality (2006-08)

(Amount ₹)

II. Table Showing Change in Defined Benefit Obligation	As at March 31, 2017	As at March 31, 2016
Opening Defined Benefit Obligation	1,620,432	1,065,815
Interest Cost	130,769	85,478
Current Service Cost	(282,987)	348,151
Liability Transfer In	-	(279,150)
Liability Transfer Out	268,093	-
Benefits Paid	1,200,121	-
Actuarial loss on obligations	-	400,138
Closing Defined Benefit Obligation	-	1,620,432

(Amount ₹)

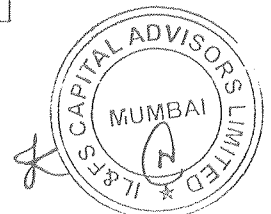
III. Amount Recognised in Balance Sheet	As at March 31, 2017	As at March 31, 2016
Liability at the end of the year	-	1,620,432
Fair Value of the plan at the end of the year	-	-
Amount recognised in the Balance Sheet under "Provision for Employee Benefits"	-	1,620,432

(Amount ₹)

IV. Expenses Recognised in the Statement of Profit and Loss	As at March 31, 2017	As at March 31, 2016
Current Service Cost	(282,987)	348,151
Interest Cost	130,769	85,478
Actuarial (gain) / loss	-	400,138
Expense recognised in Statement of Profit and Loss	(152,218)	833,767

(Amount ₹)

V. Reconciliation of the Liability Recognised in the Balance Sheet	As at March 31, 2017	As at March 31, 2015
Opening Net Liability	1,620,432	1,065,815
Expense Recognised	(152,218)	833,767
Liability Transfer In	-	(279,150)
Liability Transfer Out	268,093	-
Benefits Paid	1,200,121	-
Amount recognised in the Balance Sheet	-	1,620,432



(Amount ₹)

VI. Experience Adjustment	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit Obligation	-	1,620,432	1,065,815	445,009	# -
Experience adjustment on Plan Liability	-	101,066	36,833	-	# -

Figures for the year ended March 31, 2013 are not available

TRADE PAYABLES

Based on information received by the Company from its suppliers, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil. There were no delays in the payment of dues to Micro and Small Enterprises

Particulars	As at March 31, 2017	As at March 31, 2016
MSME	-	-
Other than MSME	866,250	1,682,585
	866,250	1,682,585

OTHER CURRENT LIABILITIES

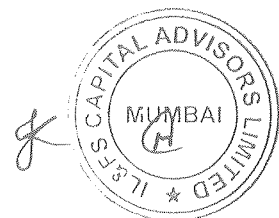
(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Statutory Dues	-	1,441,876
Other Payables	-	5,309,721
	-	6,751,597

SHORT-TERM PROVISIONS

(Amount ₹)

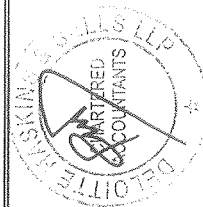
Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits	-	5,710,485
	-	5,710,485



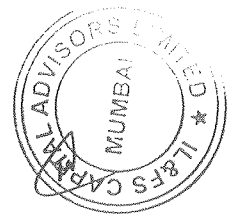
(9) Property, Plant & Equipment

(Amount ₹)

Particulars	Gross Block (At Cost)			Depreciation/ Amortisation			Net Block		
	As at April 01, 2016	Addition	Deduction	As at March 31, 2017	As at April 01, 2016	For the Year	Deductions	As at March 31, 2017	As at March 31, 2016
(a) Tangible Assets									
Data Processing Equipments	414,938	-	414,938	-	322,754	44,172	366,926	-	92,184
Furniture and Fixtures	5,709	-	5,709	-	1,497	591	2,088	-	4,212
Office Equipments	176,358	-	176,358	-	164,044	9,666	173,710	-	12,314
Total	597,005	-	597,005	-	488,295	54,429	542,724	-	108,710
(b) Intangible Assets (Acquired)									
Licensed Software	1,330,853	-	173,545	1,157,308	1,247,236	78,554	168,483	1,157,307	83,617
Website & Portals	131,461	-	-	131,461	111,480	19,980	-	131,460	19,981
Total	1,462,314	-	173,545	1,288,769	1,358,716	98,534	168,483	1,288,767	103,598
Grand Total	2,059,319	-	770,550	1,288,769	1,847,011	152,963	711,207	1,288,767	212,308



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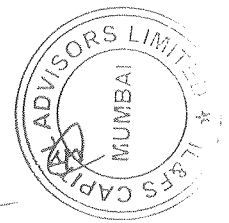
(9) Property, Plant & Equipment

(Amount ₹)

Particulars	Gross Block (At Cost)			Depreciation/ Amortisation			Net Block		
	As at April 01, 2015	Addition	Deduction	As at March 31, 2016	As at April 01, 2015	For the Year	Deductions	As at March 31, 2016	As at March 31, 2015
(a) Tangible Assets									
Data Processing Equipments	363,786	55,850	4,698	414,938	271,733	55,715	4,694	322,754	92,053
Furniture and Fixtures	5,709	-	-	5,709	906	591	-	1,497	4,803
Office Equipments	142,658	53,700	20,000	176,358	120,678	63,364	19,998	164,044	21,980
Total	512,153	109,550	24,698	597,005	393,317	119,670	24,692	488,295	118,836
(b) Intangible Assets									
Licensed Software	1,330,853	-	-	1,330,853	862,376	384,860	-	1,247,236	468,477
Website & Portals	131,461	-	-	131,461	74,832	36,648	-	111,480	56,629
Total	1,462,314	-	-	1,462,314	937,208	421,508	-	1,358,716	525,106
Grand Total	1,974,467	109,550	24,698	2,059,319	1,330,525	541,178	24,692	1,847,011	643,942



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) DEFERRED TAX ASSETS

Major Components of Deferred Tax Assets arising on account of timing differences as on March 31, 2017 are as below :

(Amount ₹)

Particulars	As at April 01, 2016	(Utilised) during the year	As at March 31, 2017
Difference between book and tax depreciation	24,000	(24,000)	-
Others	1,305,000	(1,305,000)	-
Deferred Tax Assets (net)	1,329,000	(1,329,000)	-

Major Components of Deferred Tax Assets arising on account of timing differences as on March 31, 2016 are as below :

(Amount ₹)

Particulars	As at April 01, 2015	Created during the year	As at March 31, 2016
Difference between book and tax depreciation	(92,000)	116,000	24,000
Others	903,000	402,000	1,305,000
Deferred Tax Assets (net)	811,000	518,000	1,329,000

The Company has not created the Deferred tax as on date since it is in the process of filing application for voluntary liquidation

1) LONG-TERM LOANS AND ADVANCES

Break up of Long-term Loans and Advances is as below:

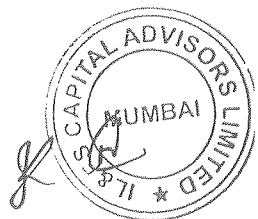
(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Advances (considered good)		
Security Deposit	500	5,500
MAT Credit Entitlement	-	1,033,000
Prepaid Expenses	-	50,557
Advance Payment of Taxes (net)	5,725,476	5,849,661
	5,725,976	6,938,718

2) TRADE RECEIVABLES

(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Other Trade Receivable		
Unsecured, Considered good outstanding for less than 6 months from the date they are due for payment	-	34,938,513
	-	34,938,513



3) CASH & CASH EQUIVALENTS

a) Cash and Cash Equivalents comprises of:

(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents		
Balance with Banks		
i. In current accounts	1,871,883	5,501,971
ii. In demand deposit accounts	-	52,597,187
	1,871,883	58,099,158

b) Statement in respect of holding and dealing in specified bank notes (SBN) for the period from November 08, 2016 to December 30, 2016 as per notification issued by Ministry of Corporate Affairs dated March 30, 2017 amended schedule III to the Companies Act:

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

4) SHORT-TERM LOANS AND ADVANCES

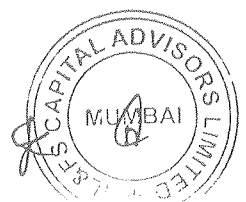
(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Advances considered good		
Service tax credit receivable	-	953,993
Prepaid Expenses	-	341,474
Inter Corporate Deposit with Holding Company	95,000,000	-
Others	119,625	4,179
	95,119,625	1,299,646

5) OTHER CURRENT ASSETS

(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Income Accrued but not Due	50,855	108,747
	50,855	108,747



5) OPERATING LEASE COMMITMENTS

The Company has entered into Operating Lease arrangement in respect of premises. The minimum future payments during non-cancellable years under the foregoing arrangement in aggregate for each of the following years are as below:

(Amount ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Less than one year	-	4,396,800
One to five years	-	4,396,800
	-	8,793,600

The Operating Lease expenses incurred during the year of ₹ 4,320,600 (Previous year ₹ 3,297,600) is included in Rent Expenses

7) REVENUE FROM OPERATIONS

(Amount ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Corporate Advisory Fees	50,500,000	47,250,000
	50,500,000	47,250,000

3) OTHER INCOME

(Amount ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on Fixed Deposits	3,348,812	5,452,628
Profit on Sale of Assets	46,915	1,193
Interest On Inter Corporate Deposits	56,506	-
Provisions no longer required Written back	1,775,000	-
Miscellaneous Income	100,000	727
	5,327,233	5,454,548

9) EXPENSES

a) Employees Benefit Expenses comprises of:

(Amount ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries & Allowances	18,934,747	35,228,428
Contribution to Provident & Other Funds	993,668	1,055,109
Staff Training & Welfare Expenses	689,488	748,049
	20,617,903	37,031,586



b) Break up of Other Operating Expenses is as below:

Particulars	(Amount ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	4,414,656	4,511,320
Rates and Taxes	467,306	460,528
Repairs and Maintenance – others	1,162,334	1,067,334
Brand Subscription Expenses	1,000,000	-
Legal and Professional Charges	644,552	575,720
Service Charges	959,200	872,004
Trade Receivables Written Off	862,500	-
MAT Credit Impaired	1,033,000	-
Miscellaneous Expenses	2,268,183	3,608,785
	12,811,731	11,095,691

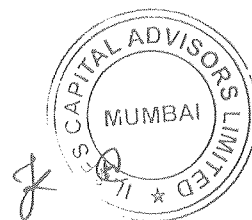
(c) Miscellaneous Expenses includes Auditor's Remuneration as below:

Particulars	(Amount ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
As Statutory Auditor	450,000	450,000
As Tax Auditor	75,000	-
Other Matters	83,464	75,000
	608,464	525,000

i) EARNINGS PER SHARE (EPS)

In accordance with the Accounting Standard 20 on 'Earning per Share', the Basic Earnings per Share and Diluted Earnings per Share have been computed by dividing the Profit after Tax by the number of equity shares for the respective years as under:

Particulars	(Amount ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit/(Loss) after tax (₹)	16,634,417	4,554,093
Profit/(Loss) attributable for Equity Shareholders	16,634,417	4,554,093
- Weighted Average number of Equity Shares in calculating Basic and Diluted EPS (Nos.)	10,000,000	10,000,000
Face Value (₹ per Share)	10	10
Basic and Diluted Earnings (₹ per Share)	1.66	0.46

1) RELATED PARTY TRANSACTIONS

(a) As per the Accounting Standard - 18 on 'Related Party Transactions', the related parties as at March 31, 2017 are as follows:

(i) Ultimate Holding Company:

Infrastructure Leasing & Financial Services Limited

(ii) Holding Company:

IL&FS Financial Services Limited

(iii) Fellow Subsidiaries

(Entities where the Company has transactions)

IL&FS Transportation Networks Limited

Livia India Limited

IL&FS Technologies Limited

Mandvi LNG Terminal Limited

ISSL CPG BPO Private Limited

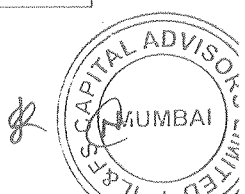
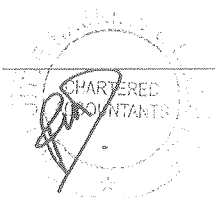
(iv) Key Management Personnel

Mr Ramesh C Bawa	Chairman
Mr Vibhav Kapoor	Non-Executive Director
Mr Milind Patel	Non-Executive Director
Mr Rajesh Kotian	Non-Executive Director
Mr Avdhoot Deshpande	Chief Executive Officer
Mr Rakesh Gupte	Chief Financial Officer
Ms Bhargavi Jamkhandi	Company Secretary (upto July 21, 2016)
Ms Kruti Shah	Company Secretary (from Jan 21, 2017)

) The Company's related party balances and transactions are summarised as follows:

(Amount ₹)

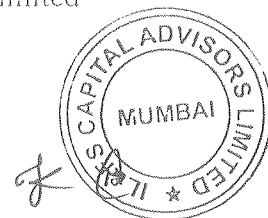
Name of the Company / Key Management Personnel	Nature of the Transaction	For the year ended March 31, 2017	For the year ended March 31, 2016
IL&FS Financial Services Limited	<u>Expenses</u>		
	Rent	-	1,200,328
	Car Parking Charges	113,872	133,127
	Salaries Deputation	2,183,894	2,153,256
	<u>Income</u>		
	Interest on Inter-Corporate Deposits(ICD)	56,506	-
	<u>Others</u>		
	Sale of Assets	65,365	-



	<u>Liabilities</u> Current Liabilities Trade Payable	- -	4,989,310 339,336
	<u>Assets</u> Inter Corporate Deposit Interest accrued but not due on ICD	95,000,000 50,855	- -
Infrastructure Leasing & Financial Services Limited	<u>Expenses</u> Travelling Expenses Rent Brand Subscription Fee	- 4,414,656 1,000,000	3,435 3,310,992 -
	<u>Liabilities</u> Current Liabilities Trade Payables	- -	6,689 27,474
IL&FS Technologies Limited	<u>Expense</u> License and Fees	-	33,994
IL&FS Transportation Networks Limited	<u>Income</u> Consultancy Fee	-	10,000,000
	<u>Assets</u> Trade Receivables	-	4,580,000
Mandvi LNG Terminal Limited	<u>Income</u> Consultancy Fee	-	25,000,000
	<u>Assets</u> Trade Receivables	-	28,625,000
Livia India Limited	<u>Expense</u> Service Charges	959,200	872,004
ISSL CPG BPO Private Limited	<u>Expense</u> Legal and Professional	33,200	-
Key Management Personnel	<u>Expenses</u>		
Mr Avdhoot Deshpande	- Remuneration	13,492,347	11,020,976
Mr Rakesh Gupte #		1,500,000	1,500,000
Ms Bhargavi Jamkhandi #		52,916	162,000
Ms Kruti Shah #		27,918	-
Mr Vibhav Kapoor	- Director Sitting Fees	15,000	45,000
Mr Ramesh C Bawa		105,000	120,000
Mr Milind Patel		45,000	75,000
Mr Rajesh Kotian		60,000	75,000
Mr Hari Das Khunteta		120,000	75,000
Mr Sharadchandra Abhyankar		90,000	45,000

Reimbursement of cost is not included above.

The above remuneration is included in remuneration paid from IL&FS Financial Services Limited



2) **SEGMENT REPORTING**

The Company is in the business of providing financial and advisory services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting"

3) **OTHERS**

Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary. Notes 1 to 23 annexed hereto forms part of these financial statements


For and on behalf of the Board



Chairman (DIN: 00040523)



Director (DIN: 00058358)



Chief Financial Officer



Company Secretary

Mumbai, April 19, 2017

