



IL&FS Financial Services Limited

ANNUAL REPORT 2015-16

The background of the cover is a composite of two nighttime photographs. The top half shows a dense city skyline with numerous illuminated buildings and a bright streetlight in the foreground. The bottom half shows a complex highway interchange with multiple overpasses and ramps, illuminated by streetlights. A large, light blue diagonal band runs from the top left towards the bottom right, partially obscuring the city skyline. The text 'Providing Solutions' is centered within the lower part of this band.

Providing Solutions



We provide a wide range of financial services and advisory solutions under one umbrella.

Our comprehensive range of services include:

Asset & Structured Finance

Plays pivotal role in the financial services business & provides innovative financing solutions across sectors

Debt Distribution

One of the largest private sector debt syndication desks in the country

Corporate Advisory and M&A

Offers M&A Advisory, Private Equity Syndication Services for a range of sectors

Equity Capital Market

Merchant Banking and Institutional Broking platform

Infrastructure Debt Fund

Alternative investment platform. The first infrastructure debt fund in India

International Operations

Complement the domestic distribution desk and enhance product offering using global market presence



Chairman's Message

Dear Stakeholders,

Amid challenging global economic scenario, the Indian economy has made significant progress on the economic front with improvement in key macroeconomic parameters. The Government has taken various steps including improvement in ease of doing business in India, increased spending in the Infrastructure Sector, resolution of stalled projects and promoting investment

Despite improvement in macroeconomic parameters over the past few years, the corporate sector has been facing stress on account of global slowdown, rural distress and stalled projects, which is reflected by increase in NPAs and high impairment provisions in the banking industry. Various measures taken by RBI for resolution of stressed assets, coupled with recent capital infusion by Government of India, are expected to kick-start the credit growth of the Banking Sector

IL&FS Financial Services Limited (IFIN) is one of the strategic subsidiaries of the IL&FS Group. IFIN was conceived as an Investment Banking platform to offer innovative products and has successfully delivered its mandate for the last ten years

Given that corporate lending represents a key business area of the Company, the stress in the corporate sector posed challenges to the profitability of the Company. However, the diversified revenue model of IFIN has helped to steer it through difficult times. The Company has a philosophy of adhering to the highest level of corporate governance standards and has adopted best practices for risk management

The outlook for FY2017 is promising, with commitments of the Government to continue with economic and legislative reforms, and India is expected to be the fastest growing economy in the world

IFIN is well positioned to face these challenges and capitalise on the opportunities arising out of the economic transformation of India

Sincerely,
Ravi Parthasarathy
Chairman

Managing Director & CEO's Message



Dear Stakeholders,

In the context of challenging environment for the banking sector, the Company has demonstrated strong resilience, which was possible due to persistent efforts and focussed approach by the IFIN team. The Company has been able to successfully leverage the diversified business model that it has built over the last few years

During FY 2016, the Company has worked proactively for resolution of stressed assets while containing further slippages in the asset book. The Company has undertaken fresh disbursements after rigorous risk review and has seen fresh disbursements concentrated largely in the last quarter of the year. Debt Advisory and Distribution Business, being a key fee platform has delivered despite aversion by the financial sector for lending to the Infrastructure Sector. The Corporate Advisory Business also witnessed a deal resurgence and closed on a few tricky transactions. The Company has diversified borrowing resources by tapping new avenues for competitive funding. The Company has been consistent with its compliance practices to ensure that all statutory and regulatory matters are adhered to in the prescribed manner

IFIN has taken various measures to strengthen its human resource processes with a focus on building a talent pool of employees

Over the past few years, IFIN has nurtured various initiatives in the domestic and international arena viz. merchant banking, Infrastructure Debt Fund, setting up of international operations to offer a wide range of services in the investment banking space

IFIN is entering the next decade of its operation in FY 2017. Taking cues from the foregoing, the Company is confident of marching towards a high growth trajectory and achieving many more milestones in the years to come. I extend my gratitude to all the Stakeholders, Board of Directors, Management Team, Employees and Business Associates for their persistent trust and support for a promising journey ahead

Regards

Ramesh C Bawa

Managing Director & CEO



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Corporate Information

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

BANKERS

Abu Dhabi Commercial Bank	First Rand Bank	State Bank of Travancore
Allahabad Bank	HDFC Bank	Syndicate Bank
Andhra Bank	IDBI Bank	The Bank of Nova Scotia
ANZ Banking Group	Indian Bank	The Bhartiya Mahila Bank
Axis Bank	Indian Overseas Bank	The Jammu & Kashmir Bank
Bank of Baroda	Kotak Mahindra Bank Ltd	The Karnataka Bank
Bank of India	Oriental Bank of Commerce	The Karur Vysya Bank
Bank of Maharashtra	Punjab & Sind Bank	The South Indian Bank
Calyon Bank	Punjab National Bank	UCO Bank
Canara Bank	Standard Chartered Bank	Union Bank of India
Central Bank of India	State Bank of Bikaner & Jaipur	United Bank of India
Credit Suisse AG	State Bank of Hyderabad	Vijaya Bank
Dena Bank	State Bank of Mysore	Yes Bank
	State Bank of Patiala	

DEBENTURE TRUSTEE

Centbank Financial Services Ltd
Central Bank of India - MMO Building,
3rd floor (East), 55 Mahatma Gandhi Road, Fort
Mumbai - 400 001

REGISTERED OFFICE

The IL&FS Financial Centre, Plot C 22, G Block,
Bandra Kurla Road, Bandra East, Mumbai 400 051

Website: www.ilfsifin.com

Corporate Identity Number – U65990MH1995PLC093241

BOARD OF DIRECTORS



Ravi Parthasarathy
Chairman



Surinder Singh Kohli
Director



Hari Sankaran
Director



Arun K Saha
Director



Vibhav Kapoor
Director



Shubhalakshmi Panse
Director



Neera Saggi
Director



Uday Ved
Director



Ramesh C Bawa
Managing Director & CEO



Milind Patel
Joint Managing Director



Rajesh Kotian
Deputy Managing Director



COMMITTEES OF BOARD

Audit Committee

Surinder Singh Kohli
 Shubhalakshmi Panse
 Arun K Saha

Nomination and Remuneration Committee

Surinder Singh Kohli
 Shubhalakshmi Panse
 Ravi Parthasarathy
 Hari Sankaran

Administration Committee

Arun K Saha
 Ramesh C Bawa
 Milind Patel

Committee of Directors

Ravi Parthasarathy
 Hari Sankaran
 Arun K Saha
 Ramesh C Bawa

Risk Management Committee

Surinder Singh Kohli
 Hari Sankaran
 Arun K Saha
 Ramesh C Bawa
 Milind Patel
 Rajesh Kotian

Disciplinary Committee

Hari Sankaran
 Arun K Saha
 Vibhav Kapoor

Stakeholders Relationship Committee

Arun K Saha
 Milind Patel
 Rajesh Kotian

CSR Committee

Shubhalakshmi Panse
 Surinder Singh Kohli
 Hari Sankaran
 Ramesh C Bawa

SUBSIDIARIES

International Subsidiaries

IL&FS Global Financial Services Pte Ltd
 IL&FS Global Financial Services (UK) Ltd
 IL&FS Global Financial Services (ME) Ltd
 IL&FS Global Financial Services (HK) Ltd

Domestic Subsidiaries

IL&FS Capital Advisors Ltd
 IL&FS AMC Trustee Ltd
 IL&FS Infra Asset Management Ltd
 IL&FS Broking Services Pvt Ltd
 (formerly Avendus Securities Pvt Ltd)

SENIOR MANAGEMENT TEAM

Ashesh Dutta
 Head Business Development

Deepak Pareek
 Chief Financial Officer

Subash Chandra
 Head Asset & Structured Finance

Sabyasachi Mukherjee, Santosh Swamy,
 Lubna Usman
 Heads Debt Distribution

K Mahesh
 Head Corporate Advisory

Neelam Desai
 Company Secretary

Damini Marwah
 Head Legal

Sudakshina Bhattacharya
 Head Human Resources

Anita Ferreira
 Head International Business

Ravi Sharma
 Head Administration

DIRECTORS' REPORT

The Shareholders

IL&FS Financial Services Limited

The Directors are pleased to present the Twenty First Annual Report and the Audited Financial Statements for the financial year ended March 31, 2016

FINANCIAL RESULTS:

The summarized standalone financial results of the Company are as under:

	(₹ in million)	
Particulars	FY 2016	FY 2015
Gross Revenue	19,216	19,213
Gross Profit	5,374	5,670
Non-Cash Charges	17	21
Operating Income for the year	5,357	5,649
Provisions and Contingencies	2,138	1,645
Profit Before Tax	3,219	4,004
Provision for Taxation	1,291	1,510
Profit After Taxation	1,928	2,494
Balance of Profit b/f	2,828	2,749
Profit available for distribution	4,756	5,243

APPROPRIATIONS

	(₹ in million)	
Particulars	FY 2016	FY 2015
Special Reserve I	386	499
Special Reserve II	41	68
General Reserve	-	249
Dividend (Incl. dividend distribution tax)	1,600	1,599
Balance of Profit	2,729	2,828
Total	4,756	5,243

SHARE CAPITAL

During the period under review, the Company has increased the Authorized Share Capital from ₹ 3,000,000,000/- (Rupees Three Thousand million) to ₹ 10,500,000,000/- (Rupees Ten Thousand Five Hundred million) by way of creation of additional 1,000,000 (One million) Non – Convertible Redeemable Cumulative Preference Shares (NCRCPs) of ₹ 7,500/- each

Out of the above 1,000,000 NCRCPs, the Company has issued 166,666 Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) of ₹ 7,500/- each at a premium of ₹ 7,500 per share aggregating to ₹ 2,499.99 mn including premium of ₹ 1,249.99 mn

There was no change in the paid-up equity share capital of the Company during the period under review

DIVIDEND:

Your Directors recommend payment of dividend at the rate of ₹ 5/- per equity share (50%) in respect of 265,667,555 Equity Shares, amounting to ₹ 1,598.76 mn, inclusive of dividend tax of ₹ 270.42 mn

The Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) allotted during the year under review are entitled to pro-rata dividend for FY 2015-16. Your Directors recommend a dividend of a sum of ₹ 1.48 mn including dividend tax of ₹ 0.25 mn

The above payment of dividend would be subject to approval by the Members at the ensuing Annual General Meeting

MANAGEMENT DISCUSSION AND ANALYSIS:

(A) INDUSTRY OPERATING ENVIRONMENT:

- (1) Global economic activity continues to be weak, especially in the emerging market economies (EMEs). While the downside risks to recovery in some advanced economies have eased, major emerging market economies continue to contend with weak growth and still elevated inflation amidst tighter financial conditions
- (2) Indian economy has seen consistent improvement with Gross Domestic Product (GDP) growth for FY 2016 estimated between 7.5%-7.8% despite global slowdown. There has been improvement in macro-economic data such as Fiscal Deficit, Current Account Deficit (CAD), WPI as well CPI Inflation. However concern remain on the front of Industrial Production, Exports and Rural Economy
- (3) On account of fall in inflation, RBI has cut the Repo by 25 bps to 6.5%, SLR by 25 bps to 21.25% of NDTL and maintained the CRR at 4%. The above steps are expected to improve liquidity situation as well as bring down overall cost of borrowings for Indian Companies mainly operating in Infrastructure Sector
- (4) India needs to address the infrastructure bottlenecks, further narrowing current account deficit, continuing fiscal reforms, improve governance, passage of the Bankruptcy Code. The various steps taken by the Government, including those aimed at ease of doing business in India and regulatory measures initiated by the Reserve Bank and other regulators, would give enormous confidence to local & foreign investors, to do business with India

(B) OPERATIONAL PERFORMANCE:

- (1) IFIN commenced the year with an opening asset book of ₹ 98 bn as on April 1, 2015. During the year the Company has made selective fresh disbursements with dual objectives of achieving the targeted spread income and improving the quality of asset book
- (2) Over the last three years, the Indian Banking system has become more risk averse and intrusive on credit lending, driven by pressure on asset quality and increased stringency by the regulatory regime on certain sectorial lending. This credit aversion has been more pronounced towards the infrastructure sector, given the drag in the project implementation timelines and lower traction of revenues in most projects
- (3) As part of a strategy to diversify the resource base, IFIN over the period, has been aggressive in targeting alternative sources like the Mutual Funds, Private Sector Banks, NBFCs, FIs, Pension Funds and IDFs. Collectively, these sources account for over 60% of the incremental raising of group debt resources in FY 2014, FY 2015 and FY 2016
- (4) Apart from the regular loan financing route, funds have also been raised through structured NCDs/Bonds. The capital market relating to debt products is dynamic and requires regular interactions with treasurers and fund managers. IFIN, has set up a dedicated Debt Capital Market (DCM) desk which monitors and raises resources for the Group, as well as for external Clients. The DCM desk has raised ~ ₹ 48 bn in FY 2016
- (5) In order to facilitate and assist borrowers to access debt capital and optimize the liability profile, RBI and SEBI have introduced a slew of measures including the extension of loan tenors using the 5:25 scheme, liberal extension of COD, partial credit enhancement of Corporate Bonds etc. Financial Institutions and Banks have also stepped up to provide credit enhancements and take out financing. These provide funding options to borrowers and business opportunities for IFIN
- (6) The Infrastructure Debt Fund (IDF) has successfully closed two schemes since its launch. The IDF garnered funds of ₹ 7.50 bn in the first launch and ₹ 5.75 bn in its second launch
- (7) IL&FS Capital Advisors Ltd (ICAP) has successfully completed an Offer for Sale (OFS) Issue, two open offer mandates & an advisory mandate for acquisition during the year ended March 31, 2016
- (8) IL&FS Broking Services Pvt. Ltd. (IBSPL) has taken various steps towards business growth which includes new product launches, develop DMA platform, organizing roadshows, investors events and rigorous research backed investment ideas, effective delivery and consistent research / sales maintenance



- (9) The International Business Group-India has established strong relationships with International commercial Banks, Multilateral agencies, Financial Institutions, Export Credit Agencies, Investment Banks, Fund Houses and Private Equity players through co-ordination with the international offices. With a wide geographical reach, IBG-India has built a robust franchise for distribution of both debt and equity products
- (10) The international offices are licensed to offer debt advisory & arranger services, fund distribution, M&A advisory and equity capital market services, with restrictions to access retail and non-professional clientele
- (11) The long term as well as short terms credit rating of the Company have been reaffirmed by the credit rating agencies viz, CARE, India Ratings (FITCH) and ICRA at top notch

(C) FINANCIAL PERFORMANCE:

- (1) The asset book of the Company has increased to ₹ 125,225 mn as at March 31, 2016 as compared to the asset book of ₹ 98,026 mn as at March 31, 2015
- (2) The total borrowings have increased by 17% to ₹ 144,850 mn as at March 31, 2016 vis a vis ₹ 123,943 mn as at March 31, 2015. The borrowing cost for the year was ₹ 12,186 mn, which is a marginal increase of 0.21% compared to previous year due to fall in cost of borrowing
- (3) The fee based income for the year has increased by 10% to ₹ 1,700 mn compared to ₹ 1,547 mn achieved during the previous year. The increase in fee income is mainly attributable to Project Debt Syndication business
- (4) Operating Overheads (including depreciation) has increased to ₹ 1,674 mn for the year ended March 31, 2016 as against ₹ 1,403 mn for the previous year
- (5) A Contingency Provision of ₹ 1,200 mn has been created for the year ended March 31, 2016 in addition to the regulatory provision required by RBI
- (6) The Company has achieved Profit before Tax (PBT) of ₹ 3,219 mn as against ₹ 4,004 mn for the previous year. The Profit after Tax (PAT) is ₹ 1,928 mn during the year as against ₹ 2,494 mn for the previous year
- (7) The Company has maintained Capital Adequacy Ratio at 20.47% which is well above 15% prescribed by RBI for NBFCs. The Capital Adequacy Ratio provides enough leeway for taking up growth opportunity in its assets books
- (8) An amount of ₹ 386 mn was transferred to Special Reserve I pursuant to section 45 (1) (c) of the Reserve Bank of India Act, 1934. An amount of ₹ 41 mn was transferred to Special Reserve II pursuant to section 36 (1) (viii) of the Income Tax Act, 1961

(D) OUTLOOK:

- (1) The Loan book is targeted to be maintained around ~ ₹ 100 – 110 bn levels enabling to achieve the desired spread income with selective fresh disbursements. This would enable to provide attractive Net Interest Margin (NIM) and ensure a steady top line and profitability for forthcoming year
- (2) Similar to last year, focused efforts for recovery from special assets would continue enabling improvement in rating of asset portfolio and ensure that there are no further additions to NPA
- (3) Project Syndication Group (PSG) will continue to pursue its efforts to reach out to new Lenders/ Investors. The relationship with the existing Lender/ Investor base will be continued to be maintained and strengthened
- (4) PSG has identified projects which currently has drawn senior debt from Banks aggregating to an amount of ₹ 81 bn, which have the potential to be refinanced from alternate sources
- (5) Corporate Advisory Service (CAS) segment is now focusing on business development for generation of new leads for FY 2017. CAS has also identified key sectors and themes and has been successful in generating business leads. CAS continues to work closely with the Business Development and International Business Group (IBG) teams for generation of leads and as well as distribution of live mandates to reach out to potential overseas investors which will increase the likelihood of a successful closure
- (6) ICAP continues with its focus on building a pipeline of mandates for fund raising and advisory services, that would serve as stable source of income for achieving operating profitability. Further, ICAP is also working on business development for new products like Real Estate Investment Trusts (REITs) or Infrastructure Investment Trusts (InvITs)
- (7) The Infrastructure Debt Fund (IDF) is in the process of raising funds from domestic investors by launching of its 3rd scheme. The asset manager of IDF, IL&FS Infra Asset Management Limited (IIAML) has also got approval from SEBI to launch a Mezzanine Debt Fund and a Senior Debt Fund in the Alternative Investment Fund (AIF) Category I Infrastructure and is currently evaluating options for raising funds

(E) SUBSIDIARIES AND JOINT VENTURE:

- (1) IL&FS Global Financial Services Pte Ltd:

The Company was incorporated in the year 2008 and is being regulated by Monetary Authority of Singapore (MAS). The Company holds the regulatory license to deal in securities and advise on Corporate Finance

(2) IL&FS Global Financial Services (UK) Ltd:

The Company was incorporated in the year 2009. The Company has obtained business license from Financial Conduct Authority (FCA), UK, to advise on investments (except on Pension Transfers and Pension Opt Outs), arranging deals in investments and making arrangements with a view to undertake transactions in investments.

(3) IL&FS Global Financial Services (ME) Limited:

The Company was set up in the year 2011. The Company has obtained the regulatory approval from Dubai Financial Services Authority (DFSA) for arranging credit & dealing in Investments and advising on Financial Product or Credit

(4) IL&FS Global Financial Services (HK) Limited:

The Company was incorporated in the year 2012. The Company has obtained the regulatory approval from Securities and Futures Commission (SFC) Hong Kong, for dealing in securities and advising on securities

(5) IL&FS Capital Advisors Limited:

The Company was incorporated in the year 2012 and holds license from Securities and Exchange Board of India (SEBI) to undertake Merchant Banking activities

(6) IL&FS Broking Services Private Limited (IBSPL):

The Company holds broking license from SEBI and is registered with NSE and BSE. The Company has been providing broking services to institutional players as its empaneled client

(7) IL&FS Infrastructure Debt Fund (IDF):

The Company has set up an Infrastructure Debt Fund (IDF) and incorporated IL&FS Infra Asset Management Limited to act as Asset Management Company for IDF. As per the SEBI (Mutual Funds) Regulations, 1996, IL&FS AMC Trustee Limited was setup to oversee the activities of the Asset Management Company

(8) Syniverse Technologies India Pvt Limited (STIPL):

Syniverse Technologies India Pvt Limited is a Joint Venture of the Company with Syniverse Technologies Inc and Flash net Info Solutions Limited. STIPL was formed to undertake Mobile Number Portability (MNP) in India and has been awarded license to provide the MNP Services exclusively covering Northern and Western Zones

Pursuant to provision of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries and joint ventures in Form AOC – 1 is attached to the financial statements of the Company

(F) OPPORTUNITIES AND THREATS:

- (1) The Government of India's thrust on boosting infrastructure development and the structural policy changes are expected to provide a big impetus for the Indian economy. The economy is now on the fulcrum of high growth, after grappling with the global economic crisis. IL&FS Group brand value has extensive reach in the infrastructure space. The boost to infrastructure sector will provide ample opportunities of growth to the Company
- (2) The Company stands to benefit from its global footprints having established subsidiaries in London, Dubai, Hong Kong and Singapore providing advisory and Syndication services to its clients in the form of capital structuring solutions, raising project / corporate debt from International lenders
- (3) The Company has established itself as niche player with ability to structure complex transactions and innovative financial products in quick turnaround time
- (4) Adequate funding at optimal cost and tenure will be critical for healthy business growth
- (5) The Reserve Bank of India continuously evaluates the market environment and systematic risks and constantly issues new regulations and / or modifies existing regulations endeavoring to balance the multiple objectives of financial stability, consumer protection and regulatory arbitrage concerns. The Company needs to be equipped to quickly adapt to the constant changes in regulations and competitive landscape
- (6) The economy is grappling with the issue of asset quality in financial market. The Company needs to continue with its focused efforts to monitor asset quality and take remedial action

(G) RISK AND CONCERNS:

The Company has a strong Risk Management System for identification, monitoring, mitigation and reporting of the risks associated with its operations. These are comprehensively documented in policy statements and standard operating practices, while formal reporting is addressed to the Company's Audit Committee and Board. Appropriateness and adequacy of risk assessment methodology is reviewed by the Risk Management Committee of the Board which oversees the effectiveness of risk management processes, assessment of emerging risks and mitigation thereof and adequacy of response to developments in the regulatory regime

Risk Management policies and practice was comprehensively reviewed during the year in the process of testing of internal controls for financial reporting; a few procedural gaps were identified and have been remediated

The Company has an established practice of compliance reporting covering all operations and support functions; compliance reporting is also subject to internal audit and is periodically reviewed to ensure comprehensive coverage

The Company qualified as a listed entity under the new SEBI regulations on Prohibition of Insider Trading. A revised compliance regime has been operationalised to address consequent sensitivities

The Company's Asset Liability Management (ALM) Committee periodically reviews the borrowing profile, funding requirements, ALM mismatch positions and implementation of liquidity strategy

(H) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control system is designed to ensure orderly and efficient conduct of its business, compliance with law and regulations including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting record, and the timely preparation of reliable financial information

Internal Control system is supported by an Internal Audit Process. The Internal Audit Plans and Scope are well laid-out to ensure compliance with various applicable laws and internal policies. The Internal Auditors review the systems and procedures and advise on further improvements wherever required. The reports of the Internal Audit are reviewed by the Audit Committee and the Board

HUMAN RESOURCE:

The Company firmly believes that its Human Resource is most valuable assets and it contributes towards the performance of the Company in a substantial way. The Company has devised various development programs for the employees through internal as well as external training program. The Company has a robust performance management system in place which recognises the performers and accordingly rewards the employee. The Board of Directors places on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWW Act), the Company has formulated and adopted "The Sexual Harassment of Woman at the Workplace Prevention, Prohibition and Redressal policy"

As required under the SHWW Act, the Company has constituted an Internal Complaints Committee comprising of Senior Executives of the Company. The Committee is responsible for ensuring compliance in terms of provisions of the Act, from time to time

Pursuant to implementation of the SHWW Act, the status of complaints received and resolved is as follows:

Number of complaints received during FY 2016	None
Number of cases disposed during FY 2016	None
Number of cases pending for more than 90 days	Not applicable
Number of Awareness workshops conducted	<ul style="list-style-type: none"> - Online training program undertaken which is made available through out the year - Awareness programme conducted by a legal consultant
Nature of action taken by the District Officer	Not Applicable

FINANCIAL RESOURCES:

The Company raises its financial resources principally through term loans from banks, issue of non-convertible debentures, commercial paper and deposits from corporates. During the year under review, the Company had also raised funds through Non-convertible Redeemable Cumulative Preference Shares (NCRCPs)

Resources are raised by the Company in accordance with the asset build up plan, interest rate movements, potential asset liability mismatch and treasury operations

RBI GUIDELINES:

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time as applicable to it

NON-ACCEPTANCE OF PUBLIC DEPOSITS:

The Company is a Systemically Important Non - Deposit Taking Non Banking Finance Company. It has not accepted any public deposits during Financial Year 2015-16

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Re-appointment of Directors:

The Members of the Company had re-appointed Mr Ramesh C Bawa (DIN: 00040523) as the Managing Director and Chief Executive Officer (MD & CEO) of the Company for a period of 5 years with effect from May 1, 2011. Accordingly, Mr Ramesh Bawa ceased to hold office of a Director on May 1, 2016 and is eligible for re-appointment as the Managing Director and Chief Executive Officer w.e.f. May 1, 2016

The Members of the Company had re-appointed Mr Milind Patel (DIN: 00058358) as the Deputy Managing Director of the Company for a period of 5 years with effect from July 25, 2011. He was elevated to the position of Joint Managing Director by the Board w.e.f. April 01, 2014. Mr Milind Patel will cease to hold office on July 25, 2016 and is eligible for re-appointment as the Joint Managing Director



The Members of the Company had re-appointed Mr Rajesh Kotian (DIN: 02283475) as the Executive Director of the Company for a period of 5 years with effect from July 25, 2011. He was elevated to the position of Deputy Managing Director by the Board w.e.f. April 01, 2014. Mr Rajesh Kotian will cease to hold office on July 25, 2016 and is eligible for re-appointment as the Deputy Managing Director

The Board recommends the resolution for re-appointment of Mr Ramesh C Bawa as the Managing Director and Chief Executive Officer, Mr Milind Patel as the Joint Managing Director and Mr Rajesh Kotian as the Deputy Managing Director of the Company as set out in the Notice of the ensuing Annual General Meeting for the approval of the Members

Retirement by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr Arun K Saha (DIN 00002377) retires by rotation and being eligible; offers himself for re-appointment at the ensuing Annual General Meeting

The Board recommends the resolution for re-appointment of Mr Arun K Saha as set out in the Notice of the ensuing Annual General Meeting for the approval of the Members

Statement of declaration given by the Independent Directors under Section 149:

All Independent Directors have provided the declarations that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013

Board Evaluation:

As per the requirement of the Companies Act, 2013, the Company has laid down performance assessment process and parameters for the Members of the Board. The Board Evaluation Process was accordingly carried out

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have 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 have 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 have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively

AUDITORS:

(1) STATUTORY AUDITORS:

Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (DHS) registered with the Institute of Chartered Accountants of India vide Registration No 117366W/W-100018 have been appointed as Statutory Auditors till the conclusion of the Annual General Meeting to be held in the financial year 2017 – 18. DHS have provided their consent for appointment as Statutory Auditors of the Company for FY 2017, subject to ratification by the Members at the ensuing Annual General Meeting of the Company

The Auditors Report to the Shareholders for the year under review does not contain any qualification. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Companies Act, 2013

(2) SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed M/s P Diwan & Associates, Practicing Company Secretaries to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16. The report of the Secretarial Auditor is annexed to this report as Annexure - I. The report does not contain any qualification

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee was constituted by the Board of Directors of the Company at its Meeting held on May 08, 2014

The CSR Policy of the Company and the details about the initiatives taken by the Company on Corporate Social Responsibility during the year have been appended as Annexure - II to this Report

CORPORATE GOVERNANCE:

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices. With this objective, the Company has put in place various policies and systems and processes to achieve transparency, business ethics and compliance with applicable laws

The Company has complied with the Corporate Governance requirements as specified under the Companies Act, 2013 and the report is annexed as an Annexure - III

RELATED PARTY TRANSACTIONS:

All the related party transactions that were entered into during the financial year were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered as material with any of its 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 - IV

Guidelines on Operating Framework on Related Party Transactions is available on the Company's website: <http://ilfsifin.com/>

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of Annual Return is enclosed as Annexure – V

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

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

To the best of our knowledge, there is no significant and material order passed by regulator or courts or tribunals which may have impact on going concern status of the Company or significantly affect the future operations of the Company

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The disclosures referred under sub-section 4 of Section 186 of the Companies Act, 2013 are not applicable to the Company, as it being a Non Banking Financial Company

PARTICULARS OF EMPLOYEES:

A statement containing the names and other particulars of Directors and Key Managerial Personnel in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure - VI to the Board's report

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakh or more, or employed for part of the financial year and in receipt of ₹ 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure – VII to the Board's report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required to be furnished under Section 134 read with Companies (Accounts) Rules, 2014 are as under:

- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company
- (2) The particulars as regards foreign exchange earnings and outgo appear as Item No - 24 in the notes to the accounts forming part of financial statements of the Company

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, Reserve Bank of India, Securities and Exchange Board of India, Banks, Financial Institutions and other governing regulatory authorities

ANNEXURES:

- (1) Secretarial Audit Report – Annexure – I
- (2) CSR Policy & CSR Initiatives – Annexure – II
- (3) Corporate Governance Report – Annexure – III
- (4) Form AOC – 2 – Annexure – IV
- (5) Extract of Annual Return – Annexure – V
- (6) Particulars Of Directors And Key Managerial Personnel – Annexure – VI
- (7) Particulars Of Employees – Annexure – VII

For and on behalf of the Board of Directors

Date : May 06, 2016
Place : Bengaluru

Ravi Parthasarathy
Chairman



ANNEXURE I

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IL&FS Financial Services Limited having CIN: U65990MH1995PLC093241 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- (d) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Underwriters) Regulations, 1993.
- (v) Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and other relevant guidelines and circulars issued by the Reserve Bank of India from time to time.

As per the explanations given to us in the representations made by the management and relied upon by us, during the period under review, provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company:-

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Listing Agreement for Preference Shares and Debt Securities entered into by the Company with Stock Exchange(s) for the period from 1st April, 2015 to 30th November, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the explanations given to us in the representations made by the management and relied upon by us, We further report that during the audit period, except for the issuance and allotment of Preference Shares and Debentures on Private Placement there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For P. DIWAN & ASSOCIATES
PRASHANT DIWAN

Date: 06.05.2016 PARTNER
Place: Mumbai FCS: 1403 CP: 1979

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure "A"

To
The Members
IL&FS FINANCIAL SERVICES LIMITED
IL & FS Financial Centre, Plot No C-22 G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

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

- (1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
- (4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P. DIWAN & ASSOCIATES
PRASHANT DIWAN

Date: 06.05.2016 PARTNER
Place: Mumbai FCS: 1403 CP: 1979

ANNEXURE II

Annual Report on CSR Activities (FY 15-16)

- (I) A Brief Outline of the Company's CSR Policy and Overview of Projects:

The CSR Policy of the Company was approved by the Board at its Meeting held on July 25, 2014. The CSR Policy is effective from April 1, 2014. This is the second year of operationalization of the CSR Policy of the Company. The Policy aims at inter-alia nurturing socio-economic development schemes for capacity building through skill training, livelihood creation, quality education and healthcare. As per the Policy, the CSR Committee will identify the focus areas for the CSR activities on a yearly basis and review the same on a periodic basis.

For the year FY 2015-16, the major focus of the Company's CSR initiative continued to be on employment linked skills training on a pan-India basis to support unemployed youth including people with disabilities. Other CSR initiatives included projects in the Education sector and Healthcare; these projects were

carried out in local areas as defined by the catchment areas of some of the infrastructure projects of the Group.

The CSR Policy of the Company has been uploaded on the web-site of the Company. A copy of the Annual CSR Report for FY 2015-16 along with a summary of the CSR activities given in the Annexure will also be uploaded on the web-site of the Company.

- (II) The Composition of the CSR Committee :

The CSR Committee comprises of :

Ms Shubhalakshmi Panse	Chairperson
Mr Surinder Singh Kohl	Member
Mr Hari Sankaran	Member
Mr Ramesh Bawa	Member

- (III) Average Net Profit of the Company for the Last Three Financial Years:

In line with the provisions of Section 135 of Companies Act, 2013 and the CSR Rules, 2014, the audited net profits for the last 3 years ended March 31, 2015 and the average of the same is as given below:

(₹ in mn)

Particulars	FY 2015	FY 2014	FY 2013
Profit Before Tax	4003.77	3550.78	4503.11
Less: Dividend received from any other Companies India, Which are covered under and complying with the provisions of Section 135 under Companies Act 2013	199.79	138.93	170.59
Less: Any profit arising from any overseas branch or branches of the Companies, whether operated as separate Companies or otherwise	-	-	-
Total	3803.98	3411.85	4332.52
Average for 3 years: ₹ 3849.45 mn			

- (IV) Prescribed CSR Expenditure :

In line with the provisions of Section 135 of Companies Act, 2013 and the CSR Rules, 2014, the prescribed CSR Expenditure for FY 2015-16 was ₹ 77 mn:

i.e., 2% of ₹ 3849.45 mn = ₹ 77 mn

- (V) Details of CSR Spent During the Financial year :

- Total amount to be spent for the financial year: ₹ 77 million, as above
- Amount unspent, if any: ₹ 7.7 million
- Manner in which the amount spent during the financial year is detailed in Appendix - I

- (VI) Reasons for Shortfall in CSR Spend :

There was a shortfall in the spend budgeted for the education and healthcare projects. These projects are in the first year of implementation and their launch had initial issues relating

to delay in obtaining approvals from all the schools, tying up with implementing agencies and finalizing the scope of work to be taken up. There was a delay on account of issues pertaining to the registration of the vehicles too. These projects have now been commissioned and are expected to progress as per the plans developed. The capacity building initiatives were not taken up during the year.

- (VII) Responsibility Statement :

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

Shubhalakshmi Panse Ramesh C Bawa
(Chairperson - CSR Committee) (Managing Director & CEO)

APPENDIX I

(₹ in mn)

Sr No	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sectors in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programmes (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Nalanda CSR Skills Scholarship Scheme	(1) Local Area (2) Pan India	(ii), Livelihood Enhancement	60	(1) Direct – ₹ 58.8 mn (2) Overhead – ₹ 1.2 mn	60	Through Implementation Agency (Nalanda Foundation)
2	Promoting Science Education	(1) Local Area (2) Barwa Adda Expressway Limited	(ii), Promoting Education	5	(1) Direct – ₹ 3.42 mn (2) Overhead – ₹ 0.1 mn	3.52	Through Implementation Agency (Nalanda Foundation)
(3)	Introduction to Basic Vocational Skills and English Language Teaching	(1) Local Area (2) Khed Sinnar Expressway Limited	(ii), Promoting Education	6.5	(1) Direct – ₹ 3.32 mn (2) Overhead – ₹ 0.09 mn	3.41	Through Implementation Agency (Nalanda Foundation)
(4)	Supporting Community Health along the Highways	(1) Local Area (2) Barwa Adda Expressway Limited	(i), Preventive Healthcare	4.5	(1) Direct – ₹ 2.35 mn (2) Overhead – ₹ 0.07 mn	2.42	Through Implementation Agency (Nalanda Foundation)
(5)	Capacity Building		Rule 4(6); CSR Rules, 2014	1.0	0	0	
			Total	77.0	69.35	69.35	-

ANNEXURE III

Report on Corporate Governance

The report on Corporate Governance is as follows:

(I) Board Constitution:

Sr No	Name of the Directors	Category	No. of Board Meetings attended	Last Annual General Meeting Attendance
(1)	Mr Ravi Parthasarathy	Chairman - Non-Executive Director	6	Yes
(2)	Mr Hari Sankaran	Non-Executive Director	6	Yes
(3)	Mr Arun K Saha	Non-Executive Director	6	Yes
(4)	Mr Vibhav Kapoor	Non-Executive Director	6	Yes
(5)	Mr Ramesh C Bawa	Managing Director & CEO	6	Yes
(6)	Mr Milind Patel	Joint Managing Director	6	Yes
(7)	Mr Rajesh Kotian	Deputy Managing Director	6	Yes
(8)	Mr Surinder Singh Kohli	Independent Director	6	Yes
(9)	Ms Shubhalakshmi Panse	Independent Director	6	Yes
(10)	Ms Neera Saggi	Independent Director	5	Yes
(11)	Mr Uday Ved	Independent Director	5	Yes

(II) Board Meetings:

During the period under review, six Board Meetings were held on May 14, 2015, May 28, 2015, July 29, 2015, November 04, 2015, February 03, 2016 and March 09, 2016

(III) Committees of the Board:

In accordance with the Companies Act, 2013, the following Committees have been constituted:

(a) Audit Committee

During the period under review, four Audit Committee Meetings were held on May 06, 2015, July 29, 2015, November 03, 2015 and February 03, 2016. The composition and the details of attendance are as follows:

Sr No	Name of the Directors	No. of Audit Committee Meetings attended
(1)	Mr Surinder Singh Kohli - Chairman	4
(2)	Ms Shubhalakshmi Panse	4
(3)	Mr Arun Saha	4

The duties and responsibilities of the Audit Committee are as defined under provisions of the Companies Act, 2013

The Board of Directors have duly accepted all the recommendations made by the Audit Committee during the year under review

(b)

Nomination & Remuneration Committee
 During the period under review, two Nomination and Remuneration Committee Meetings were held on May 14, 2015 and September 21, 2015. The composition and the details of attendance are as follows:

Sr No	Name of the Directors	No of NRC Meetings attended
(1)	Mr Surinder Singh Kohli - Chairman	2
(2)	Ms Shubhalakshmi Panse	2
(3)	Mr Ravi Parthasarathy	2
(4)	Mr Hari Sankaran	2

(c)

Corporate Social Responsibility (CSR) Committee:
 During the period under review, two Corporate Social Responsibility (CSR) Committee Meetings were held on May 06, 2015 and November 03, 2015. The composition and the details of attendance are as follows:

Sr No	Name of the Directors	No of CSR Committee Meetings attended
(1)	Ms Shubhalakshmi Panse - Chairman	2
(2)	Mr Surinder Singh Kohli	2
(3)	Mr Hari Sankaran	1
(4)	Mr Ramesh Bawa	2

- (d) Stakeholders Relationship Committee :
- Constitution:
Mr Arun K Saha.....Chairman
Mr Milind Patel
Mr Rajesh Kotian
- During the period under review, there were no grievances received from the stakeholders
- (e) Risk Management Committee:
- During the period under review, two Risk Management Committee Meetings were held on May 06, 2015 and November 03, 2015. The composition and the details of attendance are as follows:

Sr No	Name of the Directors	No of Risk Management Committee Meetings attended
1	Mr Surinder Singh Kohli - Chairman	2
2	Mr Hari Sankaran	1
3	Mr Arun K Saha	2
4	Mr Ramesh C Bawa	2
5	Mr Milind Patel	2
6	Mr Rajesh Kotian	2

(iv) Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees and selection criteria for appointment of Directors. The policy is approved by the Nomination and Remuneration Committee and the Board

The Remuneration policy of the Company reads as under:

REMUNERATION POLICY

(A) Preamble :

IL&FS Financial Services Limited (IFIN) is an independent professional institution with its own cadre of personnel and distinctive business practices. IFIN specializes in infrastructure financing transactions, with a combination of Investment Banking skill sets comprising of Debt Syndication, Corporate advisory and lending capabilities

- (i) Since the businesses of the Company are people centric, Human Resource Development (HRD) assumes great significance in facilitating the organization to meet this objective. The HRD strategy is to :
- Attract and retain competent resources
 - Provide competitive performance based compensation and benefits

- Facilitate and provide growth opportunities within the Group by encouraging movement of personnel across geographies
- Ensure clear communication of vision and business plans

(B) Managerial Remuneration

(II) Compensation Forums:

- (1) Nomination and Remuneration Committee:
- Remuneration Committee was constituted on October 26, 2006 for determining the Company's policy on compensation for employees of the Company, reviewing the performance of the employees, approving the annual remuneration and performance related pay to Whole-time Directors and the employees of the Company.

In accordance with the provisions of the Companies Act, 2013 the nomenclature of the Committee was changed to Nomination & Remuneration Committee on May 8, 2014. At present Mr Surinder Singh Kohli, an Independent Director chairs the Committee

(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 IFIN:

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



(III) Objective:

- (1) The key objective of the Managerial 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 IFIN 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 :

Components	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	<ul style="list-style-type: none"> Provide for sustained contribution 	<ul style="list-style-type: none"> 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:

The Key Managerial Personnel (KMP) in the Company are the Executive / Whole-time Directors, Chief Financial Officer and Company Secretary

- (1) The KMPs have operational responsibilities in addition to the responsibilities specified by the Companies Act, 2013
- (2) 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

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 and also by way of a Commission. The payment of commission would be recommended by Nomination & Remuneration Committee and the Board of Directors. The commission would be distributed in consideration of the roles and responsibilities of the Directors

(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

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

(II) **Behavioural 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 Managerial 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

(V) Vigil Mechanism And Whistle-Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, the Company has established a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct

The said mechanism covers the Whistle Blower Policy and provides for adequate safeguards against victimization of persons who use such mechanism. It also provides direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the Company's website: <http://ilfsifin.com/>

(VI) Code of Conduct for Prohibition of Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Prohibition of Insider Trading. All the Directors and employees of the Company are governed by this Code. During the year under review there has been due compliance with the said Code

For and on behalf of the Board of Directors
Ravi Parthasarathy
Chairman

Date : May 06, 2016
Place : Bengaluru


ANNEXURE IV
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 (₹ mn)
Name: Infrastructure Leasing and Financial Services Limited (IL&FS) Relation: Holding Company	Inter Corporate Deposits	-	Salient Terms: Inter Corporate Deposits received & repaid as per approved framework & borrowings policies	NA	30,783.70 (Repaid during the year 30,783.70)
Name: IL&FS Securities Services Limited (ISSL) Relation: Fellow Subsidiary	Inter Corporate Deposits	-	Salient Terms: Inter Corporate Deposits received & repaid as per approved framework & borrowings policies	NA	41,509.00 (Repaid during the year 34,570.44)

For and on behalf of the Board of Directors
 Ravi Parthasarathy
 Chairman

Date : May 06, 2016
 Place : Bengaluru

Annexure - V

EXTRACT OF ANNUAL RETURN -FORM MGT – 9

As on the financial year ended on March 31, 2016

[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	U65990MH1995PLC093241
Registration Date	September 29, 1995
Name of the Company	IL&FS Financial Services Limited
Category / Sub-Category of the Company	Financial Services
Address of the Registered Office and contact details	The IL&FS Financial Centre, 3rd floor, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. Tel 022 26593333 Fax 022 26593149
Whether listed company	Yes, The Non-Convertible Debentures and not convertible Redeemable cumulative preference share of the Company are listed with Bombay Stock Exchange Limited
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited (Formerly known as Intime Spectrum Registry Ltd) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Tel : 022-25963838 Fax : 022 25946979

(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
Stand-by commitment and other loan services	99711353	76.13%
Investment Banking Services	99712000	20.20%


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

Sr No	Name of the Company	CIN/GLN	Address	Relation ship	% of shares held	Appli- cable Sec- tion
(1)	Infrastructure Leasing & Financial Services Limited	U65990MH-1987PLC044571	The IL&FS Financial Centre, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Holding Company	100%	Section 2 (46)
(2)	IL&FS Capital Advisors Limited	U65191MH-2012PLC226314	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidi-ary Com-pany	100%	Section 2 (87)
(3)	IL&FS Infra Asset Management Limited	U65191MH-2013PLC239438	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidi-ary Com-pany	86.61%	Section 2 (87)
(4)	IL&FS AMC Trustee Limited	U67190MH-2012PLC238473	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidi-ary Com-pany	100%	Section 2 (87)
(5)	IL&FS Broking Services Private Limited (Formerly Avendus Securities Private Limited)	U67120MH2009PTC191131	The IL&FS Financial Centre, 3rd floor Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051	Subsidi-ary Com-pany	76%	Section 2 (87)
(6)	IL&FS Global Financial Services Pte Ltd	NA	80 Raffles Place, # 38-02, UOB Plaza 1, Singapore – 048624	Subsidi-ary Com-pany	100%	Section 2 (87)
(7)	IL&FS Global Financial Services (UK) Limited	NA	40, Queen Street London, EC4R 1DD, United Kingdom	Subsidi-ary Com-pany	100%	Section 2 (87)
(8)	IL&FS Global Financial Services (ME) Limited	NA	Office No 402 & 403, Level 4 Al Fattan Currency House, P O Box 241754, Dubai, UAE	Subsidi-ary Com-pany	100%	Section 2 (87)
(9)	IL&FS Global Financial Services (HK) Limited	NA	Suites 706-07, 7th Floor, Citibank Tower 3 Garden Road, Central, Hong Kong	Subsidi-ary Com-pany	100%	Section 2 (87)
(10)	Syniverse Technologies Services (India) Private Limited	U72200TG2009PTC099989	9th Floor, Ilabs Centre, Plot No 18, Software Units Layout, Madhapur, Hyderabad - 500081	Associate Company	26%	Section 2(6)

(IV) **SHAREHOLDING PATTERN :**

(i) **(a) Category-wise Shareholding:**

Equity Share Capital Breakup as % of the total Equity

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	--	700	700	--	--	700	700	--	NIL
(b) Central Govt.	--	--	--	--	--	--	--	--	--
(c) State Govt.(s)	--	--	--	--	--	--	--	--	--
(d) Bodies Corporate	26,56,66,855	--	26,56,66,855	100	26,56,66,855	--	26,56,66,855	100	NIL
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-Total (A)(1):	26,56,66,855	700	26,56,67,555	100	26,56,66,855	700	26,56,67,555	100	NIL
(2) Foreign									
(a) NRIs – Individuals									
(b) Other –Individuals									
(c) Bodies Corporate									
(d) Banks / FI									
(e) Any Other...									
Sub-Total (A)(2):									
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	26,56,66,855	700	26,56,67,555	100	26,56,66,855	700	26,56,67,555	100	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									



Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-Total (B)(1):									
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual Share holders holding nominal share capital upto ₹ 1 lakh									
(ii) Individual Share holders holding nominal share capital in excess of ₹ 1 lakh									
(c) Others (specify)									
(i) 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 / House									
(vi) Trusts									
(vii) LLP									
(viii) Foreign Portfolio Investor (Corporate)									
(ix) Qualified Foreign Investor									
Sub-Total (B)(2):									
Total Public Share holding (B)=(B) (1)+(B)(2)	26,56,66,855	700	26,56,67,555	100	26,56,66,855	700	26,56,67,555	100	NIL
Grand Total (A+B)									



(ii) **Preference Share Capital Breakup as % of the total Preference Capital**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual / HUF									
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corporate									
(e) Banks / FI									
(f) Any Other									
Sub-Total (A)(1):									
(2) Foreign									
(a) NRIs – Individuals									
(b) Other –Individuals									
(c) Bodies Corporate									
(d) Banks / FI									
(e) Any Other...									
Sub-Total (A)(2):									
Total Shareholding of Promoters (A) = (A)(1) + (A)(2)									
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds / UTI									
(b) Banks / FI									
(c) Central Govt.									
(d) State Govt.(s)									
(e) Venture Capital Funds									



Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	
(f) Insurance Companies	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-
(2) Non-Institutions	-	-	-	-	-	-	-	-
(a) Bodies Corporate	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	121717	-	121717	73.03%
(ii) Overseas	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-
(i) Individual Share holders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-
(ii) Individual Share holders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	38600	-	38600	23.16%
c) Others (specify)	-	-	-	-	-	-	-	-
(i) 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 / House	-	-	-	-	1337	-	1337	0.80
(vi) Trusts/Partnership firms/HUP	-	-	-	-	3012	-	3012	1.81%
(vii) LLP	-	-	-	-	2000	-	2000	1.20%
(viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-
(ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	-	-	-	166666	-	166666	100%
Total Public Share holding (B)=(B)(1)+(B)(2)	-	-	-	-	166666	-	166666	100%
Grand Total (A+B)	-	-	-	-	166666	-	166666	100%

(ii) Preference Shareholders

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year / Cumulative Shareholding during the year		Changes during the year				Reason
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. of shares before Change	No. of shares After Change	Increase	Decrease
Shree Cement Limited	---	---	33400	20.04%					
A K Capital Finance Private Limited	---	---	29774	17.86%					
Sanjeev Kumar Juneja	---	---	13333	8%					
Goodwill Capital Services Private Limited	---	---	13300	7.98%					
A K Services (P) Limited	---	---	13300	7.98%					
IIFL Cash Opportunities Fund	---	---	9334	5.60%					
Vardhman Textiles Limited	---	---	6660	4%					
Shahi Exports Pvt Ltd	---	---	4667	2.80%					
Akshay Kumar Bhatia	---	---	3400	2.04%					
Citland Commercial Credits Limited	---	---	3334	2%					

(e) Shareholding of Directors and Key Managerial Personnel
(i) Equity Share Capital

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the end of the year				

NIL

(ii) Preference Share Capital

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the end of the year				

NIL



(V)

INDEBTEDNESS:

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

(₹ in mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	91,199.55	33,103.88	-	1,24,303.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	873.33	498.20	-	1,371.53
Total (i+ii+iii)	92,072.88	33,602.08	-	1,25,674.96
Change in Indebtedness during the financial year				
Addition	3,61,814.25	1,41,230.83	-	5,03,045.07
Reduction	3,61,202.59	1,21,480.30	-	4,82,682.89
Net Change	611.66	19,750.53	-	20,362.18
Indebtedness at the end of the financial year				
i) Principal Amount	92,745.12	52,854.41	-	1,45,599.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	848.84	553.56	-	1,402.40
Total (i+ii+iii)	93,593.96	53,407.97	-	1,47,001.92

(VI) REMUNERATION OF DIRECTOR AND KMP:
(A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr No	Particulars of Remuneration	Mr Ramesh C Bawa Managing Director & CEO	Mr Milind Patel Joint Managing Director	Mr Rajesh Kotian Deputy Managing Director	Total
1	Gross Salary				
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	130,00,000	387,29,453	292,80,445	810,09,898
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	13,67,231	38,38,868	24,01,355	76,07,454
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	383,09,124	-	-	383,09,124
	Total	526,76,355	425,68,321	316,81,800	1,269,26,476
	Ceiling as per the Act			10.00%	5,513,52,670

* Deputation Charges

(B) Remuneration to other Directors:

(1) Independent Directors:

Sr No	Particular of Remuneration	Mr S S Kohli	Ms Shubhalakshmi Panse	Ms Neera Saggi	Mr Uday Ved	Total
1	Fee for attending Board/ Committee Meetings	4,00,000	4,00,000	2,50,000	2,50,000	13,00,000
2	Commission	15,00,000	10,00,000	10,00,000	10,00,000	45,00,000
3	Others, please specify	-	-	-	-	-
	Total B.1	19,00,000	14,00,000	12,50,000	12,50,000	58,00,000

(2) Other Non-Executive Directors:

Sr No	Particular of Remuneration	Mr Ravi Parthasarathy	Mr Arun K Saha	Mr Vibhav Kapoor	Mr Hari Sankaran	Total
1	Fee for attending Board/ Committee Meetings	3,20,000	3,80,000	3,00,000	3,20,000	13,20,000
2	Commission	12,50,000	10,00,000	10,00,000	10,00,000	42,50,000
3	Others, please specify	-	-	-	-	-
	Total B.2	15,70,000	13,80,000	13,00,000	13,20,000	55,70,000
	Total (B1+B2)					113,70,000
	Total Managerial Remuneration					1,574,02,599
	Overall Ceiling as per the Act				11.00%	6,064,87,937



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

(Amount in ₹)

Sr No	Particulars of Remuneration	Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	71,38,322	116,65,481	188,03,803
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	70,902	2,31,418	3,02,320
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify....			
5	Others, please specify			
	Total C	72,09,224	118,96,899	191,06,123


(VII) PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

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

Ravi Parthasarathy

Chairman

Date : May 06, 2016

Place : Bengaluru

ANNEXURE VI
DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (₹ in mn)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
(1)	Mr Ravi Parthasarathy Chairman Non-Executive Director				
(2)	Mr Hari Sankaran Non-Executive Director				
(3)	Mr Arun K Saha Non-Executive Director				
(4)	Mr Vibhav Kapoor Non-Executive Director				
(5)	Mr Ramesh C Bawa Managing Director & CEO	52.68	-4.99%	38:1	Profit before Tax decreased by 19.61% in financial year 2015-16
(6)	Mr Milind Patel Joint Managing Director	42.57	-0.56%	31:1	
(7)	Mr Rajesh Kotian Deputy Managing Director	31.68	14.24%	23:1	
(8)	Mr Surinder Singh Kohli Independent Director				
(9)	Ms Shubhalakshmi Panse Independent Director				
(10)	Ms Neera Saggi Independent Director				
(11)	Mr Uday Ved Independent Director				
(12)	Mr Deepak Pareek Chief Financial Officer	11.90	8.41%	Not Applicable	Profit before Tax decreased by 19.61% in financial year 2015-16
(13)	Ms Neelam Desai Company Secretary	7.21	46.93%	Not Applicable	



- | | |
|---|--|
| <p>(i) The median remuneration of employees of the Company during the financial year was ₹ 1.39 mn</p> <p>(ii) In the financial year, there was a decrease of 1.80 % in the median remuneration of employees;</p> <p>(iii) There were 180 permanent employees on the rolls of Company as on March 31, 2016;</p> <p>(iv) Relationship between average increase in remuneration and company performance: <i>The Profit before Tax for the financial year ended March 31, 2016 decreased by 19.61% and median remuneration has decreased by 1.80%. The decrease in remuneration is mainly on account of lower performance linked incentive</i></p> <p>(v) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

<i>The total remuneration of Key Managerial Personnel has increased by 2.85% from ₹141.86 mn in 2014-15 to ₹146.03 mn in 2015-16 whereas the Profit before Tax decreased by 19.61% to ₹ 3,219 mn in 2015-16 (₹ 4,004 mn in 2014-15)</i></p> <p>(vi) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2016 was ₹ __ mn (₹ __ mn as on March 31, 2015) – Not applicable</p> <p>(vii) Price Earnings ratio of the Company was _____ as at March 31, 2016 and was __ as at March 31, 2015 – Not applicable</p> <p>(viii) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer - Not applicable</p> <p>(ix) Variations in the net worth of the company as at March 31, 2016 and as at March 31, 2015

<i>The Net worth has increased by 13.56% to ₹ 23,068 mn in 2015-16 (₹ 20,312 mn in 2014-15). The Net worth as at March 31, 2016 includes fresh issue of Preference share Capital of ₹ 2,500 mn (including Premium on issue of</i></p> | <p><i>Preference share of ₹ 1,250 mn)</i></p> <p>(x) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year is 14.62% and there is an increase in the managerial personnel remuneration by 0.75%. The increase in remuneration is due to increase in the number of employees and annual performance related increments</p> <p>(xi) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees</p> <p>(xii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – None; and</p> <p>(xiii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy</p> |
|---|--|

For and on behalf of the Board of Directors
Ravi Parthasarathy
Chairman

Date : May 06, 2016
Place : Bengaluru


Annexure – VII
Information as per Rule 5 (2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr No	Name of the Employee	Designation of the employee	Remuneration received (in ₹)	Nature of employment, whether contractual or otherwise/Qualifications as explained by the employee	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	Milind Patel	Joint Managing Director	4,25,68,320	Permanent Employment	ICWA, MMS, BCom & 23.7 Years	26-Oct-06	47.6	Infrastructure Leasing & Financial Services Limited	NA	No
2	Rajesh Kotian	Deputy Managing Director	3,16,81,799	Permanent Employment	CA, BCom & 25 Years	1-Aug-06	49.0	IL&FS Investsmart Limited	NA	No
3	Asesh Jyoti Dutta	Chief Operating Officer	1,56,58,588	Permanent Employment	MBA , BCom & 24.7 Years	1-Aug-06	49.4	Limited Infrastructure Leasing & Financial Services	NA	No
4	Subash Chandra	Executive Vice President	1,39,74,602	Permanent Employment	CAIIB, PGDM, M.Tech, BE & 30.6 Years	10-Apr-07	53.5	ING Vysya Bank Limited	NA	No
5	Lokesh Chebium	Senior Vice President	80,59,906	Permanent Employment	ICWA, CA, BCom & 22.4 Years	1-Aug-06	46.5	Infrastructure Leasing & Financial Services	NA	No
6	Deepak Pareek	Executive Vice President	1,18,96,905	Permanent Employment	ICWA, CA, BCom & 18.3 Years	1-Aug-06	42.7	Limited Infrastructure Leasing & Financial Services	NA	No
7	Sabyasachi Mukherjee	Executive Vice President	1,22,06,736	Permanent Employee	PGPM, BSc & 20.8 Years	1-Aug-06	45.5	Services Limited IL&FS Investsmart Limited	NA	No
8	B S Hemaprasad	Vice President	64,23,644	Permanent Employee	PGDM, BCom & 36 Years	1-Aug-06	57.0	Limited Infrastructure Leasing & Financial Services	NA	No
9	Neelam J Desai	Senior Vice President	72,09,224	Permanent Employee	MBA, CS, Bachelor of General Law, BCom & 22.3 Years	13-Sep-07	51.5	Limited IFlex Solutions Limited	NA	No
10	Amit R Shah	Senior Vice President	64,25,423	Permanent Employee	PGDBM, BE & 16.9 Years	16-Aug-13	42.2	Infrastructure Leasing & Financial Services Limited	NA	No
11	P Manikandan	Senior Vice President	74,03,366	Permanent Employee	BCom, CA & 16 Years	1-Aug-06	39.9	Infrastructure Leasing & Financial Services Limited	NA	No



Sr No	Name of the Employee	Designation of the employee	Remuneration received (in ₹)	Name of the employee, whether a director 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
12	Sandeep S Patil*	Assistant Vice President	17,13,909	Permanent Employee	CFA Level 2, MMS, Bachelor of Textiles & 11.9 Years	1-Aug-06	35.9	Infrastructure Leasing & Financial Services Limited	NA	No
13	Vinay Jain*	Senior Manager	7,58,939	Permanent Employee	CFA, CA, BCom & 11.2 Years	3-Mar-08	37.6	JP Morgan Services Pvt Ltd	NA	No
14	Sudakshina Bhattacharya	Senior Vice President	74,37,627	Permanent Employee	PGDHRM, BCom & 18.6 Years	14-Sep-10	40.9	Religare Enterprises Ltd	NA	No
15	Lubna Usman	Senior Vice President	84,10,397	Permanent Employee	MBA, MCom, BCom & 18 years	16-Feb-12	42.8	IDBI Bank Ltd	NA	No
16	Arunesh Chopra*	Senior Manager	10,39,884	Permanent Employee	PGDBM, BCom & 9.9 Years	16-Aug-12	34.7	ICICI Bank	NA	No
17	Santosh Swamy	Senior Vice President	1,05,18,476	Permanent Employee	CA, BCom & 21.7 years	1-Mar-13	46.3	IDFC Ltd	NA	No
18	Krishnan Mahesh	Executive Vice President	1,23,92,237	Permanent Employee	PGDM, BCom & 21.9 years	2-May-13	44.0	Morgan Stanley	NA	No
19	Anita Ferreira	Vice President	71,61,274	Permanent Employee	MBA, BCom & 15.8 Years	1-Oct-13	43.9	IL&FS Financial Services Ltd	NA	No
20	Shashi Johnson	Senior Vice President	1,12,52,624	Permanent Employee	PGDM, BSc & 24 years	25-Nov-13	47.1	ICICI Bank Ltd	NA	No
21	Damini Marwah	Senior Vice President	96,72,604	Permanent Employee	LLB, LLM & 14.7 years	1-Aug-14	40.1	Citibank	NA	No
22	Vineet Agarwal	Senior Vice President	86,82,978	Permanent Employee	PGDM, BSc & 24.8 years	1-Oct-14	46.9	L&T Financial Services Ltd	NA	No

* Employed for the part of the FY 16 and in receipt of remuneration which in aggregate was not less than five lakh rupees per month

Notes:

- (1) Employee of the Company, who if employed throughout the FY 16 or part thereof, was in receipt of remuneration in FY 16 which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company – None
- (2) Gross Remuneration includes salary, taxable allowances, value of perquisites as per Income Tax Rules, 1962 & Company's contribution to Provident Fund, Family Pension Fund and Superannuation Fund but excludes contribution to Gratuity Fund

For and on behalf of the Board of Directors
Ravi Parthasarathy
Chairman

Date : May 06, 2016
Place : Bengaluru

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IL&FS FINANCIAL SERVICES LIMITED

I) Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IL&FS FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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.

II) Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- 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.

III) Auditor's Responsibility

- 1) Our responsibility is to express an opinion on these standalone financial statements based on our audit.
- 2) 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 and the Order under Section 143(11) of the Act.
- 3) We conducted our audit of the standalone 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 standalone 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 judgement, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

IV) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

V) 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 standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements– refer Note 16(b) to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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)

Kalpesh J. Mehta
Partner

MUMBAI, May 06, 2016

(Membership No. 48791)

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(RE: IL&FS FINANCIAL SERVICES 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 Financial Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's 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 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 on Audit of Internal Financial Controls Over Financial Reporting (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, 2016, 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 issued by the Institute of Chartered Accountants of India.

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

Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, May 06, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(RE: IL&FS FINANCIAL SERVICES 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) All 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) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, the title deed of one immovable property of building is freehold and held in the name of the Company as at the balance sheet date. The Company does not have immovable properties of leasehold land and buildings as at the balance sheet date.
- (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 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 except for eighteen instances of delay in receipt of interest.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) The Company is a registered non-banking finance Company to which provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable, and hence reporting under Clause (iv) of CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there were no unclaimed deposits with the Company during the year covered under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, hence reporting under clause (v) of the CARO 2016 is not applicable.
- (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 generally been regular in depositing undisputed statutory dues of Provident Fund and has been regular in depositing Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax and Service Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of statute	Nature of dues	Forum where Dispute is Pending	Period of which the amount relates	Amount involved (₹ in mn)	Amount Unpaid (₹ in mn)
Rajasthan Sales Tax	Sales Tax	High Court of Rajasthan, Jodhpur	FY 1997-98 and FY 1998-99	6.96	6.96
Kerala Sales Tax	Sales Tax	High Court of Kerala, Ernakulam	FY 2000-01	0.59	0.59
Karnataka Sales Tax	Sales Tax	Commercial Taxes Assessing officer	FY 2005-06 and FY 2006-07	1.30	-
Finance Act, 1994	Service Tax	CESTAT	FY 2008-09 and FY 2009-10	0.67	0.67
Income Tax Act	Income Tax	CIT (A)	AY 2009-10	5.20	-
		CIT (A)	AY 2012-13	4.75	-

- (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) during the year and in our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purposes for which they were raised.
- (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 paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (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) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (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 required to be registered under Section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Kalpesh J. Mehta

Partner

Mumbai, May 06, 2016

Membership No. 48791

BALANCE SHEET

(₹ in million)

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	3,906.67	2,656.68
Reserves and Surplus	2	19,160.85	17,655.70
		23,067.52	20,312.38
NON CURRENT LIABILITIES			
Long- term Borrowings	3	75,739.00	67,171.27
Other Long- term Liabilities	4	78.49	88.02
Long- term Provisions	5	6,296.32	4,762.81
		82,113.81	72,022.10
CURRENT LIABILITIES			
Short- term Borrowings	3	47,636.09	24,566.30
Trade Payable other than MSME	6	138.09	178.88
Current Maturity of Long- term Borrowings	3	21,474.64	32,205.86
Other Current Liabilities	4	1,768.05	2,250.05
Short- term Provisions	5	3,362.68	2,748.83
		74,379.55	61,949.92
TOTAL		179,560.88	154,284.40
ASSETS			
NON CURRENT ASSETS			
Fixed Assets (Net)			
Tangible Assets	7	44.72	48.06
Intangible Assets	7	6.79	9.50
Deferred Tax Assets	8	1,652.00	1,251.80
Non-Current Investments	9	30,867.72	32,722.64
Long -Term Loans and Advances	12	63,144.62	37,736.45
Other Non- Current Assets	15	1,636.77	1,429.68
		97,352.62	73,198.13
CURRENT ASSETS			
Current Maturity of Non-Current Investments	10	3,695.04	367.24
Current Maturity of Long-term Loans and Advances	12	19,458.76	25,322.77
Current Investments	11	5,232.31	4,349.60
Trade Receivables (net)	13	1,512.98	1,698.73
Cash and Cash Equivalents	14	12,869.95	18,678.26
Short- term Loans and Advances	12	37,056.96	28,889.09
Other Current Assets	15	2,382.26	1,780.58
		82,208.26	81,086.27
TOTAL		179,560.88	154,284.40

Notes 1 to 30 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kalpesh J Mehta
Partner
Membership No. 48791
Mumbai, May 06, 2016

Ravi Parthasarathy
Ramesh C Bawa
Deepak Pareek
Neelam Desai

Bengaluru, May 06, 2016

For and on behalf of the Board

Chairman
Managing Director & CEO
Chief Financial Officer
Company Secretary



STATEMENT OF PROFIT AND LOSS

(₹ in million)

	Note	Year ended March 31, 2016	Year ended March 31, 2015
REVENUE			
Revenue from Operations	19	19,024.12	19,072.18
Other Income		191.45	140.32
		19,215.57	19,212.50
EXPENSES			
Finance Costs	20	12,185.67	12,160.08
Employee Benefit Expenses	21(a)	719.75	537.48
Other Operating Expenses	21(b)	936.34	845.02
Depreciation and Amortisation	7,9	17.46	20.75
Provisions, Contingencies and Write offs	22	2,137.76	1,645.40
		15,996.98	15,208.73
PROFIT BEFORE TAX		3,218.59	4,003.77
TAX EXPENSES			
Current Tax		1,647.00	1,387.00
Adjustment for Earlier Years		44.00	2.07
Deferred Tax		(400.20)	121.00
PROFIT FOR THE YEAR		1,927.79	2,493.70
EARNING PER SHARE	23		
Basic and Diluted		7.25	9.39
(Face value per share ₹ 10)			

Notes 1 to 30 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kalpesh J Mehta
Partner
Membership No. 48791
Mumbai, May 06, 2016

Ravi Parthasarathy
Ramesh C Bawa
Deepak Pareek
Neelam Desai

Bengaluru, May 06, 2016

For and on behalf of the Board

Chairman
Managing Director & CEO
Chief Financial Officer
Company Secretary

CASH FLOW STATEMENT

(₹ in million)

	Year ended March 31, 2016	Year ended March 31, 2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	3,218.59	4,003.77
Adjustments for:		
Depreciation and Amortisation	17.46	20.75
Provision, Contingencies and write-offs	2,137.76	1,645.40
Provisions for Employee Benefits (Net)	78.93	17.48
Dividend and Pass through Income on Long term Investment	(319.98)	(345.19)
Profit on sale of Long Term Investments	(2.25)	(10.89)
Loss on Sale of Assets	(0.25)	(0.12)
Operating Profit before Working Capital Changes	5,130.26	5,331.20
Adjustments for changes in:		
(Increase)/ Decrease in Current Investments	(882.72)	109.43
(Increase)/ Decrease in Long term and Short term Advances	(492.01)	170.28
Decrease in Trade Receivables	52.13	62.94
Proceeds from Short Term Borrowings (Net)	23,069.79	3,038.31
(Increase)/ Decrease in Other Current and Non-Current Assets	(808.77)	50.09
(Decrease)/ Increase in Other Current and Non-Current Liabilities	(591.57)	549.64
	25,477.11	9,311.89
Payment of Advance Tax (net of refund)	(1,252.48)	(1,271.20)
	24,224.63	8,040.69
Loan Disbursed (Net)	(27,736.27)	(3,296.75)
Credit Instruments (Net)	(32.75)	435.23
NET CASH GENERATED (USED)/FROM IN OPERATING ACTIVITIES	(3,544.39)	5,179.17



(₹ in million)

	Year ended March 31, 2016	Year ended March 31, 2015
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Long Term Investments (including advance towards investments) :		
Others	(1,462.60)	(575.23)
Proceeds from Sale of Long term Investments :		
Subsidiaries, Associates and Joint Ventures	13.74	49.37
Others	212.71	982.98
Dividend and Pass through Income on Long term Investment	319.98	345.19
Purchase of Fixed Assets including CWIP	(13.81)	(10.94)
Proceeds from Sale of Fixed Assets	0.72	0.19
NET CASH GENERATED (USED)/ FROM IN INVESTING ACTIVITIES	B (929.26)	791.56
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Preference Share Capital	2,499.99	-
Proceeds from Long Term Borrowings	48,926.62	31,014.41
Repayment of Long Term Borrowings	(56,439.11)	(28,070.83)
Proceeds from issue of Subordinate Debts	1,000.00	-
Proceeds from issue of Non-Convertible Debentures	5,540.00	6,332.50
Repayment of Non-Convertible Debentures	(1,191.00)	(300.00)
Dividend paid on Equity (including tax thereon)	(1,598.76)	(1,709.50)
Expense written off against Securities Premium Account	(72.40)	(35.36)
NET CASH GENERATED (USED IN) /FROM FINANCING ACTIVITIES	C (1,334.66)	7,231.22
D) NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,808.31)	13,201.95
Cash and cash equivalents at the beginning of the year	18,678.26	5,476.31
Cash and cash equivalents at the end of the year	12,869.95	18,678.26

Notes 1 to 30 annexed hereto forms part of Financial Statements

In terms of our Report attached.

For Deloitte Haskins & Sells LLP
 Chartered Accountants

Kalpesh J Mehta
 Partner
 Membership No. 48791
 Mumbai, May 06, 2016

Ravi Parthasarathy
Ramesh C Bawa
Deepak Pareek
Neelam Desai

Bengaluru, May 06, 2016

For and on behalf of the Board

 Chairman
 Managing Director & CEO
 Chief Financial Officer
 Company Secretary

NOTES FORMING PART OF THE ACCOUNTS

Background

IL&FS Financial Services Limited is incorporated in India as a public limited company and registered with Reserve Bank of India as Non-Deposit Taking Systematically Important Non-Banking Financial Services Company (NBFC-ND-SI). The Company is engaged in financial services business comprising of lending, investments and advisory services

(1) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") and Guidelines issued by Reserve Bank of India. 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 unless stated otherwise

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) Fixed assets and Depreciation/Amortisation

(i) Leased Assets

Type of Lease	Capitalisation	Depreciation Policy
Operating Lease	At Cost including incidental expenses to bring the asset to its working condition for its intended use	Straight Line Method at the rates provided under Schedule II to the Companies Act, 2013
Capital Expenditure on renovation / Improvements to Leasehold Premises	At Cost	Amortised over the primary period of the Lease

(ii) Other Fixed Assets

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)
Data Processing Equipment (Server & Networking)	4
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase
Specialised office equipment's	3
Vehicles	8
Assets provided to employees	3
Leasehold improvement costs	Amortised over Primary period of Lease
All categories of assets costing less than ₹ 5,000/- each	Fully depreciated in the year of purchase
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) Investments

- i) Investments are capitalized at cost including costs incidental to acquisition
- (ii) Investments are classified into long-term or current investments at the time of acquisition of such investments. Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 (AS 13) – “Accounting for Investments”. All other investments are classified as long-term investments

- (iii) Long-term investments are individually valued at cost less provision for diminution, other than temporary
- (iv) Current investments are valued at lower of cost and fair value of investments on a category basis
- (v) Reclassification of investments from the current to the long-term category is made at the lower of cost and fair value either on April 1st or October 1st of the year. Resultant loss, if any, is recognised in the Statement of Profit and Loss
- (vi) Investment in properties are stated at cost less accumulated depreciation as per Straight Line Method (SLM) over estimated useful life of 60 years

(e) Earnings per Share

- (i) Basic earnings per share is calculated by dividing the Profit for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year
- (ii) Diluted earnings per share is calculated by dividing the Profit 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

(f) 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 (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

(g) Foreign Currency Transactions

(i) Foreign Currency Transactions and Balances

Initial Recognition

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

Conversion

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction

Exchange Differences

The exchange differences on foreign currency short-term monetary items are recognised as income or as expenses in the period in which they arise

(ii) Foreign Currency Long-term Monetary Items

The Company has exercised the option of amortising / capitalising the exchange differences arising on long-term foreign currency monetary items as given under Ministry of Corporate Affairs (MCA) Notification No. G.S.R 914(E) dated December 29, 2011

(h) Derivative Transactions

- (i) The Company enters into interest rate and currency derivatives contracts for the purpose of hedging its interest rate risks. Derivative transactions which are closely linked to the underlying transactions and are intended to be held to maturity are recognised in accordance with the derivative contract. All other contracts are marked-to-market at each Balance Sheet Date. Unrealised loss on Marked to Market is recognised to the Statement of Profit and Loss and unrealised gain is not recognised
- (ii) Equity Futures and Options are marked-to-market based on category of contracts and losses are recognised to the Statement of Profit and Loss. However, gains arising on such derivative products are not recognised
- (iii) Premium received upfront on equity options written by the Company is accounted as a liability. Premium paid on equity options bought by the Company is accounted as Loans and Advances
- (iv) Initial margin paid on Equity Futures is recognised as Loans and Advances
- (v) Profit or Loss from derivative contracts is recognised on final settlement or squaring up of the contract

(i) Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must be met before revenue is recognised:

- (i) Interest and other dues on Lending is recognised on accrual basis, except in case of Non-Performing Assets(NPA's), wherein income is recognised on realisation of the same. NPA's are determined in accordance with the Guidelines issued by the Reserve Bank of India
- (ii) Income on Discounted Instruments is recognised over the tenor of Instrument on Straight line basis
- (iii) Upfront fee received, directly related to the Loans disbursed to borrowers, is amortised as income on a pro rata basis over the tenor of loan

- (iv) Lease income in respect of assets capitalised up to March 31, 2001 is accounted in accordance with the Guidance Note on Accounting for Leases. Lease income in respect of assets capitalised on or after April 1, 2001 is recognised as per Accounting Standard 19 (AS-19) – Leases
- (v) Income on services provided in the nature of Corporate Advisory, Project Debt Syndication, Project Finance and other services fee based income is recognised on an accrual basis on completion of services as enumerated in the milestones specified in the relevant mandate letters
- (vi) Dividend income is recognised once the unconditional right to receive dividend is established
- (vii) Income from investment in units of Private Equity Funds (PEF) is recognised on the basis of the income distributed by the respective PEF
- (viii) Profit or Loss on sale of investments is determined based on weighted average cost of investments and is recognised on trade date basis
- (ix) Fees received on providing Guarantees and Letter of Comfort is recognised in the Statement of Profit and Loss over the period of Guarantee on straight line basis

(j) Finance Costs

Interest cost is recognised as expenses in the year in which the cost is incurred. Other finance charges includes Origination fees and other ancillary costs with respect to funds mobilised by the Company which are amortised over the tenure of such borrowings

(k) Employee benefits

(i) Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company

(ii) Long Term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees

■ **Defined-contribution Plans**

These are plans in which a company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund, Family Pension Fund and Superannuation Fund. The company's payments to the defined contribution plans are reported as expenses in the year in which the employees perform the services that the payment covers

■ **Defined-benefit Plans**

Expenses for defined-benefit plans are calculated as at the balance sheet date by independent actuaries. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Incremental liability based on the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. The actuarial gains / losses are accounted in the Statement of Profit and Loss

(iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the period in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method. The resulting actuarial gains / losses are accounted in the Statement of Profit and Loss

(I) Taxation

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

Deferred tax assets and liabilities are recognised for future tax consequences of timing differences between the book profit and tax profit. Deferred tax assets and liabilities, other than carry forward losses and unabsorbed depreciation as computed under the tax laws, are recognised when it is reasonably certain that there will be future taxable income. Carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit.

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

The Company has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income-tax Act, 1961. Accordingly, the special reserve created and maintained is not capable of being reversed and is considered as a permanent difference in tax computation. Consequently, no deferred tax liability has been created on the same

(m) Provisioning under Prudential Norms

- (i) NPAs are identified and categorised according to the Guidelines issued by the Reserve Bank of India (RBI). Provisions / write-offs are made against sub-standard, doubtful and loss assets at the rates prescribed in the RBI guidelines, unless an accelerated provision / write-off is warranted on a case to case basis in respect of NBFI activities
- (ii) Provisioning for NPAs is dependent upon, inter alia, whether the NPA is secured or unsecured. Loans are considered as secured, where the Company has valid recourse to assets / recovery by :
 - ✓ Equitable mortgage of property and / or
 - ✓ Pledge of shares, units, other securities, and / or
 - ✓ Hypothecation of assets and / or
 - ✓ Bank guarantees and / or
 - ✓ Decretal debts where Courts have attached property
- (iii) Impairment in the investment portfolio is provided / written-off, as per the Guidelines issued by the RBI, unless an accelerated provision / write-off is warranted on a case to case basis
- (iv) For Non NBFI activities provision/write-off is done based on Management evaluation based on specific identification
- (v) The Company carries a significant quantum of project finance and investment banking assets in its books. Given the risk profile of such assets, the Company creates a provision for general contingency to cover adverse events that may affect the quality of the Company's assets

- (vi) With regard to restructured credit facilities, the Company had followed RBI Circular No.DBS.FID No. C-19 dated March 28,2001 applicable to All India Term Lending and Refinancing Institutions till January 22, 2014

From January 23, 2014,the Company has adopted RBI Circular No DNBS (PD) No. 272 dated January 23, 2014 applicable to Non-Banking Financial (Non-Deposit Accepting or Holding) Companies. In compliance with above circular, the Company creates provision on all standard restructured accounts. Unrealised income represented by Funded Interest Term Loan (FITL) on standard accounts restructured after January 23, 2014 are fully provided

- (vii) RBI has issued a Circular DNBS (PD) CC.No.371/03.05.02/2013-14 on March 21, 2014 for the purpose of Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders and consequential accelerated provisioning for non-compliance of the process. As per the above Circular, the Company is required to categorise its exposure as Special Mention Account (SMA) based on the past due status, initiate the process for formation of Joint Lender Forum (JLF) and arrive at Corrective Action Plan (CAP). The Company has adopted this policy where the Company is obligated to and has control over the above process
- (viii) Provision for Standard Assets is made at 0.30% of the outstanding standard assets in accordance with RBI guidelines

(n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements

(o) Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

(2) SHAREHOLDERS' FUNDS

- (a) The details of the Authorised, Issued, Subscribed and paid-up Share Capital is as below:
(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised Share Capital		
300,000,000 (Previous Year : 300,000,000)	3,000.00	3,000.00
Equity Shares of ₹ 10 per share		
1,000,000 (Previous year : Nil) Non-convertible	7,500.00	-
Redeemable Cumulative Preference Shares of ₹ 7,500/- each		
	10,500.00	3,000.00
Issued, Subscribed and fully paid-up		
265,667,555 (Previous Year : 265,667,555)	2,656.68	2,656.68
Equity Shares of ₹ 10 per share fully paid-up		
166,666 (Previous Year : Nil) Non-Convertible	1,249.99	-
Redeemable Cumulative Preference Shares (NCRCPS) of ₹ 7,500/-each		
Total	3,906.67	2,656.68

- (b) Details of movement of Equity Shares is as under:

Particulars	Number of Shares at March 31,	
	2016	2015
Balance at the beginning of the Year	265,667,555	265,667,555
Add : Allotment made during the year	-	-
Balance at the end of the Year	265,667,555	265,667,555

- (c) 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
- (d) Details of movement o NCRCPS is as under:

(₹ in million)

Particulars	Number of Shares at March	
	31, 2016	31, 2015
Balance at the beginning of the Year	-	-
Add : Allotment made during the year	166,666	
Balance at the end of the Year	166,666	-



(e) The terms of NCRCPs issued and subscribed are as under:

(₹ in million)

Rate of Dividend for Category I and Category II Investors	17.39% / 17.00% p.a. on face value of NCRCPs payable on July 31st/ March 31st every year
Additional Dividend on preference shares held by Category II Investors Category I Investors mean investors which does not fall into category II investors Category II Investors mean Resident Individuals, Hindu Undivided Families, Partnership Firms, Private Family Trusts with one or more beneficiaries being individual and Employee Welfare Trusts	1.98% / 1.89% p.a. on face value of NCRCPs payable on July 31st/ March 31st every year
Tenure	5 years
Redemption Date	March 30, 2021
Redemption Value	Face Value of ₹ 7,500/- per NCRCPs plus Redemption Premium of ₹ 7,500/- per share
Voting Rights	Right to vote on resolutions as holders of NCRCPs, as per the provisions of Companies Act, 2013 and Articles of Association
Seniority	Senior to all equity shares and rank pari-passu inter se among all classes of preference shares currently existing or established hereafter, with respect to (a) dividend distribution and (b) repayment of capital upon a liquidation of the Company

(f) The entire equity shareholding of the Company is held by Infrastructure Leasing and Financial Services Ltd (IL&FS) and its nominees

- (g) List of shareholders holding more than 5% of NCRCPs as on March 31, 2016 is as under:

Name of Shareholder	Number of Shares	Holding (%)
Shree Cement Ltd	33,400	20.04
A K Capital Finance Pvt Ltd	29,774	17.86
Goodwill Capital Services Pvt Ltd	13,300	7.98
A K Services Pvt Ltd	13,300	7.98
Sanjeev Kumar Juneja	10,000	6.00
IIFL Cash Opportunities Fund	9,334	5.60

- (h) Reserves and Surplus comprises of :

Particulars	(₹ in million)	
	As at March 31, 2016	As at March 31, 2015
Securities Premium Account	9,681.08	8,503.48
Special Reserve I	4,511.45	4,125.89
Special Reserve II	187.65	146.65
General Reserve	2,051.89	2,051.89
Surplus in Statement of Profit and Loss	2,728.78	2,827.79
Total	19,160.85	17,655.70

- (i) Details of addition and deletion in Securities Premium Account is as below:

Particulars	(₹ in million)	
	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the Year	8,503.48	8,538.84
Addition:		
Amount of Premium received on issue of NCRCPs	1,250.00	-
Less:		
Stamp Duty paid during the year on shares issued in Financial Year 2008-09	-	35.36
Utilised for writing off share issue expenses	72.40	-
Balance at the end of the Year	9,681.08	8,503.48



- (j) Special Reserve I represents reserve created, pursuant to the Reserve Bank of India (Amendment) Ordinance 1997 under Section 45 (1) (c) of the Reserve Bank of India Act, 1934. Details of the addition and deletion to the Special Reserve I are as below :

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	4,125.89	3,627.15
Addition:		
Transferred from Statement of Profit and Loss	385.56	498.74
Balance at the end of the year	4,511.45	4,125.89

- (k) Special Reserve II has been created in terms of Section 36 (1) (viii) of Income Tax Act, 1961 out of the distributable profits of the Company. The details of addition and deletion to the Special Reserve II is as below :

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	146.65	78.65
Addition:		
Transferred from Statement of Profit and Loss	41.00	68.00
Balance at the end of the year	187.65	146.65

- (l) Details of the addition and deletion to the General Reserve are as below :

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	2,051.89	1,802.52
Addition:		
Transferred from Statement of Profit and Loss	-	249.37
Balance at the end of the year	2,051.89	2,051.89

- (m) The surplus in Statement of Profit and Loss is arrived at as per the table below:

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	2,827.79	2,748.96
Profit for the year	1,927.79	2,493.70
Less: Appropriations :		
Proposed Dividend on Equity Shares	1,328.34	1,328.34
Tax on Dividend on Equity Shares	270.42	270.42
Proposed Dividend on Preference Shares	1.23	-
Tax on Dividend on Preference Shares	0.25	-
Balance Transferred to :		
General Reserve	-	249.37
Special Reserve I	385.56	498.74
Special Reserve II	41.00	68.00
Balance at the end of the year	2,728.78	2,827.79

- (n) The Board of Directors of the Company has proposed dividend for the year ended March 31, 2016 on equity shares of ₹ 5.00 per share aggregating to ₹1,598.76 mn (inclusive of dividend distribution tax), which is subject to approval of shareholders. Dividend distribution tax on the same is ₹ 270.42 mn



(3) BORROWINGS

- (a) The Borrowings of the Company have been classified into Secured and Unsecured Loans and represents loans raised from Banks and Others. Security wise profile of the Company's Borrowings for each class are as below:

(₹ in million)

Particulars	As at March 31, 2016				As at March 31, 2015		
	Short-term	Long-term		Total	Short-term	Long-term	
		Current Portion	Non-Current			Current Portion	Non-Current
Secured							
Debentures	-	2,410.00	17,046.50	19,456.50	-	1,191.00	13,916.50
Term Loan From Banks	4,000.00	16,229.17	49,050.00	69,279.17	1,750.00	30,500.00	41,579.17
Demand Loan From Banks	2,410.80	-	-	2,410.80	957.95	-	-
Collateralized Borrowings (CBLO)	1,598.65	-	-	1,598.65	1,304.93	-	-
Unsecured							
Subordinated Debt (Tier II Capital)	-	-	9,000.00	9,000.00	-	-	8,000.00
Term Loan From Banks	1,000.00	-	-	1,000.00	1,000.00	-	-
Inter Corporate Deposit From Others	2,205.76	981.05	542.50	3,729.31	5,811.60	514.86	1,170.00
Inter Corporate Deposit From Related Parties (Refer Note 25)	10,270.68	1,854.42	100.00	12,225.10	2,841.82	-	2,505.60
Commercial Papers (Gross)	26,900.00	-	-	26,900.00	11,260.00	-	-
Less : Unexpired Discount	(749.80)	-	-	(749.80)	(360.00)	-	-
	39,626.64	2,835.47	9,642.50	52,104.61	20,553.42	514.86	11,675.60
Total	47,636.09	21,474.64	75,739.00	144,849.73	24,566.30	32,205.86	67,171.27
							123,943.43

- (b) All Secured borrowings of the Company (except CBLO borrowing) are covered under a pari-passu first charge on all the assets, excluding own Tangible Fixed Asset and Intangible Assets, Trading Portfolio (current investments), Investment in Subsidiaries and Affiliates, Tax Assets, Deferred Tax Assets and unamortised expenses. Secured borrowing includes certain loans, where security creation is under process
- (c) The details of Secured Non-Convertible Debentures(NCDs) issued on private placement basis are as below:

Type of NCDs	Number of NCDs Issued	Number of NCDs outstanding as on		Face Value per NCD (₹)	Interest Rate (%)	Final Date of Redemption
		March 31, 2016	2015			
2016 Series VI	700,000	700,000	-	1,000	8.85	31-Mar-26
2016 Series V	510,000	510,000	-	1,000	8.85	28-Mar-26
2014 Series II	60,000	60,000	60,000	1,000	9.55	28-Aug-24
2014 Series I	470,000	470,000	470,000	1,000	9.50	03-Jul-24
2016 Series V	580,000	580,000	-	1,000	8.90	28-Mar-23
2012 Series IV	500,000	500,000	500,000	1,000	9.54	28-Sep-22
2016 Series VI	50,000	50,000	-	1,000	8.90	31-Mar-21
2016 Series V	900,000	900,000	-	1,000	8.90	28-Mar-21
2016 Series II	180,000	180,000	-	1,000	8.90	21-Mar-21
2014 Series III	2,000,000	2,000,000	2,000,000	1,000	9.65	18-Sep-19
2014 Series II	372,500	372,500	372,500	1,000	9.60	28-Aug-19
2014 Series I	2,530,000	2,530,000	2,530,000	1,000	9.50	03-Jul-19
2016 Series IV	500,000	500,000	-	1,000	8.88	15-May-19
2016 Series V	250,000	250,000	-	1,000	8.90	28-Mar-19
2016 Series II	370,000	370,000	-	1,000	8.90	21-Mar-19
2013 Series VI	1,075,000	1,075,000	1,075,000	1,000	9.90	28-Jan-19
2015 Series I	1,500,000	1,500,000	1,500,000	1,000	8.70	30-Sep-18
2013 Series I	1,750,000	1,750,000	1,750,000	1,000	10.50	17-Sep-18
2013 Series II	500,000	500,000	500,000	1,000	10.50	28-Aug-18
2012 Series VI	289,000	289,000	289,000	1,000	9.60	07-Jan-18
2014 Series III	460,000	460,000	460,000	1,000	9.65	18-Sep-17
2012 Series III	500,000	500,000	500,000	1,000	9.75	03-Sep-17
2012 Series II	1,000,000	1,000,000	1,000,000	1,000	9.75	13-Aug-17
2013 Series V	770,000	770,000	770,000	1,000	10.50	27-Sep-16
2013 Series IV	1,000,000	1,000,000	1,000,000	1,000	10.50	25-Sep-16
2014 Series III	440,000	440,000	440,000	1,000	9.60	18-Sep-16
2013 Series I	200,000	200,000	200,000	1,000	10.65	17-Sep-16



- (d) Age-wise analysis and Repayment terms of the Company's Non-Current Secured Borrowings from Banks are as below:

(₹ in million)

Particulars	As at March 31,		Frequency of Repayment*
	2016	2015	
1-2 Years	19,858.20	14,679.17	MT, HY
2-3 Years	17,708.20	14,525.00	MT, HY
3-4 Years	7,133.60	10,000.00	MT
4-5 Years	4,350.00	2,375.00	MT
Total	49,050.00	41,579.17	

*MT= Bullet payment on Maturity, HY= Half yearly Installment

- (e) CBLO of ₹ 1,598.65 mn (As at March 31, 2015- ₹ 1,304.93 mn) are secured by Government securities held as part of Investment portfolio (Refer note 11(b))
- (f) Subordinated Debt comprises of 9,000,000 Unsecured Redeemable Non-Convertible Debentures (NCD) as per details below issued on private placement basis

Type of NCDs	Number of NCDs Issued	Number of NCDs outstanding as on		Face Value per NCD (₹)	Interest Rate (%)	Final Date of Redemption
		March 31, 2016	2015			
2016 Series III	650,000	650,000	-	1,000	9.03	22-Mar-26
2016 Series I	350,000	350,000	-	1,000	8.90	27-Jan-26
2012 Series VII	1,000,000	1,000,000	1,000,000	1,000	9.55	28-Feb-23
2012 Series V	1,000,000	1,000,000	1,000,000	1,000	9.55	27-Nov-22
2012 Series I	2,000,000	2,000,000	2,000,000	1,000	10.15	29-Jun-22
2011 Series II	2,000,000	2,000,000	2,000,000	1,000	10.30	22-Mar-22
2011 Series I	2,000,000	2,000,000	2,000,000	1,000	10.30	28-Dec-21

- (g) Age-wise analysis and Repayment terms of the Company's Long-term Unsecured Borrowings from Others are as below:

(₹ in million)

Particulars	As at, March 31		Frequency of Repayment*
	2016	2015	
1-2 Years	250.00	920.00	MT
2-3 Years	292.50	-	MT
3-4 Years	-	250.00	MT
Total	542.50	1,170.00	

* MT = Bullet payment on Maturity

- (h) Inter Corporate Deposit from Related Parties carries interest rate of 8.15% to 9.20% (As at March 31, 2015: 8.31% to 11.25%). Remaining Contractual Maturity for bullet repayment as on March 31, 2016 is between 1-2 years (As at March 31, 2015 : 1-2 years)
- (i) The maximum amount of commercial paper outstanding during the year was ₹26,900.00 mn (Previous year- ₹14,040.00 mn)

(4) OTHER CURRENT AND LONG-TERM LIABILITIES

(₹ in million)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Current	Long-term	Current	Long-term
Interest Accrued but not Due	1,447.55	2.79	1,504.17	24.54
Income Received in Advance	256.52	68.59	536.77	54.91
Security Deposits Received	10.10	7.11	165.10	8.57
Statutory Dues Payable	26.65	-	20.15	-
Retention Money Payable	10.09	-	10.13	-
Other Payables	17.14	-	13.73	-
Total	1,768.05	78.49	2,250.05	88.02

Footnote: No amount of unclaimed dividend and unclaimed interest was due for transfer to Investor Education and Protection Fund u/s 125 of Companies Act, 2013 as at the balance sheet date



(5) SHORT-TERM AND LONG-TERM PROVISIONS

(a) Break-up of the Provisions are as below:

(₹ in million)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Short-term	Long-term	Short-term	Long-term
I. For Loans and Advances				
Standard Assets	-	370.00	-	250.00
Non- Performing Assets	687.99	-	462.98	-
Standard Restructured Assets	-	126.76	-	132.53
Other Provisions*	-	307.14	-	337.68
II. For Diminution on Investments				
Diminution in value of Investments	547.68	1,858.52	462.65	1,618.41
Mark to Market on Derivatives	-	-	7.17	-
III. Others				
Employee Benefits	274.48	33.90	205.27	24.19
Provision for Income Tax (net)	252.29	-	12.00	-
Proposed Equity Dividend	1,328.34	-	1,328.34	-
Dividend Distribution Tax on above	270.42	-	270.42	-
Proposed Preference Dividend	1.23	-	-	-
Dividend Distribution Tax on above	0.25	-	-	-
General Contingencies	-	3,600.00	-	2,400.00
Total	3,362.68	6,296.32	2,748.83	4,762.81

*Other provisions represent:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest sacrifice on restructured advances (Refer note 19 (a))	145.79	205.05
Funded Interest Term Loans (Refer note 19 (a))	161.35	132.63
Total	307.14	337.68

- (b) Contingent Provision against Standard assets aggregating ₹370 mn (As on March 31, 2015- ₹ 250 mn) represents provision made pursuant to Reserve Bank of India circular DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued on January 17, 2011 requiring all NBFCs to make a provision of 0.30% on the outstanding standard assets:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	250.00	250.00
Add: Incremental provision for the year	120.00	-
Balance at the end of the year	370.00	250.00

- (c) In accordance with the Guidelines issued by the RBI, the Company has made provision for non-performing assets. The details of movement in provision for non-performing assets is as follows:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	462.98	548.43
Provision made during the year	589.71	508.30
Non-Performing Assets Written off against provision	(364.70)	(593.75)
Balance at the end of the year	687.99	462.98

- (d) Following table summarises movement in Provision for General Contingencies:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	2,400.00	3,012.50
Add: Provision made during the year	1,200.00	1,169.70
Less : Write Back during the year	-	(1,782.20)
Balance at the end of the year	3,600.00	2,400.00



- (e) The details of movement in provision for diminution in value of investments is as follows:
 (₹ in million)

Particulars	Provision for			
	Short-term As at March 31		Long-term 100% As at March 31	
	2016	2015	2016	2015
Balance at the beginning of the year	462.65	697.65	1,618.41	461.28
Provision made/(written back) during the year	85.03	(235.00)	240.11	98.32
Transfer from Provision for General Contingencies	-	-	-	819.00
Reclassification of Provisions			-	239.81
Balance at the end of the year	547.68	462.65	1,858.52	1,618.41

- (f) Provision against Standard Restructured Accounts aggregating ₹ 126.76 mn (As on March 31, 2015- ₹132.53 mn) represents provision made pursuant to Reserve Bank of India circular No DNBS (PD) No. 272 dated January 23, 2014

Particulars	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	132.53	71.00
Provision (Written back)/made during the year	(5.77)	61.53
Balance at the end of the year	126.76	132.53

- (g) Disclosure as required under AS- 15 – “Employee Benefits”:
- (i) The Company has recognised ₹ 13.60 mn (Previous Year ₹ 11.73 mn) and ₹ 9.92 mn (Previous Year ₹ 9.27 mn) in Statement of Profit and Loss under Company's Contribution to Provident Fund and contribution to Superannuation Fund respectively

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

I. Assumption	As at March 31, 2016	As at March 31, 2015
Discount Rate	8.08%	8.02%
Rate of Return on Plan Assets	8.08%	8.70%
Salary Escalation	8.50%	6.50%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(₹ in million)

II. Table Showing Change in Defined Benefit Obligation	As at March 31, 2016	As at March 31, 2015
Opening Defined Benefit Obligation	69.73	56.00
Interest Cost	5.59	5.22
Current Service Cost	7.34	5.50
Liabilities Transferred In	-	0.70
Liabilities Transferred Out	-	(0.53)
Benefit Paid	(1.37)	(2.75)
Actuarial (gain)/loss on Obligations	22.11	5.56
Closing Defined Benefit Obligation	103.40	69.73

(₹ in million)

III. Table of Fair Value of Plan Assets	As at March 31, 2016	As at March 31, 2015
Fair Value of Plan Assets at the start	70.39	55.30
Expected Return on Plan Assets	6.12	4.81
Contributions	5.85	6.60
Transfer from other Company	0.15	0.70
Transfer to other Company	(0.81)	(0.53)
Benefit Paid	(1.37)	(2.75)
Actuarial gain/(loss) on Plan Assets	(2.15)	6.26
Fair Value of Plan Assets at the end	78.18	70.39



(₹ in million)

IV. Actual Return on the Plan Assets	As at March 31, 2016	As at March 31, 2015
Expected Return on the Plan Assets	6.12	4.81
Actuarial gain/(loss) on Plan Assets	(2.15)	6.26
Actual Return on Plan Assets	3.97	11.07

(₹ in million)

V. Amount Recognised in the Balance Sheet	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Liability at the end of the year	103.40	69.73	56.00	56.51	44.14
Fair Value of Plan Assets at the end	78.18	70.39	55.30	52.47	44.32
Shortfall/(Excess)	25.22	(0.66)	0.70	4.04	(0.18)
Amount Recognised in Balance Sheet	25.22	(0.66)	0.70	5.00	(0.18)

(₹ in million)

VI. Reconciliation of the Liability Recognised in the Balance Sheet	As at March 31, 2016	As at March 31, 2015
Opening Net Liability	-	0.70
Expense Recognised	31.02	5.24
Contribution by the Company	5.80	(6.60)
Amount recognised in Balance Sheet	25.22	(0.66)

(₹ in million)

VII. Expenses Recognised in the Statement of Profit and Loss	As at March 31, 2016	As at March 31, 2015
Current Service Cost	7.34	5.50
Adjustment with earlier year surplus	-	-
Interest Cost	5.59	5.22
Expected Return on Plan Assets	(6.12)	(4.81)
Actuarial (gain) / loss	24.26	(0.69)
Expense Recognised in Statement of Profit and Loss	31.06	5.24

(₹ in million)

VIII. Experience Adjustment	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As At March 31, 2013	As At March 31, 2012
Defined Benefit Obligation	103.40	69.73	56.00	56.51	44.14
Plan Assets	78.18	70.39	55.30	52.47	44.32
Surplus/(Deficit)	(25.22)	0.66	(0.70)	(4.04)	0.18
Experience adjustment on Plan Liability	(4.68)	(2.61)	25.28	(2.09)	7.10
Experience adjustment on Plan Asset	2.15	6.26	(8.36)	0.89	1.02

IX. Description of Plan Assets	As at March 31, 2016	As at March 31, 2015
Insurer Managed Funds	100%	100%

(iii) Other Details:

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

(6) TRADE PAYABLES OTHER THAN MSME

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

(7) FIXED ASSETS

For the year ended March 31, 2016

Description of Assets	Gross Block (At Cost)				Depreciation/Amortisation				Lease Terminal Adjust- ment	Net Block	
	As at April 1, 2015	Addition	Deduction/ Adjustments	As at March 31, 2016	As at April 1, 2015	For the Year	Deduction/ Adjustments	As at March 31, 2016		As at March 31, 2016	As at March 31, 2015
TANGIBLE ASSETS											
Assets Given on Lease											
Data Processing Equipments	157.42	-	-	157.42	126.60	-	-	126.60	30.82	-	-
Vehicles	8.93	-	-	8.93	2.35	-	-	2.35	0.32	6.26	6.26
Plant & Machinery	1,613.45	-	-	1,613.45	708.51	0.14	-	708.65	903.04	1.76	1.90
Own Assets											
Data Processing Equipments	28.87	4.74	3.73	29.88	23.46	3.83	3.72	23.57	-	6.31	5.41
Electrical Fittings	11.08	0.34	0.22	11.20	2.89	1.25	0.09	4.05	-	7.15	8.19
Furniture and Fixtures	21.45	1.60	0.40	22.65	7.78	2.43	0.25	9.96	-	12.69	13.67
Office Premises	11.00	-	-	11.00	1.43	0.18	-	1.61	-	9.39	9.57
Office Equipments	6.25	1.10	1.25	6.10	5.88	1.25	1.19	5.94	-	0.16	0.37
Leasehold Improvement	17.33	0.41	-	17.74	14.77	1.97	-	16.74	-	1.00	2.56
Vehicles	0.14	-	0.14	-	0.01	-	0.01	-	-	-	0.13
Total (A)	1,875.92	8.19	5.74	1,878.37	893.68	11.05	5.26	899.47	934.18	44.72	48.06
INTANGIBLE ASSETS											
Software (Acquired)	26.53	3.01	-	29.54	17.06	5.83	-	22.89	-	6.65	9.47
Websites & Portals	0.97	0.15	-	1.12	0.94	0.04	-	0.98	-	0.14	0.03
Total (B)	27.50	3.16	-	30.66	18.00	5.87	-	23.87	-	6.79	9.50
Total (A+B)	1,903.42	11.35	5.74	1,909.03	911.68	16.92	5.26	923.34	934.18	51.51	57.56


(7) FIXED ASSETS
For the year ended March 31, 2015

Description of Assets	Gross Block (At Cost)				Depreciation/Amortisation				Lease Terminal Adjust- ment	Net Block	
	As at April 1, 2014	Addition	Deduction/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the Year	Deduction/ Adjustments	As at March 31, 2015		As at March 31, 2015	As at March 31, 2014
TANGIBLE ASSETS											
Assets Given on Lease											
Data Processing Equipments	157.42	-	-	157.42	126.60	-	-	126.60	30.82	-	-
Vehicles	8.93	-	-	8.93	2.35	-	-	2.35	0.32	6.26	6.26
Plant & Machinery	1,613.45	-	-	1,613.45	700.58	7.93	-	708.51	903.04	1.90	9.83
Own Assets											
Data Processing Equipments	25.66	4.38	1.17	28.87	19.53	5.04	1.11	23.46	-	5.41	6.13
Electrical Fittings	10.58	0.51	0.01	11.08	3.08	(0.18)	0.01	2.89	-	8.19	7.50
Furniture and Fixtures	21.19	0.26	-	21.45	9.10	(1.32)	-	7.78	-	13.67	12.09
Office Premises	11.00	-	-	11.00	1.25	0.18	-	1.43	-	9.57	9.75
Office Equipments	5.52	1.23	0.50	6.25	4.83	1.54	0.49	5.88	-	0.37	0.69
Leasehold Improvement	17.26	0.07	-	17.33	11.95	2.82	-	14.77	-	2.56	5.31
Vehicles	-	0.14	-	0.14	-	0.01	-	0.01	-	0.13	-
Total (A)	1,871.01	6.59	1.68	1,875.92	879.27	16.02	1.61	893.68	934.18	48.06	57.56
INTANGIBLE ASSETS											
Software (Acquired)	21.81	4.72	-	26.53	12.49	4.57	-	17.06	-	9.47	9.32
Websites & Portals	0.94	0.03	-	0.97	0.78	0.16	-	0.94	-	0.03	0.16
Total (B)	22.75	4.75	-	27.50	13.27	4.73	-	18.00	-	9.50	9.48
Total (A+B)	1,893.76	11.34	1.68	1,903.42	892.54	20.75	1.61	911.68	934.18	57.56	67.04



(8) DEFERRED TAX ASSETS

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2016 are as below

(₹ in million)

Particulars	As at April 01, 2015	Created during the year	As at March 31, 2016
Difference between book and tax depreciation	48.87	(6.97)	41.90
Provisions and Contingencies	1,187.63	410.57	1,598.20
Others	15.30	(3.40)	11.90
Deferred Tax Assets	1,251.80	400.20	1,652.00

Details of major components of deferred tax assets arising on account of timings differences as on March 31, 2015 are as below:

(₹ in million)

Particulars	As at April 01, 2014	Created during the year	As at March 31, 2015
Difference between book and tax depreciation	54.40	(5.53)	48.87
Provisions and Contingencies	1,300.00	(112.37)	1,187.63
Others	18.40	(3.10)	15.30
Deferred Tax Assets	1,372.80	(121.00)	1,251.80

(9) NON-CURRENT INVESTMENTS

(a) Summary of Non-Current Investments is as below :

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Investments		
Equity Shares	3,258.96	2,778.90
Preference Shares	2,325.15	2,367.90
Units of Mutual Funds	2,160.00	1,250.00
	7,744.11	6,396.80
Other Investments		
Equity Shares	7,353.16	7,220.19
Units of Other Funds	8,940.94	9,088.80
Pass Through Certificates	0.16	0.16
Units of Mutual Fund	10.00	10.00
Investment Property	2,170.55	2,062.85
Debentures and Bonds	4,648.80	7,943.84
	23,123.61	26,325.84
Total	30,867.72	32,722.64

(b) Scrip wise details of the Investment as on March 31, 2016 is as below:

Fully paid

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
TRADE INVESTMENTS					
Equity Shares - Quoted					
IL&FS Engineering & Construction Co. Ltd	10	22,932,437	18,440,482	2,013.42	1,629.36
IL&FS Transportation Networks Ltd	10	3,199,776	3,199,776	577.96	481.96
Equity Shares - Unquoted					
- In Subsidiaries					
IL&FS Global Financial Services PTE Ltd	SGD 1	3,050,001	3,050,001	122.12	122.12
IL&FS Global Financial Services (UK) Ltd	£1	400,001	400,001	30.25	30.25
IL&FS Global Financial Services (ME) Ltd	\$1	800,000	800,000	35.94	35.94
IL&FS Global Financial Services (HK) Ltd	HKD1	1,725,000	1,725,000	128.59	128.59
IL&FS Capital Advisors Ltd	10	10,000,000	10,000,000	100.00	100.00
IL&FS Infra Asset Management Ltd	10	16,800,000	16,800,000	168.00	168.00
IL&FS AMC Trustee Ltd	10	250,000	250,000	2.50	2.50
IL&FS Broking Services Pvt Ltd	10	3,800,000	3,800,000	80.13	80.13
- In Joint Venture					
Syniverse Technologies (India) Pvt Ltd	10	5,200	5,200	0.05	0.05
				3,258.96	2,778.90
Preference Shares - Unquoted					
Redeemable Cumulative Preference Shares					
- In Subsidiaries					
IL&FS Broking Services Pvt Ltd	100	2,252,000	2,252,000	225.20	225.20
- Others					
IL&FS Engineering & Construction Co Ltd	100	-	450,000	-	42.75
IL&FS Transportation Networks Ltd	10	100,000,000	100,000,000	2,000.00	2,000.00
Compulsorily Convertible Preference Shares					
- In Joint Venture					
Syniverse Technologies (India) Pvt Ltd (Series B)	10	4,800	4,800	0.05	0.05
Syniverse Technologies (India) Pvt Ltd (Series D)	1,000	99,900	99,900	99.90	99.90
				2,325.15	2,367.90

SGD = Singapore Dollar

\$ = US Dollar

HKD = Hongkong Dollar

£ = UK Sterling Pound



(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Units of Mutual Fund - Quoted (Sponsor Investment)					
IL&FS Infrastructure Debt Fund Series 1-A	1,000,000	250	250	250.00	250.00
IL&FS Infrastructure Debt Fund Series 1-B	1,000,000	250	250	250.00	250.00
IL&FS Infrastructure Debt Fund Series 1-C	1,000,000	750	750	750.00	750.00
IL&FS Infrastructure Debt Fund Series 2-B (Refer Note (9) (g))	1,000,000	400	-	280.00	-
IL&FS Infrastructure Debt Fund Series 2-C (Refer Note (9) (g))	1,000,000	900	-	630.00	-
				2,160.00	1,250.00
OTHER INVESTMENTS					
Equity Shares - Quoted					
Electrosteel Steels Ltd	10	67,700,000	67,700,000	677.00	677.00
Reliance Defence and Engineering Ltd (formerly Pipavav Defence and Offshore Ltd)	10	12,617,254	12,617,254	775.54	775.54
Tech Mahindra Ltd	10	98,176	98,176	25.07	25.07
Sun Earth Ceramics Ltd*	10	1,291,625	1,291,625	-	-
Tata Steel Ltd	10	22,177	22,177	13.31	13.31
Equity Shares - Unquoted					
A2Z Green Waste Ltd (formerly A2Z Infrastructure Ltd)	10	4,575,015	-	94.02	-
Ahmedabad Stock Exchange Ltd	10	331,800	331,800	18.96	18.96
Allen Scott Industries Ltd	10	149,300	149,300	0.10	0.10
Champion Agro Ltd	10	162,200	162,200	20.60	20.60
Dewanchand Ramsaran Industries Pvt Ltd	10	278,125	278,125	126.00	126.00
Essel Shyam Communication Ltd	10	386,000	386,000	79.00	79.00

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
ICOMM Tele Ltd	10	2,702,100	2,702,100	75.66	75.66
IFCI Venture Capital Funds Ltd	10	250,000	250,000	4.75	4.75
John Energy Ltd	10	579,830	579,830	444.27	444.27
Kakinada SEZ Ltd	10	507,055	507,055	5.08	5.08
Mahindra Sona Ltd	10	231,600	231,600	29.30	29.30
Metropolitan Stock Exchange (formerly MCX Stock Exchange Ltd)	1	97,409,170	58,459,170	1,097.01	1,058.06
Microland Ltd*	1	2,000,000	2,000,000	-	-
National Institute for Smart Government	100	50,000	50,000	5.00	5.00
Petronet India Ltd*	10	10,000,000	10,000,000	-	-
Petronet VK Ltd*	10	5,000,000	5,000,000	-	-
Petronet CCK Ltd*	10	39,920	39,920	-	-
Petronet MHB Ltd*	10	39,920	39,920	-	-
Reid & Taylor India Ltd	10	24,523,656	24,523,656	1,169.16	1,169.16
Samudra Shoes Ltd*	10	337,500	337,500	-	-
Tamil Nadu Urban Infrastructure Financial Services Ltd	10	170,014	170,014	1.70	1.70
Tamil Nadu Urban Infrastructure Trustee Co Ltd	10	17,014	17,014	0.17	0.17
Tata Teleservices Limited	10	78,500,000	78,500,000	2,535.55	2,535.55
Tidel Park Ltd	10	2,000,000	2,000,000	20.00	20.00
Triton Overwater Transport Agency Ltd	10	498,000	498,000	4.98	4.98
Vandanaa Vidhyut Ltd	10	5,692,430	5,692,430	130.93	130.93
				7,353.16	7,220.19

Footnote - *These investments are carried at book value of ₹1/-



(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Units of Other Funds- Unquoted					
In Subsidiary					
IFIN Realty Trust (Class A)	1,000,000	790.94	804.69	790.95	804.69
Investment Square Trust	1,662,687,621	1.00	1.00	1,662.69	1,662.69
Others					
IL&FS Realty Fund (Class A)	100,000	8,198.10	8,435.29	802.20	843.53
IL&FS Milestone Fund	1,000	9,166.00	15,970.00	9.16	15.97
IL&FS Infrastructure Equity Fund-I	1,000	1,790,000.00	1,775,000.00	1,805.00	1,775.00
IL&FS IIDC Fund	1,000,000	567.06	575.66	636.71	645.31
Leverage India Fund (Class E)	1,000	94,000.07	99,693.86	94.00	99.69
Pan Asia Project Development Fund India	100	1,304,889.42	2,349,797.81	130.49	234.98
Rajasthan Project Development Fund	1,000	451.00	1,249.00	0.45	1.25
Tara India Fund-III Class A Units	1,000,000	730.63	730.63	730.63	730.63
Tara India Fund-III Class D Units	1,000,000	31.6	31.60	31.60	31.60
Tara India Fund IV Trust (Preferred)	1,000,000	23.85	20.25	23.85	20.25
Tamilnadu Urban Development Fund	100,000	1,664.46	1,664.46	166.45	166.45
Maytas Investment Trust	1,000	2,056,767.00	2,056,767.00	2,056.76	2,056.76
				8,940.94	9,088.80
Pass Through Certificates- Unquoted					
IL&FS Investment Trust - IV (PTC - II)	1	100,780	100,780	0.10	0.10
IL&FS Investment Trust - IV (PTC -Series I)	1	44,265,406	44,265,406	0.06	0.06
				0.16	0.16
Units of Mutual Fund-Quoted					
HDFC Debt Fund for Cancer Cure – 100% Dividend Donation Option	10	1,000,000	1,000,000	10.00	10.00

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Investment in Property					
Allotment of specified area at Kohinoor Square Project, Mumbai	-	-	-	2,062.85	2,062.85
Premises at Mumbai (Refer note 9 (i))	-	-	-	107.70	-
				2,170.55	2062.85
Debentures and Bonds					
Compulsorily Convertible Debentures- Unquoted					
((Refer note 9(f))					
Bajaj Power Ventures Pvt Ltd	100	-	30,000,000	-	3,000.00
Essel Sports Infrastructure Ltd	40,000,000	-	17	-	680.00
Fully Convertible Debentures- Unquoted					
A2Z Infrastructure Ltd	10,000,000	150	150	1,500.00	1,500.00
Non-Convertible Debentures- Unquoted					
ICL Lions Pvt Ltd	10,000,000	-	150	-	1,500.00
Optionally Convertible Debentures - Unquoted					
Pochampally Handloom Park Ltd (Refer note 9 (h))	100,000	602	752	60.16	75.20
Ascend Telecom Infrastructure Pvt Ltd (Refer note 9(f))	1,186,637,088	1	1	1,186.64	1,186.64
Siva Green Power Projects India Pvt Ltd (Refer note 9(f))	10,000,000	190	-	1,900.00	-
Covered Warrants- Unquoted					
NK Telecom Products Ltd	10	200,000	200,000	2.00	2.00
				4,648.80	7,943.84
Total				30,867.72	32,722.64



(c) Market Value of Quoted Investment and Cost of Unquoted Investments

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Quoted Investment		
Aggregate Market Value	4,049.62	4,708.34
Cost	5,342.40	4,862.24
Unquoted Investment		
Cost	25,525.32	27,860.40
Total Cost	30,867.72	32,722.64

- (d) The Holding Company acquired management control of IL&FS Engineering & Construction Company Ltd (IECCL) vide orders of the Company Law Board (CLB) dated August 31, 2009, in order to protect the credit exposure of the Company to IECCL. Such acquisition of shares and further investments were made exclusively to protect the interest of the Company and does not form part of a strategy to acquire and retain long term assets /investments
- (e) The Company has four foreign subsidiaries and investment in such subsidiaries has been made in foreign currency. Given the size of the Investment and level of operations, the Company has not entered into hedging of the above Investments
- (f) These investments are under put and call options with investee company or promoters of the investee company
- (g) These units are partly paid-up and unquoted as at March 31, 2016
- (h) Provision of ₹15.04 mn (As at March 31,2015 – ₹ 7.52 mn) is created being Non-performing assets as per RBI Guidelines and included in Provision for Non-Performing Assets disclosed under Note 5 (c)
- (i) Detail of premises is as under :

(₹ in million)			
Particulars	Gross Block	Depreciation	Net Block
Balance at the beginning of the year	-	-	-
Add: Addition during the year	108.24	0.54	107.70
Balance at the end of the year	108.24	0.54	107.70

(10) CURRENT MATURITIES OF NON CURRENT INVESTMENTS

Break up of Current Maturities of the Long-term Investment is as below:

Fully Paid

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Compulsorily Convertible Debentures- Unquoted					
Bajaj Power Ventures Pvt Ltd	100	30,000,000	-	3,000.00	-
Essel Sports Infrastructure Ltd	40,000,000	17	-	680.00	-
Non-Convertible Debentures- Unquoted					
ABG International Pvt Ltd	1,000	-	367,244	-	367.24
Optionally Convertible Debentures - Unquoted					
Pochampally Handloom Park Ltd (Refer note 9 (h))	1,000	150	-	15.04	-
Total				3,695.04	367.24

(11) CURRENT INVESTMENTS

(a) Summary of Current Investments is as below:

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Equity Shares	2,586.56	1,438.10
Government Securities	2,645.75	2,209.48
Debentures	-	702.02
Total	5,232.31	4,349.60



(b) Scrip wise details of the Current Investment Portfolio is as below:

Fully Paid

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Equity Shares - Quoted					
A2Z Maintenance and Engineering Services Pvt Ltd	10	4,510,000	-	95.96	-
Axis Bank Ltd	2	170,000	-	83.33	-
Ambuja Cements Ltd	2	150,000	-	29.69	-
Dabur India Ltd	1	130,000	-	36.66	-
Dr Reddy Laboratories Ltd	5	-	10,300	-	34.92
Era Infra Engineering Ltd	2	14,040,000	14,040,000	181.44	181.44
Havells India Ltd	1	100,000	-	30.87	-
Hindustan Unilever Ltd	1	37,500	-	29.93	-
HCL Technologies Ltd	2	-	20,000	-	17.37
HDFC Bank Ltd	2	30,000	-	31.88	-
Hero Honda Motors Ltd	2	30,000	4,500	79.13	13.61
ICICI Bank Ltd	2	400,000	-	95.99	-
IL&FS Engineering & Construction Co. Ltd.	10	1,000	1,000	0.12	0.12
India Cement Ltd	10	200,000	-	18.70	-
Infosys Technologies Ltd	5	30,000	-	33.37	-
Inox Wind Ltd	10	75,000	-	34.28	-
Jammu & Kashmir Bank Ltd	1	55,708	90,708	7.86	12.79
Jet Airways (India) Ltd	10	100,000	-	54.16	-
Jindal Saw Ltd	2	-	83,000	-	8.52
Larsen & Toubro Ltd	2	25,000	-	29.41	-
Mphasis Ltd	10	100,000	-	46.02	-
Nagarjuna Construction Co. Ltd	2	500,000	-	34.70	-
Parental Drugs (India) Ltd	10	176,770	176,770	55.16	55.16
Parsvnath Developers Ltd	10	11,610,000	-	188.08	-
Persistent Systems Ltd	10	32,000	-	23.15	-
Reliance Defence and Engineering Ltd (formerly Pipavav Defence and Offshore Ltd)	10	9,360,000	10,600,000	411.43	465.94
Power Finance Corporation Ltd.	10	-	44,000	-	12.36

(₹ in million)

Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Reliance Industries Ltd	10	82,000	17,000	81.49	17.18
Ruchi Soya Industries Ltd	2	1,500,000	1,500,000	67.67	67.67
S.Kumars Nationwide Ltd	10	22,058,769	22,058,769	481.05	481.05
State Bank Of India	1	370,000	-	67.34	-
Tata Communications Ltd	10	-	127,000	-	53.79
Tata Consultancy Services Ltd	1	7,500	-	19.58	-
Tata Motors (DVR Ordinary Shares - Class A)	2	102,200	44,000	36.20	16.18
Torrent Power Ltd	10	100,000	-	19.99	-
Unitech Ltd	2	22,100,000	-	144.15	-
Yes Bank Ltd	10	50,000	-	37.76	-
				2,586.56	1,438.10
Government Securities- Quoted (Refer note 3(e))					
8.60% GOI 2028 (MTY: 2-Jun-2028)	100	-	10,000,000	-	1,069.50
8.40% GOI 2024 (MTY: 28-Jul-2024)	100	1,500,000	2,000,000	156.11	208.38
9.20% GOI 2030 (MTY 30-Sep-2030)	100	-	5,500,000	-	620.06
8.15% GOI 2026 (MTY: 24-Nov-2026)	100	-	3,013,400	-	311.54
7.72% GOI 2025 (MTY: 25-May-2025)	100	4,500,000	-	450.39	-
7.88% GOI 2030 (MTY: 19-Mar-2030)	100	4,000,000	-	401.68	-
7.68% GOI 2023 (MTY: 15-Dec-2023)	100	6,500,000	-	646.03	-
7.73% GOI 2034 (MTY:19-Dec-2034)	100	5,000,000	-	495.61	-
7.59% GOI 2029 (MTY: 20-Mar-2029)	100	5,000,000	-	495.93	-
				2,645.75	2,209.48



Name of Company	Face Value	Quantity as at		Cost as at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Non-Convertible Debentures – Quoted					
8.65% PFC 2019 (MTY: 28-Nov-2019)	100	-	1,500,000	-	152.02
8.15% PGC 2020 (MTY: 09-Mar-2020)	100	-	1,000,000	-	100.00
8.15% PGC 2025 (MTY: 08-Mar-2025)	100	-	1,000,000	-	100.00
8.15% PGC 2030 (MTY: 09-Mar-2030)	100	-	1,000,000	-	100.00
Non-Convertible Debentures – Unquoted					
BVM Finance Ltd	10,000,000	-	250	-	250.00
				-	702.02
Total				5,232.31	4,349.60

(c) Market Value of Quoted Investment and Cost of Unquoted Current Investment

Particulars	(₹ in million)	
	As at March 31, 2016	As at March 31, 2015
Quoted Investment		
Aggregate Market Value	4,748.73	3,639.41
Cost	5,232.31	4,099.60
Unquoted Investment		
Cost	-	250.00
Total Cost	5,232.31	4,349.60

- (d) The Company has executed Power of Attorney in favour of its Professional Clearing Member in respect of its Dematerialised Account, holding its quoted equity investment. These investments are appropriated against margin requirement of the respective stock exchange. As on March 31, 2016, the Company is required to maintain margin of ₹ 364.45 mn (As on March 31, 2015 ₹ 20.95 mn) which is covered by current investments aggregating to ₹ 407.28 mn (As on March 31, 2015 ₹ 29.54 mn)
- (e) The Company carries a provision for the diminution in value of investments in accordance with the NBFC Prudential Norms which is disclosed under Note 5 and is not netted off with the cost of current investments

(12) LOANS AND ADVANCES

(a) Break up of Loans and Advances is as below:

Particulars	As at March 31, 2016				As at March 31, 2015			
	Short-term	Long-term		Total	Short-term	Long-term		Total
		Current	Non-Current			Current	Non-Current	
Secured Loans (Considered Good)								
To Related Parties (Refer note 25)	13,596.90	4,399.92	9,140.71	27,137.53	-	4,347.75	5,115.27	9,463.02
To Others	12,051.96	10,745.16	33,577.97	56,375.09	19,573.76	17,792.37	26,983.87	64,350.00
Unsecured Loans (Considered good)								
To Related Parties (Refer note 25)	5,389.05	2,700.87	9,221.81	17,311.73	4,104.50	9.39	1,142.58	5,256.47
To Others	3,946.27	422.62	8,268.28	12,637.17	4,048.42	2,114.16	1,623.37	7,785.95
Doubtful Loans								
To Related Parties (Refer note 25)	-	3.24	62.90	66.14	-	-	63.89	63.89
To Others	1,347.67	1,186.95	819.23	3,353.85	936.26	1,059.10	550.50	2,545.86
	36,331.85	19,458.76	61,090.90	116,881.51	28,662.94	25,322.77	35,479.48	89,465.19
Unsecured Advances (Considered good)								
Advance Payment of Taxes(net)	-	-	1,031.49	1,031.49	-	-	1,230.24	1,230.24
Capital Advances to Others								
To Related Parties (Refer note 25)	-	-	2.50	2.50	-	-	-	-
To Others	-	-	976.32	976.32	-	-	976.35	976.35
Advance towards Investments	-	-	0.01	0.01	-	-	14.91	14.91
Other Advances								
To Related Parties (Refer note 25)	34.49	-	0.50	34.99	52.99	-	0.50	53.49
To Others	200.78	-	-	200.78	29.30	-	-	29.30
Deposits	11.00	-	2.34	13.34	10.00	-	2.36	12.36
Margin Money with Related Parties	364.45	-	-	364.45	20.95	-	-	20.95
Prepaid Expenses								
To Related Parties (Refer note 25)	2.22	-	-	2.22	2.01	-	-	2.01
To Others	112.17	-	40.56	152.73	110.90	-	32.61	143.51
	725.11	-	2,053.72	2,778.83	226.15	-	2,256.97	2,483.12
Total	37,056.96	19,458.76	63,144.62	119,660.34	28,889.09	25,322.77	37,736.45	91,948.31



- (b) Provision of ₹672.95 mn (As at March 31, 2015 – ₹ 455.46 mn) is created on Doubtful Loans (Non-performing assets) as per RBI Guidelines and disclosed under Provision for Non-Performing Assets under Note 5 (c)
- (c) Unsecured Loans include loans aggregating ₹ 16,148.00 mn (As at March 31, 2015 - ₹7,068.75 mn), which are contractually unsecured. Remaining amount represents contractually Secured Loans where either the realizable value of underlying security is less than Loan amount or Security Creation is under process as at balance sheet date
- (d) Margin Money with Related Parties includes Initial Margin on Equity Derivative transactions of ₹364.45 mn (As at March 31, 2015 - ₹20.95 mn) paid by the Company to their capacity as Professional Clearing Member

(13) TRADE RECEIVABLES

- (a) Trade Receivables comprises of receivable of Interest and other dues from its clients and fee for services rendered to its clients. Provision for Bad and Doubtful Debt is made on receivable of fees for services
- (b) Trade Receivables are classified into following categories :

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	51.51	24.24
Unsecured, Considered Doubtful	153.22	113.61
Less : Provision for Bad and Doubtful Debts	(153.22)	(113.61)
Other Debts		
Secured, Considered Good	402.17	457.51
Unsecured, Considered Good	1,059.30	1,216.98
Total	1,512.98	1,698.73

(14) CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Cheques on Hand	226.26	1,516.09
Balance with Banks		
i) In current accounts	7,249.50	1,091.22
ii) In demand deposit accounts	5,394.19	16,070.95
Total	12,869.95	18,678.26

(15) OTHER CURRENT AND NON-CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Current	Non-Current	Current	Non-Current
Income Accrued on Investments	605.67	835.30	108.89	944.18
Income Accrued on Lease, Loans and Advances	1,671.46	801.47	1,629.28	485.50
Receivable on Sale of Securities	105.13	-	42.41	-
Total	2,382.26	1,636.77	1,780.58	1,429.68

(16) CONTINGENT LIABILITY
(a) Guarantees

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Guarantees issued on behalf of third parties	584.87	3,635.51

(b) Claims against Company not acknowledged as debts

- (i) Income Tax: Demand Raised by Income Tax Authorities against the Company not acknowledged as debts and not provided for, the Company is in appeal at various authorities - ₹9.95 mn (As at March 31, 2015- ₹117.59mn)



- (ii) Sales Tax: Demand raised by Sales Tax authorities against the Company ₹11.71 mn for Lease tax dues (As at March 31, 2015 - ₹ 11.71 mn), against which the Company has preferred appeals with the Appellate Tribunal, High Court
- (iii) Service Tax: Demand raised by Service Tax authorities against the Company ₹ 0.67 mn for CENVAT credit availed (As at March 31, 2015 ₹ 0.67 mn), against which the Company has preferred appeals with the Custom Excise & Service Tax Appellate Tribunal
- (iv) Others: Demand Raised by Superintendent of Stamps, Maharashtra against the Company not acknowledged as debts and not provided for towards penalty for delay in payment of stamp duty, the Company has challenged the notice issued, with the authorities - ₹ 97.60 mn (As at March 31, 2015 - ₹ 97.60 mn)

The Company does not expect any outflow of economic resources in respect of the above

(17) COMMITMENTS

(a) Capital Commitments

Estimated amount of contracts remaining to be executed but not provided in respect of Tangible Assets ₹0.47 mn (As at March 31, 2015- ₹ 0.45 mn)

(b) Financial Commitments

Undisbursed Commitment in respect of Loans is ₹96.70 mn (Previous Year ₹409.12 mn) and in respect of Investments is ₹1,311.15 mn (Previous Year ₹2,104.75 mn)

(c) 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:

(₹ in million)		
Particulars	As at March 31, 2016	As at March 31, 2015
Less than one year	24.66	24.66
One to five years	4.73	29.39
Total	29.39	54.05

Footnote- The Operating Lease expenses incurred during the Year of ₹16.70 mn (Previous Year ₹ 16.70 mn) is included in Rent Expenses

(18) DERIVATIVE INSTRUMENTS

(a) Detail of outstanding derivative instruments are as below:

Particulars	As at March 31, 2016	As at March 31, 2015
Index Options		
No. of Contracts	4,663	2,000
Notional Principal (₹ in mn)	16.33	5.66
Interest Rate Swap		
No. of Contracts	1	5
Notional Principal (₹ in mn)	250.00	1,750.00
Currency Rate Swap		
No. of Contracts	1	-
Notional Principal (₹ in mn)	700.00	-

(b) Details of Equity/Index option outstanding as at March 31, 2016 are as below:

(₹ in million)

Particulars	Total Premium carried forward at the Year end including provision made	
	As at March 31, 2016	As at March 31, 2015
Index Option	16.37	7.47



(19) REVENUE FROM OPERATIONS

- (a) The Company is engaged in the area of Financial Services and its revenue from operations includes Interest on Lending and Investment Portfolio, Gain on sale of Investments and Fee from Services as per the table below:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Fund Based		
Interest Income on Loans*	14,628.17	14,374.65
Income from Investments	2,180.83	2,874.64
Lease Income	0.24	0.23
Interest on Deposits	514.67	275.80
Fee Based		
Project Debt Syndication Fees	1,366.45	1,300.95
Consultancy and Advisory Fees	333.76	245.91
Total	19,024.12	19,072.18

*Footnote - Interest income is net-off provision made for interest sacrifice and reversal of interest income towards provision for funded interest term loan on restructured advances (Refer note 5 (a))

- (b) Break up of Income from Investments are as below:

(₹ in million)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Non-Current	Current	Non-Current	Current
Interest/Discount/Premium	1,037.15	223.05	1,354.05	291.90
Pass Through Income	23.04	-	163.42	-
Dividend Income	296.94	13.63	181.77	18.52
Net Gain on Sale of Investment	2.25	150.48	10.89	598.07
Profit/(loss) on Derivative Contracts	-	434.29	-	256.02
	1,359.38	821.45	1,710.13	1,164.51
Total		2,180.83		2,874.64

(20) FINANCE COSTS

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expenses on Borrowings	12,123.66	12,088.19
Other Finance Costs	62.01	71.89
Total	12,185.67	12,160.08

(21) EXPENSES

(a) Employees Benefit Expenses comprises of:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and Allowances	635.79	488.17
Contribution to Provident and Other Fund	54.55	26.51
Staff Training and Welfare Expenses	29.41	22.80
Total	719.75	537.48

(b) Other Operating Expenses

(i) Break up of Other Operating Expenses is as below:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Rent	96.44	89.01
Electricity Charges	3.94	3.72
Rates and Taxes	67.94	51.28
Repairs and Maintenance	31.42	35.04
Travelling and Conveyance	47.55	45.44
Communication Expenses	9.72	8.15
Legal and Professional Charges	61.44	43.66
Insurance Expenses	1.07	3.05
Brand Subscription Charges	192.12	181.50
Service Charges	214.13	271.29
Corporate Social Responsibility Expense	69.35	6.54
Miscellaneous Expenses	141.22	106.34
Total	936.34	845.02



(ii) Rent expense is net of recovery made of ₹ 6.20 mn (Year ended March 31, 2015: ₹ 20.94 mn) from Subsidiaries

(iii) In terms of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities approved by the Committee are (i) skills and livelihood (ii) education and (iii) discretionary items

In line with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountants of India, the disclosure of the CSR expenditure during the year, is as under:

(a) Gross amount required to be spent by the company during the year: ₹ 76.98 mn

(b) Amount spent during the year on:

(₹ in million)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	Nil	Nil	Nil
(ii)	On purposes other than (i) above	69.35	Nil	69.35

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

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
As Auditor	15.00	13.62
Other Matters	6.67	3.68
Total	21.67	17.30

(22) PROVISION, CONTINGENCIES AND WRITE OFFS

(₹ in million)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Provisions for :				
General Contingencies Written Back	-		(1,782.20)	
Non-Performing Assets Written Back	(364.70)	(364.70)	(593.75)	(2,375.95)
Loans Written off	315.94		1,556.95	
Recovery of Loans Written off earlier	(75.00)		-	
Diminution in value of Long-term Investments	-	240.94	819.00	2,375.95
		123.76		-
General Contingencies Created	1,200.00		1,169.70	
Standard Assets	120.00		-	
Standard Restructured Assets	(5.77)		61.53	
Non-Performing Assets Created	589.71		508.30	
Bad and Doubtful Debts	39.61	1,943.55	51.62	1,791.15
Mark to Market on Derivatives		(7.17)		(9.07)
Provision/(Write Back) for Diminution in :				
- Long-term Investments		240.11		98.32
- Current Investments		85.03		(235.00)
Total		2,137.76		1,645.40



(23) 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:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit for the year (₹ in mn)	1,927.79	2,493.70
Dividend on NCRCPS (including dividend distribution tax thereon)	(1.48)	-
Profit attributable for Equity Shareholders	1,926.31	2,493.70
- Weighted Average number of Equity Shares in calculating Basic and Diluted EPS	265,667,555	265,667,555
Face Value (₹ per Share)	10.00	10.00
Basic and Diluted Earnings (₹ per Share)	7.25	9.39

(24) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions during the year are as follows:

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
I. Earnings in Foreign Currency		
Income	-	4.57
II. Expenses in Foreign Currency		
Foreign Travel	0.03	0.22
Others	3.24	2.36
Total	3.27	2.58

25) RELATED PARTY TRANSACTIONS

(a) As per the Accounting Standard - 18 on 'Related Party Transactions', the related parties as at March 31, 2016 are as follows:

Holding Company	2016	2015	Fellow Subsidiaries*	2016	2015
Infrastructure Leasing & Financial Services Ltd	✓	✓	IL&FS Education & Technology Services Ltd	✓	✓
Subsidiary Companies	2016	2015	IL&FS Energy Development Co Ltd	✓	✓
IL&FS Global Financial Services Pte Ltd	✓	✓	IL&FS Environmental Infrastructure & Services Ltd	✓	✓
IL&FS Global Financial Services (UK) Ltd	✓	✓	IL&FS IIDC Fund	✓	✓
IL&FS Global Financial Services (ME) Ltd	✓	✓	IL&FS Infrastructure Equity Fund-I	✓	✓
IL&FS Global Financial Services (HK) Ltd	✓	✓	IL&FS Investment Managers Ltd	✓	✓
IL&FS Capital Advisors Ltd	✓	✓	IL&FS Investment Trust – I	✓	✓
IL&FS AMC Trustee Ltd	✓	✓	IL&FS Investment Trust - IV	✓	✓
IL&FS Infra Asset Management Ltd	✓	✓	IL&FS Maritime Infrastructure Co Ltd	✓	✓
IL&FS Broking Services Pvt Ltd	✓	✓	IL&FS Orix Trust	✓	✓
Enterprises over which IFIN has control	2016	2015	IL&FS Paradip Refinery Water Ltd	✓	✓
IFIN Realty Trust	✓	✓	IL&FS Portfolio Management Services Ltd	✓	✓
Investment Square Trust	✓	✓	IL&FS Rail Ltd	✓	✓
Affiliates Companies(Joint Venture)	2016	2015	IL&FS Renewable Energy Ltd	✓	✓
Syniverse Technologies (India) Pvt Ltd	✓	✓	IL&FS Securities Services Ltd	✓	✓
Fellow Subsidiaries*	2016	2015	IL&FS Solar Power Ltd	✓	-
Apptex Marketing Services & Solutions Ltd	✓	-	IL&FS Tamil Nadu Power Co Ltd	✓	✓
Baleshwar Kharagpur Expressway Ltd	✓	✓	IL&FS Technologies Ltd	✓	✓
Barwa Adda Expressway Ltd	✓	✓	IL&FS Township & Urban Assets Ltd	✓	✓
Bhopal E Governance Ltd	✓	✓	IL&FS Transportation Networks Ltd	✓	✓
Chenani Nashri Tunnelway Ltd	✓	✓	IL&FS Trust Co Ltd	✓	✓
Dakshin Dilli Swachh Initiatives Ltd	✓	-	IL&FS Urban Infrastructure Managers Ltd	-	✓
East Delhi Waste Processing Co Pvt Ltd	✓	✓	IL&FS Water Ltd	✓	✓
Gujarat Integrated Maritime Complex PvtLtd	✓	-	IL&FS Wind Farms Ltd	✓	✓
Hazaribagh Ranchi Expressway Ltd	✓	✓	IL&FS Wind Power Services Ltd	✓	✓
IIDC Ltd	✓	✓	IL&FS Wind Projects Development Ltd	✓	-
IL&FS Airport Ltd	✓	✓	IMICL Dighi Maritime Ltd	✓	✓
IL&FS Cluster Development Initiative Ltd	✓	✓	Integrated Waste Mgmt & Urban Services (TN) Pvt Ltd	-	✓
			ISSL Market Services Ltd	✓	✓
			ISSL Settlement & Transaction Services Ltd	✓	✓
			ISSLCPG BPO Pvt Ltd	✓	-
			IL&FS Urban Infrastructure Managers Ltd	✓	✓
			ITNL Road Infrastructure Development Co Ltd	✓	✓
			ITNL International Pte Ltd	✓	✓

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



Fellow Subsidiaries*	2016	2015
Jharkhand Road Projects Implementation Co Ltd	✓	✓
Jogihali Wind Energy Pvt Ltd	✓	✓
Kanak Resources Management Ltd	✓	-
Karyavattom Sports Facilities Ltd	✓	✓
Khandke Wind Energy Pvt Ltd	✓	✓
Khed Sinnar Expressway Ltd	✓	✓
Kiratpur Ner Chowk Expressway Ltd	✓	✓
Lalpur Wind Energy Pvt Ltd	✓	✓
LIVIA India Ltd	✓	✓
Mahidad Wind Energy Pvt Ltd	✓	✓
Mandvi LNG Terminal Ltd	✓	-
Moradabad Bareilly Expressway Ltd	✓	-
Mota Layja Gas Power CoLtd	✓	-
Nana Layja Power Co Ltd	✓	✓
Patiala Bio Power Co Ltd	-	✓
Porto Novo Maritime Ltd	✓	✓
Pune Solapur Road Development Co Ltd	✓	-
Rapid MetroRail GurgaonLtd	✓	-
Rapid MetroRail Gurgaon South Ltd	✓	✓
RDF Power Projects Ltd	✓	✓
Ratedi Wind Power Ltd	✓	✓
Rohtas Bio Energy Ltd	✓	-
Sabarmati Capital One Ltd	✓	✓

Fellow Subsidiaries*	2016	2015
Sabarmati Capital Two Ltd	✓	✓
Sealand Warehousing Pvt Ltd	✓	✓
Sipla Wind Energy Ltd	✓	✓
Skill Training Assessment Management Partners Ltd	✓	-
TADAS Wind Energy PvtLtd	✓	✓
Tierra Enviro Ltd	✓	-
Unique Waste Processing Co Ltd	✓	-
West Gujarat Expressway Ltd	-	✓
Wind Urja India Pvt Ltd	-	✓

Key Management Personnel	2016	2015
Mr Ravi Parthasarathy, Chairman	✓	✓
Mr Hari Sankaran, Director	✓	✓
Mr Arun K Saha, Director	✓	✓
Mr Vibhav Kapoor, Director	✓	✓
Mr Ramesh Bawa, Managing Director & CEO	✓	✓
Mr Milind Patel, Joint Managing Director	✓	✓
Mr Rajesh Kotian, Deputy Managing Director	✓	✓
Mr Deepak Pareek, Chief Financial Officer	✓	✓
Mrs Neelam Desai, Company Secretary	✓	✓

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

- (b) The nature and volume of the transactions during the year ended March 31, 2016 with the above related parties were as follows:

(₹ in million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Joint Venture	Key Management Personnel	Year ended March 31, 2016
Income							
Interest	-	-	3,153.93	-	-	-	3,153.93
Investment Income	-	-	232.54	2.07	61.35	-	295.96
Fee and Other Income	0.03	5.35	1,451.26	-	-	-	1,456.64
Expenditure							
Interest and Finance Charges	38.63	0.38	675.57	-	-	-	714.58
Other Operating Expenses	297.30	(9.55)	201.88	-	-	4.75	494.38
KMP Remuneration	-	-	-	-	-	151.60	151.60
Balances as at end of the Year							
Assets							
Non-Current Assets							
Long-term Loans & Advances	-	0.50	18,427.92	-	-	-	18,428.42
Current Assets							
Current Maturity of Long-term Loans & Advances	-	-	7,104.03	-	-	-	7,104.03
Trade Receivables	-	3.10	1,039.10	-	-	-	1,042.20
Short-term Loans & Advances	25.04	7.12	19,352.72 ¹	0.01	-	2.22	19,387.11
Other Current Assets	-	-	502.16	-	-	-	502.16
Liabilities							
Non-Current Liabilities							
Long-term Borrowings	-	-	100.00	-	-	-	100.00
Current Liabilities							
Current Maturity of Long Term Borrowings	-	-	1,854.42	-	-	-	1,854.42
Short-term Borrowings	-	-	10,270.68	-	-	-	10,270.68
Trade Payables	4.86	0.35	14.64	-	-	-	19.85
Other Current Liabilities	-	-	187.27	-	-	-	187.27
Off Balance Sheet Items							
Guarantees Given	-	-	300.00	-	-	-	300.00
Transactions during the Year ended March 31, 2016							
Brokerage Paid	-	2.71	-	-	-	-	2.71
Subscription to Shares/Units	-	910.00	129.59	-	-	-	1,039.59
Redemption of Shares/units	-	-	8.60	13.74	-	-	22.34
Long Term/ Short Term Loans Given (Assets)	-	-	61,257.75	-	-	-	61,257.75
Long Term/ Short Term Loans repaid (Assets)	-	-	29,214.49	-	-	-	29,214.49
Long Term/ Short Term Borrowing Taken (Liabilities)	30,783.70	-	68,227.02	-	-	-	99,010.72
Repayment of Long Term / Short term Borrowing (Liabilities)	30,783.70	-	60,902.34	-	-	-	91,686.04
Dividend Paid	1,328.34	-	-	-	-	-	1,328.34

¹ Includes ₹364.45mn paid to clearing member and stock broker on account of margin money required to be paid as per Exchange regulations



The nature and volume of the transactions during the year ended March 31, 2015 with the aboverelated parties were as follows

(₹ in million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Joint Venture	Key Management Personnel	Year ended March 31, 2015
Income							
Interest	-	-	2,179.06	-	-	-	2,179.06
Investment Income	-	-	121.93	22.21	45.44	-	189.58
Fee and Other Income	0.24	47.33	1,117.41	-	-	-	1,164.98
Expenditure							
Interest and Finance Charges	23.88	1.40	431.32	-	-	-	456.60
Other Operating Expenses	294.75	(21.51)	229.75	-	-	4.69	507.68
KMP Remuneration	-	-	-	-	-	142.48	142.48
Assets							
Non-Current Assets							
Long-term Loans & Advances	-	0.50	6,321.74	-	-	-	6,322.24
Current Assets							
Current Maturity of Long-term Loans & Advances	-	-	4,357.14	-	-	-	4,357.14
Trade Receivables	-	43.66	922.10	-	-	-	965.76
Short-term Loans & Advances	35.81	0.89	4,141.74	0.01	-	2.01	4,180.46
Other Current Assets	-	-	249.59	-	-	-	249.59
Liabilities							
Non-Current Liabilities							
Long-term Borrowings							
Current Liabilities	-	-	2,505.60	-	-	-	2,505.60
Current Maturities of Long-term Borrowings							
Short-term Borrowings	-	-	2,841.82	-	-	-	2,841.82
Trade Payables	4.51	0.22	113.15	-	-	-	117.88
Other Current Liabilities	2.02	-	119.32	-	-	-	121.33
Off Balance Sheet Items							
Guarantees Given	-	-	334.63	-	-	-	334.63
Transactions during the Year ended March 31, 2015							
Subscription to Shares/Units	-	3.16	-	-	-	-	3.16
Redemption of Shares/Units	-	-	134.77	-	-	-	134.77
Purchase of Investments	-	-	535.46	49.37	-	-	584.83
Long Term/ Short Term Loans Given (Assets)	-	-	12,550.70	-	-	-	12,550.70
Long Term/ Short Term Loans repaid (Assets)	-	-	11,557.23	-	-	-	11,557.23
Long Term/ Short Term Borrowing Taken (Liabilities)	31,640.00	75.10	40,857.30	-	-	-	72,572.40
Long Term / Short term Borrowing repaid (Liabilities)	31,640.00	75.10	37,441.74	-	-	-	69,156.85
Dividend Paid	1,461.17	-	-	-	-	-	1,461.17

¹ Includes ₹20.95 mn paid to clearing member and stock broker on account of margin money required to be paid as per Exchange regulations

(c) Statement of significant transaction/balances during the year ended March 31, 2016 are as below:

(₹ in million)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
INCOME				
Interest				
IL&FS Maritime Infrastructure Company Ltd	-	405.14		
IL&FS Renewable Energy Ltd	-	377.75		
IL&FS Technologies Ltd	-	371.53		
Jharkhand Road Projects Implementation Co Ltd	-	441.40		
Investment Income				
IL&FS Transportation Networks Ltd	-	217.80		
IL&FS Securities Services Ltd	-	14.77		
Fee & Other Income				
IL&FS Energy Development Co Ltd	-	171.75		
IL&FS Paradip Refinery Water Ltd	-	150.00		
IL&FS Tamil Nadu Power Company Ltd	-	211.68		
IL&FS Transportation Networks Ltd	-	459.78		
EXPENDITURE				
Interest and Finance Charges				
IL&FS Securities Services Ltd	-	518.13		
IL&FS Energy Development Co Ltd	-	30.46		
IL&FS Maritime Infrastructure Co Ltd	-	30.44		
IL&FS Renewable Energy Ltd	-	21.58		
ISSL Settlement and Transactions Ltd	-	27.57		
Other Operating Expenses				
IL&FS Securities Services Ltd	-	113.97		
IL&FS Portfolio Management Ltd	-	60.04		
Livia India Ltd	-	34.43		
Mr Ramesh Bawa	-	-	-	4.75
Brokerage Paid				
IL&FS Broking Services Pvt Ltd	2.71	-	-	-
Managerial Remuneration				
Mr Ramesh Bawa				52.68
Mr Milind Patel	-	-	-	42.57
Mr Rajesh Kotian	-	-	-	31.68
Mr Deepak Pareek	-	-	-	11.90
Ms Neelam Desai	-	-	-	7.21
Long Term/ Short Term Loans Given (Assets)				
Gujarat Integrated Maritime Complex Pvt Ltd	-	3,230.00		-
IL&FS Renewable Energy Ltd	-	5,010.00	-	-



Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
IL&FS Wind Projects Development Ltd	-	3,240.00		-
Jharkhand Road Project Implementations Co Ltd	-	3,335.00	-	-
Mota Layja Gas Power Co Ltd	-	3,400.00	-	-
Rapid Metrorail Gurgaon South Ltd	-	6,450.00	-	-
Long Term/ Short Term Loans repaid (Assets)				
IL&FS Cluster Development Initiative Ltd	-	1,700.00	-	-
IL&FS Renewable Energy Ltd	-	7,626.00	-	-
IL&FS Rail Ltd	-	2,050.00	-	-
IL&FS Technologies Ltd	-	1,775.52	-	-
IL&FS Employees Welfare Trust	-	1,738.75	-	-
Jharkhand Road Project Implementations Co Ltd	-	2,829.50	-	-
Rapid Metrorail Gurgaon South Ltd	-	2,762.50	-	-
Subscription to Shares/Units				
IL &FS Transportation Networks Ltd	-	95.99	-	-
IL&FS Infrastructure Equity Fund-I	-	30.00	-	-
Tara India Fund IV Trust	-	3.60	-	-
IL&FS Infra Asset Management Ltd	910.00	-	-	-
Redemption of Investments				
IFIN Realty Trust	-	-	13.74	-
IL&FS IIDC Fund	-	8.60	-	-
Long Term/ Short Term Borrowing Taken (Liabilities)				
IL&FS Securities Services Ltd	-	41,509.00	-	-
IL&FS Renewable Energy Ltd	-	11,557.44	-	-
Long Term / Short term Borrowing repaid (Liabilities)				
IL&FS Securities Services Ltd	-	34,570.10	-	-
IL&FS Renewable Energy Ltd	-	11,557.44	-	-
Balances as at end of the year				
ASSETS				
Long-term Loans and Advances				
IL&FS Solar Power Ltd	-	2,540.00	-	-
IL&FS Wind Projects Development Ltd	-	2,140.00	-	-
Jharkhand Road Projects Implementation Co Ltd	-	3,335.00	-	-
Mota Layja Gas Power Co Ltd	-	1,999.31	-	-
Rohtas Bio Energy Ltd	-	2,310.00	-	-
Current Maturity Of Long-term Loans				

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
Gujarat Integrated Maritime Complex Pvt Ltd	-	3,000.00	-	-
IL&FS Maritime Infrastructure Co Ltd	-	1,020.00	-	-
Rapid Metrorail Gurgaon South Ltd	-	2,700.00	-	-
Short-term Loans and Advances				
Livia India Ltd	-	2,760.00	-	-
Rapid Metrorail Gurgaon Ltd	-	2,850.00	-	-
Tierra Enviro Ltd	-	2,000.00	-	-
Unique Waste Processing Co Ltd	-	2,000.00	-	-
Mr Ramesh C Bawa	-	-	-	2.22
Trade Receivables				
IL&FS Energy Development Co Ltd	-	155.24	-	-
IL&FS Transportation Networks Ltd	-	315.92	-	-
Pune Solapur Road Development Co Ltd	-	103.05	-	-
Other Current Assets				
Livia India Ltd	-	67.73	-	-
Sabarmati Capital One Ltd	-	58.71	-	-
Sabarmati Capital Two Ltd	-	76.30	-	-
Tierra Enviro Ltd	-	74.79	-	-
Unique Waste Processing Co Ltd	-	74.79	-	-
LIABILITIES				
Long-term Borrowings				
IL&FS Securities Services Ltd	-	100.00	-	-
Current Maturity of Long-term Borrowings				
IL&FS Securities Services Ltd	-	1,720.00	-	-
Short-term Borrowings				
IL&FS Securities Services Ltd	-	9,390.00	-	-
Trade Payables				
IL&FS Securities Services Ltd	-	13.12	-	-
Current Liabilities				
IL&FS Securities Services Ltd	-	134.15	-	-
IL&FS Wind Projects Development Ltd	-	29.09	-	-
Off Balance Sheet Items				
IL&FS Transportation Networks Ltd	-	300.00	-	-



Statement of significant transaction/balances during the year ended March 31, 2015
are as below

(₹ in million)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
INCOME				
Interest				
IL&FS Renewable Energy Ltd	-	464.84	-	-
IL&FS Maritime Infrastructure Co Ltd	-	401.11	-	-
Jharkhand Road Projects Implementation Co Ltd	-	367.70	-	-
Investment Income				
IL&FS Investment Trust - I (IIT - I)	-	40.35	-	-
IL&FS Securities Services Ltd	-	9.87	-	-
IFIN Realty Trust	-	-	22.21	-
IL&FS Orix Trust	-	(44.05)	-	-
IL &FS Transportation Networks Ltd	-	117.83	-	-
Fee & Other Income				
IL&FS Tamil Nadu Power Company Ltd	-	366.60	-	-
IL&FS Transportation Networks Ltd	-	302.22	-	-
IL&FS Infra Asset Management Ltd	40.00	-	-	-
EXPENDITURE				
Interest and Finance Charges				
IL&FS Securities Services Ltd	-	329.06	-	-
ISSL Settlement and Transactions Ltd	-	34.72	-	-
IL&FS Broking Services Pvt Ltd	1.40	-	-	-
Other Operating Expenses				
IL&FS Securities Services Ltd	-	142.48	-	-
IL&FS Portfolio Management Ltd	-	93.66	-	-
Mr Ramesh C Bawa	-	-	-	4.69
Brokerage Paid				
IL&FS Broking Services Pvt Ltd	3.16	-	-	-
Managerial Remuneration				
Mr Ramesh C Bawa	-	-	-	55.44
Mr Milind Patel	-	-	-	42.81
Mr Rajesh Kotian	-	-	-	27.73
Mr Deepak Pareek	-	-	-	10.97
Ms Neelam Desai	-	-	-	4.91

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
Long Term/ Short Term Loans Given (Assets)				
IL&FS Rail Ltd	-	3,500.00	-	-
Jharkhand Road Projects Implementations Co Ltd	-	2,472.50	-	-
IL&FS Maritime Infrastructure Co Ltd	-	1,365.00	-	-
Nana Layja Power Co Ltd	-	900.00	-	-
Long Term/ Short Term Loans repaid (Assets)				
Nana Layja Power Co Ltd	-	2,400.00	-	-
IL&FS Rail Ltd	-	1,950.00	-	-
IL&FS Energy Development Co Ltd	-	1,250.00	-	-
Jharkhand Road Projects Implementations Co Ltd	-	1,200.00	-	-
Subscription to Shares/Units				
IL &FS Transportation Networks Ltd	-	75.92	-	-
IL&FS Infrastructure Equity Fund-I	-	30.00	-	-
IL&FS IIDC Fund	-	28.85	-	-
Redemption of Investments				
IFIN Realty Trust	49.37	-	-	-
IL&FS Investment Trust - I (IIT - I)	-	444.50	-	-
IL&FS Orix Trust	-	73.30	-	-
Long Term/ Short Term Borrowing Taken (Liabilities)				
IL&FS Securities Services Ltd	-	26,444.70	-	-
IL&FS Broking Services Pvt Ltd	75.10	-	-	-
Long Term / Short term Borrowing repaid (Liabilities)				
IL&FS Securities Services Ltd	-	23,473.10	-	-
IL&FS Broking Services Pvt Ltd	75.10	-	-	-
Balances as at end of the year				
ASSETS				
Long-term Loans and Advances				
IL&FS Maritime Infrastructure Co Ltd	-	2,500.00	-	-
IL&FS Technologies Ltd	-	2,673.40	-	-
Sabarmati Capital Two Ltd	-	900.00	-	-



(₹ in million)

Nature of Transactions	Subsidiaries	Fellow Subsidiaries	Enterprises over which Company has control	Key Management Personnel
Current Maturity Of Long-term Loans				
IL&FS Renewable Energy Ltd	-	2,500.00	-	-
Jharkhand Road Projects Implementation Co Ltd	-	1,557.00	-	-
Short-term Loans and Advances				
IL&FS Rail Ltd	-	1,550.00	-	-
Jharkhand Road Projects Implementation Co Ltd	-	1,272.50	-	-
East Delhi Waste Processing Co Ltd	-	716.00	-	-
IL&FS Environmental Infrastructure & Services Ltd	-	450.00	-	-
IL&FS Capital Advisors Ltd	0.57	-	-	-
Mr Ramesh C Bawa	-	-	-	2.01
Trade Receivables				
IL&FS Tamilnadu Power Co Ltd	-	411.91	-	-
IL&FS Transportation Networks Ltd	-	168.17	-	-
IL&FS Infra Asset Management Ltd	40.10	-	-	-
Other Current Assets				
IL&FS Technologies Ltd	-	111.25	-	-
Sabarmati Capital Two Ltd	-	53.11	-	-
IL&FS Environmental Infrastructure & Services Ltd	-	45.21	-	-
IL&FS Maritime Infrastructure Co Ltd	-	29.38	-	-
LIABILITIES				
Long-term Borrowings				
IL&FS Securities Services Ltd	-	2,500.00	-	-
Short-term Borrowings				
IL&FS Securities Services Ltd	-	1,771.10	-	-
IL&FS Energy Development Co Ltd	-	510.00	-	-
Trade Payables				
IL&FS Infra Asset Management Ltd	0.22	-	-	-
IL&FS Securities Services Ltd	-	81.26	-	-
IL&FS Portfolio Management Services Ltd	-	31.88	-	-
Current Liabilities				
IL&FS Securities Services Ltd	-	89.30	-	-
Jharkhand Road Projects Implementation Co Ltd	-	15.89	-	-
Off Balance Sheet Items				
IL&FS Transportation Networks Ltd	-	300.00	-	-
IIDC Ltd	-	34.63	-	-

(26) JOINT VENTURE REPORTING

- (a) The Company has a joint control over the following entity as per AS 27- Financial reporting of interests in Joint Ventures

Jointly Controlled Entity (Incorporated In India)	Percentage of Ownership Interest	
	As at March 31, 2016	As at March 31, 2015
Syniverse Technologies (India) Pvt Ltd	26.00%	26.00%

- (b) The aggregate amount of assets, liabilities, income and expenditure of the jointly controlled entity, based on audited financial statement of the entity is as follows:

Balance Sheet Items

(₹ in million)

Particulars	As at March 31, 2016	As at March 31, 2015
Assets	98.94	89.12
Liabilities	27.72	18.82
Contingent Liabilities	1.59	1.59

Statement of Profit and Loss Items

(₹ in million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Income	120.56	94.83
Expenses (including tax)	68.21	54.95

(27) SEGMENT REPORTING

The Company is in the business of providing financial 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".



(28) Information relating to Restructured Accounts in accordance with RBI Notification No. DNBS(PD).NO.272 /CGM(NSV) dated

January 23, 2014

(a) For the year ended March 31, 2016

(₹ in Crore)

Sr. No.	Type of Restructuring Asset Classification	Under CDR Mechanism				Others			
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful
1	Restructured Accounts as on April 01, 2015								
	No of Borrowers	2	1	-	-	3	9	5	2
	Amount Outstanding	16.75 ²	15.96	-	-	32.71	363.31	25.01 ¹	10.15
	Provision there on	3.53	1.88	-	-	5.41	28.19	0.03	0.14
2	Freshly Restructured during the year ended March 31, 2016								
	No of Borrowers	-	-	-	-	-	2	-	-
	Amount Outstanding	-	-	-	-	-	37.77	0.22	-
	Provision there on	0.03	-	-	-	0.03	3.23	-	-
3	Up gradations to restructured standard category								
	No. of Borrowers	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at the April 1, 2016 ³								
	No of Borrowers	-	-	-	-	-	(1)	-	-
	Amount Outstanding	(0.05)	-	-	-	(0.05)	(81.32)	-	-
	Provision there on	-	-	-	-	-	(4.99)	-	-
5	Down gradations of restructured accounts during the year ended March 31, 2016								
	No of Borrowers	(1)	-	-	1	-	(3)	(3)	5
	Amount Outstanding	(12.19)	-	-	12.19	-	(54.55)	(15.62) ¹	61.27 ¹
	Provision there on	(2.42)	-	-	2.42	-	(6.15)	-	3.78
6	Write offs of restructured accounts during the year ended March 31, 2016								
	No of Borrowers	-	-	-	(1)	(1)	-	-	(1)
	Amount Outstanding	-	-	-	(12.19)	(12.19)	-	-	(8.90)
	Provision there on	-	-	-	(2.42)	(2.42)	-	-	-
7	Restructured Accounts as on March 31, 2016								
	No of Borrowers	1	1	-	-	2	7	2	7
	Amount Outstanding	4.51 ²	15.96	-	-	20.47	265.21	9.61	71.42 ¹
	Provision there on	1.14	1.88	-	-	3.02	20.28	0.03	3.92

1. For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2015 and March 31, 2016 is ₹ 7.52 crores

2. For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on March 31, 2015 and March 31, 2016 is ₹ 118.64 crores

3. No of borrowers and amount outstanding under Sr no 4 of above table includes, recoveries made from existing restructured facilities

4. Provision includes provision made for interest sacrifice amounting to ₹14.58 crores and provision on standard restructured assets amounting to ₹ 12.67 crores in accordance with notification no DNBS(PD).NO.272 /CGM(NSV) (Refer Note 5 (a))

(b) For the year ended March 31, 2015

(₹ in Crore)

Sr. No.	Type of Restructuring Asset Classification	Under CDR Mechanism				Others					
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01, 2014										
	No of Borrowers	3	-	-	-	3	13	2	1	-	16
	Amount Outstanding	30.18 ²	-	-	-	30.18	224.63 ¹	8.08	6.70	-	239.41
	Provision there on	5.65	-	-	-	5.65	12.50	-	0.14	-	12.64
2	Freshly Restructured during the year ended March 31, 2015										
	No of Borrowers	-	-	-	-	-	2	-	-	-	2
	Amount Outstanding	2.54	-	-	-	2.54	266.97 ⁴	0.60	1.21	-	268.67
	Provision there on	0.15	-	-	-	0.15	19.46	-	-	-	19.46
3	Up gradations to restructured standard category										
	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2015 and hence need not be shown as restructured standard advances at the April 1, 2014 ³										
	No of Borrowers	-	-	-	-	-	(2)	-	-	-	(2)
	Amount Outstanding	(0.02)	-	-	-	(0.02)	(118.76)	(0.06)	-	-	(118.82)
	Provision there on	-	-	-	-	-	(1.35)	-	-	-	(1.35)
5	Down gradations of restructured accounts during the year ended March 31, 2015										
	No of Borrowers	(1)	1	-	-	-	(4)	3	1	-	-
	Amount Outstanding	(15.96)	15.96	-	-	-	(18.62) ¹	16.39 ¹	2.23	-	-
	Provision there on	(2.27)	1.88	-	-	(0.39)	(2.39)	-	-	-	(2.39)
6	Write offs of restructured accounts during the year ended March 31, 2015										
	No of Borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31, 2015										
	No of Borrowers	2	1	-	-	3	9	5	2	-	16
	Amount Outstanding	16.75 ²	15.96	-	-	32.70	354.21 ⁴	25.01 ¹	10.14	-	389.37
	Provision there on	3.53	1.88	-	-	5.41	28.21	-	0.14	-	28.35

- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2014 and March 31, 2015 is ₹ 7.52 crores
- For one of the clients in addition to amount of restructured facility, the Company has made investment in Optionally Convertible Debentures. Amount outstanding as on April 1, 2014 and March 31, 2015 is ₹ 118.64 crores
- No of borrowers and amount outstanding under Sr no 4 of above table includes, recoveries made from existing restructured facilities
- Includes a facility of ₹ 72.00 crores which is not forming part of the restructuring package
- Provision includes provision made for interest sacrifice amounting to ₹ 20.51 crores and provision on standard restructured assets amounting to ₹ 13.25 crores in accordance with notification no DNBS(PD).NO.272 /CGM(NSV) (Refer Note 5 (a))



- (29) Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary
- (30) Additional Disclosures in terms of RBI Notification No DNBR 019/CGM (CDS)-2015 dated April 10, 2015 'Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015' are annexed as Annexure I

For and on behalf of the Board

Ravi Parthasarathy
Chairman

Ramesh C Bawa
Managing Director & CEO

Deepak Pareek
Chief Financial Officer

Neelam Desai
Company Secretary

Bengaluru, May 06, 2016

Additional Disclosures in terms of RBI Notification No DNBR 019/CGM (CDS)-2015 dated April 10, 2015 'Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015'

1 Summary of Significant Accounting Policies

As disclosed in Note 1 of the Financial Statements

2.1 Capital

(₹ in Crores)		
Particulars	FY 2016	FY 2015
(i) CRAR (%)	20.47	21.63
(ii) CRAR - Tier I Capital (%)	12.74	14.35
(iii) CRAR - Tier II Capital (%)	7.73	7.28
(iv) Amount of subordinated debt raised as Tier-II capital	900.00	800.00
(v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

*Considering proposed dividend of ₹ 5/- per share

2.2 Investments

(₹ in Crores)		
Particulars	FY 2016	FY 2015
(1) Value of Investments		
(i) Gross Value of Investments	3,979.51	3,743.95
(a) In India	3,947.82	3,712.26
(b) Outside India	31.69	31.69
(ii) Provisions for Depreciation	240.62	208.10
(a) In India	240.62	208.10
(b) Outside India	-	-
(iii) Net Value of Investments	3,738.89	3,535.85
(a) In India	3,707.20	3,504.16
(b) Outside India	31.69	31.69
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	208.10	115.89
(ii) Add : Provisions made during the year	32.52	68.23
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Reclassification of Provision	-	23.98
(v) Closing balance	240.62	208.10

Investment in one of the Non-Convertible Debentures of a Company being credit substitute has been classified as Non-performing Asset (NPA) in accordance with RBI guidelines and provision of ₹1.50 crore is held on the same which is disclosed under note 4.4: Movement of NPAs and not included in above table



2.3 Derivatives

2.3.1 Interest Rate Swap

		(₹ in Crores)	
	Particulars	FY 2015	FY 2014
(i)	The notional principal of swap agreements	25.00	175.00
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	0.12	0.04
(iii)	Collateral required by the NBFC upon entering into swaps	NIL	NIL
(iv)	Concentration of credit risk arising from the swaps*	NIL	NIL
(v)	The fair value of the swap book	0.12	NIL

* The Company does not offer derivative products to its customers for market making purposes and the derivative transactions entered into by the Company are for hedging its own balance sheet risks. Counterparty for swap agreements entered to hedge its asset/liabilities are banks

2.3.2 Exchange Traded Interest Rate (IR) Derivatives

The Company has not undertaken any transaction in Exchange Traded Derivatives in current year or previous year

2.3.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

Risk Management Policies pertaining to (i) Use of derivatives, (ii) associated risks with derivative (iii) business purposes served (iv) the scope and nature of risk measurement, risk reporting and risk monitoring systems (v) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants are prescribed in 'Investment Policy' and 'Risk Management Framework' of the Company as approved by Board of Directors of the Company. The aforesaid details are described as below

- (i) The Company deals in over-the-counter (OTC) interest rate and currency derivatives. The Company deals in derivatives for hedging its interest rate risks and currency risks in its balance sheet and does not take any position on behalf of third parties for market making purposes. This may involve
 - Hedging of matching asset or liability
 - General Balance Sheet hedging and management with a view to optimise cost and taking advantage of market opportunities. Such transactions falls under the category of transformation of risk
- (ii) Treasury Function of the Company is integrated with its Parent Infrastructure and Financial Services Ltd' (IL&FS). The derivative transactions are originated by the Integrated Treasury department, which ensures compliance with the Company's policy and the Regulatory guidelines. The settlement and accounting of derivatives transactions are handled by separate team in Finance and Accounts Function of the Company. The dealing activities in Derivatives are governed by Investment Policy and Risk Management Framework of the Company
- (iii) The Company has set up a 'Treasury Committee' consisting of Directors and Senior Management of the Company and Integrated Treasury Department, which is responsible for setting up and review of exposure limits, monitoring of MTM position on the derivatives portfolio in compliance with Investment Policy and Risk Management Framework of the Company. Treasury Committee is also responsible for review of Market Developments, strengthen Controls, ensure regulatory compliance and recommend risk management measures for consideration of Board of Directors
- (iv) Various risk limits are set-up and actual exposures are monitored vis-a-vis the limits allocated. These limits are set up taking into account market volatility, business strategy and management experience. The Company measures and monitors risk of its derivatives portfolio using Price Value of a basis point (PV01), stop loss review limits, scenario analysis and marked to market value on the Net Worth of the Company

- (v) Integrated Treasury Department monitors movements in currency and interest rates portfolio on a continuous basis. The Company has implemented a robust management information system timely reporting of its derivative portfolio which comprises of reporting of Exposure Limits, mark to market positions and stop loss limits to Treasury Committee on weekly basis in the normal course, and more frequently wherever warranted by market volatility. A quarterly report is circulated to the Committee of Directors which covers market developments, transactions executed/terminated during the month, outstanding positions and the MTM thereof. A similar report is also submitted to Investment Portfolio Review Committee, a subcommittee of Board of Directors of the Company. In addition results of scenario analysis is also placed for review of Investment Committee.
- (vi) The Company enters into derivative transactions with counter parties based on their business ranking and financial position. The Company sets up appropriate limits upon evaluating net MTM receivables with the counterparties. MTM exposure on derivatives transactions are aggregated for monitoring and control purpose. The Limits are monitored by taking into account all outstanding derivative positions this exercise is carried out on a quarterly basis.
- (vii) The Accounting policy of the Company in respect of Derivative Transactions is mentioned in Note no 1(h) of the Financial Statements.

Quantitative Disclosures

(Amount in ₹ crores)

S.N.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging	70	25
(ii)	Marked to Market Positions		
	a) Asset (+)	NIL	0.12
	b) Liability (-)	0.57	NIL
(iii)	Credit Exposure	NA	NA
(iv)	Unhedged Exposures	NA	NA

2.4 Disclosures relating to Securitisation

2.4.1 No Securitisation transaction has been undertaken by the Company during the year

2.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company

The Company has not sold any assets to Securitisation / Reconstruction Company during the year for Asset Reconstruction

2.4.3 Details of Assignment transactions undertaken by NBFCs

The Company has not undertaken any assignment transaction during the year

2.4.4 Details of non-performing financial assets purchased / sold

The Company has not purchased or sold any non-performing financial asset during the year

** As certified by the Management and relied upon by Auditors*

2.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ in Crores)

	Up to 30/31 days	Over 1 month and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 Month and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Inflows									
Advances*	461.12	517.43	976.83	1,424.23	4,032.30	3,234.69	443.02	521.12	11,610.74
Investments*	264.57	-	203.89	300.00	68.00	150.20	407.00	2,337.70	3,731.36
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Total	725.69	517.43	1,180.72	1,724.23	4,100.30	3,384.89	850.02	2,858.82	15,342.10
Outflows									
Borrowings	297.87	952.66	1,391.74	936.88	3,374.40	4552.79	1,801.61	1,182.00	14,489.95
Foreign Currency liabilities	-	-	-	32.50	-	37.50	-	-	70.00
Total	297.87	952.66	1,391.74	969.38	3,374.40	4,590.29	1,801.61	1,182.00	14,559.95

*Advances and Investment are not provisions

- (i) Above statement has been prepared in accordance with RBI circular DNBS (PD).CC.No.15 /02.01 / 2000-2001 dated June 27, 2001
- (ii) Advances and borrowing represents the principal component only and does not include interest accrued but not due thereon
- (iii) For the purpose of the above statement, the Management has classified trading portfolio (comprising of quoted equity shares and government securities) in 'Over 2 months and upto 3 months' bucket which have been relied upon by the auditors
- (iv) Maturity pattern of Advances has been determined based on cash flows as stipulated in the repayment schedule adjusted for earliest exercisable date of embedded options
- (v) The Company has made equity investment in its overseas subsidiaries which are included under the head of 'Investment' in above table

2.6 Exposures *

2.6.1 Exposure to Real Estate Sector

(₹ in crores)

S.N.	Category	As at March 31, 2016	As at March 31, 2015
(A)	Direct exposure		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits;	1,678.47	1,160.42
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(a) Residential	-	-
	(b) Commercial Real Estate	-	-
Total exposure to Real Estate Sector		1,678.47	1,160.42

2.6.2 Exposure to Capital Market

(₹ in crores)

S.N.	Particulars	FY 2016	FY 2015
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	2,164.05	1,797.90
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	181.57	280.76
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,803.21	4,131.53
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	920.33	20.74
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	172.01	151.48
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	254.00	248.80
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	441.79	455.63
Total Exposure to Capital Market		6,936.96	7,086.84



2.6.3 Details of financing of parent company products

The company has not financed any products of the parent during current year

2.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the current year

** As certified by the Management and relied upon by Auditors*

3. Miscellaneous *

3.1 Registration / license / authorisation obtained from other financial sector regulators

In addition to registration with RBI as NBFC-SI, the Company has obtained Underwriting License from Securities and Exchange Board of India (SEBI)

3.2 Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by RBI or SEBI (being the regulator for the Company) during the year ended March 31, 2016

3.3 Ratings assigned by credit rating agencies and migration of ratings during the year

The Company has been assigned credit rating as per the details below and there has been no change in ratings of the Company during the year.

Rating Agency	Rating
Credit Analysis & Research Limited (CARE)	CARE AAA, CARE A1+
Investment Information and Credit Rating Agency (ICRA)	ICRA A1+
India Ratings & Research	IND AAA, IND A1+

** As certified by the Management and relied upon by Auditors*

4. Additional Disclosures

4.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

S.N.	Particulars	FY 2016	FY 2015
(i)	Provisions for depreciation on Investment	32.51	(13.66)
(ii)	Provision towards NPA	58.97	50.83
(iii)	Other Provision and Contingencies (with details)		
	Provision for Standard Restructured Assets	(0.58)	6.15
	Provision for Bad and Doubtful Debts	3.96	5.16
	Provision for General Contingencies	120.00	116.97
	Provision for Standard Assets	12.00	-
	Provision for Mark to Market on Derivatives	(0.72)	(0.91)
	Provisions written Back (net of Bad Debts Written off and recovery of Bad Debts)	(12.37)	-
(iv)	Total Provision and Contingencies Other than Provision for Tax (iv) = (i) + (ii) + (iii)	213.77	164.54
(v)	Provision made towards Income Tax net of Deferred Tax	129.08	151.00
(vi)	Total Provision and Contingencies including Provision for Tax (vi) = (iv) + (v)	342.85	315.54

4.2 Draw Down from Reserves

The Company has not undertaken any drawdown from reserves during the year. However, the Company has utilized its Securities Premium account to the extent of ₹7.24 crore for writing off share issue expense

4.3 Concentration of Deposits, Advances, Exposures and NPAs

4.3.1 Concentration of Advances

(₹ in crores)

Particulars	FY 2016
Total Advances to twenty largest borrowers*	5,227.03
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	41.52

*Total Advances represent principal outstanding of Loans & Advances, Debentures in the nature of credit exposure and non-fund based exposures outstanding as at Balance sheet date

4.3.2 Concentration of Exposures

(₹ in crores)

Particulars	FY 2016
*Total Exposure to twenty largest borrowers / customers	5,556.03
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	39.14

*Total Exposure represents Total Advances as stated in 4.3.1 above and investments in shares of the companies

4.3.3 Concentration of NPAs

(₹ in crores)

Particulars	FY 2016
*Total Exposure to top four NPA accounts	224.86

*Total Exposure represents Loans & Advances and Debentures in the nature of credit exposure and NPA represents Gross NPA

4.3.4 Sector-wise NPAs*

Sector	Percentage of *NPAs to Total Advances in that sector
1. Agriculture & allied activities	-
2. MSME	-
3. Corporate borrowers	7.19
4. Services	-
5. Unsecured personal loans	-
6. Auto loans	-
7. Other personal loans	6.60

* As certified by the Management and relied upon by Auditors

4.4 Movement of NPAs

(₹ in crores)

Particulars	FY 2016	FY 2015
(i) Net NPAs to Net Advances (%)	2.20	2.08
(ii) Movement of NPAs (Gross)		
(a) Opening balance	252.97	243.07
(b) Additions during the year	224.52	391.32
(c) Reductions during the year	127.98	381.41
(d) Closing balance	349.52	252.97
(iii) Movement of Net NPAs		
(a) Opening balance	202.50	188.22
(b) Additions during the year	157.90	352.63
(c) Reductions during the year	86.26	338.35
(d) Closing balance	274.14	202.50



(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	50.47	54.84
(b)	Provisions made during the year	66.62	78.16
(c)	Write-off / write-back of excess provisions	41.72	82.53
(d)	Closing balance	75.38	50.47

Note: Gross NPA and Provision for NPAs includes Funded Interest Term Loans amounting to ₹6.58 Crore (FY 2015: ₹ 4.17 Crore)

4.5 Joint Ventures and overseas Subsidiaries

(₹ in crores)

Name of the Subsidiary	Country of Operation	Total Assets
IL&FS Global Financial Services Pte Ltd	Singapore	27.57
IL&FS Global Financial Services (UK) Ltd	UK	9.94
IL&FS Global Financial Services (ME) Ltd	Dubai	19.93
IL&FS Global Financial Services (HK) Ltd	Hong Kong	9.75

4.6 Off-balance Sheet SPVs sponsored

(₹ in crores)

Particulars	Domestic	Overseas
Name of the SPV sponsored	NIL	NIL

5 Disclosure of Complaints

(₹ in crores)

Particulars	FY 2016	FY 2015
(a) No. of complaints pending at the beginning of the year	NIL	NIL
(b) No. of complaints received during the year	NIL	NIL
(c) No. of complaints redressed during the year	NIL	NIL
(d) No. of complaints pending at the end of the year	NIL	NIL

Note: As certified by the Management and relied upon by the auditors

For and on behalf of the Board

Ravi Parthasarathy
Chairman

Ramesh C Bawa
Managing Director & CEO

Deepak Pareek
Chief Financial Officer

Neelam Desai
Company Secretary

Mumbai, May 14, 2015


Form AOC-1
(Prusuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as per the Companies Act, 2013
Part "A" : Subsidiaries

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12
Name of the subsidiary	IL&FS Global Financial Services (UK) Ltd	IL&FS Global Financial Services (ME) Ltd	IL&FS Global Financial Services (PTE) Ltd	IL&FS Global Financial Services (HK) Ltd	IFIN Realty Trust	Investment Square Trust	IL&FS Infrastructure Equity Fund	IL&FS Capital Advisors Ltd	IL&FS AMC Trustee Ltd	IL&FS Infra Asset Management Ltd	IL&FS Orix Trust	IL&FS Broking Services Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP/Rs 95.0882	USD/Rs 66.3329	SGD/Rs 49.0163	HKD/Rs 8.5233	INR	INR	INR	INR	INR	INR	INR	INR
Share capital	30.25	35.94	122.12	128.59	859.83	1,662.69	1,805.00	100.00	2.50	193.98	0.01	302.16
Reserves & surplus	61.65	145.15	106.82	(38.35)	(122.22)	-	(233.12)	(14.73)	(2.13)	30.03	0.01	(153.57)
Total assets	99.39	199.35	275.66	97.51	737.61	1,662.69	1,572.06	102.93	0.98	231.63	0.05	237.65
Total Liabilities	7.50	18.26	46.73	7.26	-	-	0.18	17.66	0.61	7.62	0.03	89.06
Investments	-	-	-	-	701.69	1,662.69	1,548.47	-	-	-	-	-
Turnover	68.79	147.69	152.27	44.26	10.21	-	23.55	52.70	1.17	147.14	0.28	36.27
Profit/(Loss) before taxation	(3.64)	53.88	44.41	(34.13)	(55.04)	-	(8.16)	4.04	(0.19)	67.51	(0.15)	(60.60)
Provision/(Credit) for taxation	0.04	-	3.80	(0.71)	-	-	-	(0.52)	-	22.35	-	2.14
Profit after taxation	(3.68)	53.88	40.61	(33.42)	(55.04)	-	(8.16)	4.55	(0.19)	45.16	(0.15)	(62.73)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	92.00%	100.00%	100.00%	100.00%	100.00%	86.61%	100.00%	76.00%

Note:

- 1.Name of subsidiaries which are yet to commence operations - Nil
- 2.Names of subsidiaries which have been liquidated or sold during the year - Nil


Part “B” : Associates and Joint Ventures

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

(₹ in million)

Name of Associates/Joint Ventures	Syniverse Technologies (India) Private Limited
(1) Latest audited Balance Sheet Date	March 31, 2015
(2) Shares of Associate/Joint Ventures held by the company on the year end	
- Numbers	5,200
- Amount of Investment in Associates/Joint Venture	0.05
- Extend of Holding %	26.00%
(3) Description of how there is significant influence	
(4) Reason why the associate/joint venture is not consolidated	N.A. As the Company is exempted for preparation of Consolidated Financial Statement
(5) Networth attributable to Shareholding as per latest audited Balance Sheet	70.30
(6) Profit / (Loss) for the year	
(i) Considered in Consolidation	N.A.
(ii) Not Considered in Consolidation	-

Note:

- Names of associates or joint ventures which are yet to commence operations - Nil
- Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For and on behalf of the Board

Ravi Parthasarathy
Chairman

Ramesh C Bawa
Managing Director & CEO

Deepak Pareek
Chief Financial Officer

Neelam Desai
Company Secretary

Mumbai, May 14, 2015


Additional Information required under paragraph 9BB of the Non - Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998

(₹ in lakhs)

Particulars	Amount Outstanding	Amount Overdue
(A) Liabilities Side		
(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid		
(a) Debentures : Secured	202,872	-
: Unsecured (Subordinated Debts)	92,595	-
(other than falling within the meaning of Public Deposits)		-
(b) Deferred Credits	-	-
(c) Term Loans	703,161	-
(d) Inter Corporate Loans and Borrowings	162,469	-
(e) Commercial Paper	269,000	-
(f) Public Deposits	-	-
(g) Other Loans (specify nature)		-
- Collateralised Borrowings	15,990	-
- Working Capital Limits	24,108	-
(B) Assets Side		
(3) Break-up of Loans and Advances including Bills Receivables (other than those included in (4) below) :		
(a) Secured	865,620	27,713
(b) Unsecured	303,153	14,867
(4) Break up of Leased Assets and Stock on Hire and Hypothecation Loans counting towards EL/ HP activities		
(i) Lease assets including lease rentals under		
Sundry Debtors :		
(a) Financial Lease	122	-
(b) Operating Lease	-	-
(ii) Stock on Hire including hire charges under		
Sundry Debtors :		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation Loans counting towards EL/ HP activities		-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

(₹ in lakhs)

Particulars	Amount Outstanding
(5) Break up of Investments	
(A) Current Investments :	
(1) Quoted :	
(i) Shares : (a) Equity	25,866
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	26,457
(v) Others	-
(2) Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-

Particulars	Amount Outstanding
(B) Long Term Investments :	
(1) Quoted :	
(i) Shares : (a) Equity	40,823
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual funds	12,600
(iv) Government Securities	-
(v) Others	-
(2) Unquoted :	
(i) Shares : (a) Equity	65,298
(b) Preference	23,251
(ii) Debentures and Bonds	83,418
(iii) Units of Mutual Funds	9,100
(iv) Government Securities	-
(v) Others	
Units in Other Funds	89,409
Pass Through Certificates	2
Warrants	20
Investment in Property	21,706

Particulars	Amount net of provisions		
	Secured	Unsecured	Total
(6) Borrower Group-wise Classification of all Leased Assets, Stock -on hire and Loans and Advances			
(A) Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the Same Group	-	-	-
(c) Other Related Parties	271,896	173,117	445,013
(2) Other than Related Parties	585,259	129,012	714,271
Total	857,155	302,130	1,159,285

(7) Investor group-wise classification of all Investments (Current and long term in shares and securities) (both quoted and unquoted) :		Market value/ Break up or fair value or NAV	Book value (Net of Provisions)
1.	Related Parties		
	(a) Subsidiaries	11,333	8,467
	(b) Companies in the Same Group	1,000	1,000
	(c) Other Related Parties	75,729	74,734
2.	Other than Related Parties	307,473	289,688
	Total	395,535	373,889



(₹ in lakhs)

(8) Other information	Amount
(i) Gross Non- performing Assets	
(a) Related parties	661
(b) Other than related parties	34,291
(ii) Net Non- performing Assets	
(a) Related parties	521
(b) Other than related parties	26,893
(iii) Assets acquired in satisfaction of debt	6,600

Additional information required as per RBI circular no 125/03.05.002/2008-09 issued on Aug 1, 2008

Capital to Risk Assets Ratio		
Items	As at March 31, 2016	As at March 31, 2015
CRAR	20.47%	21.63%
CRAR -Tier I Capital	12.74%	14.35%
CRAR -Tier II Capital	7.73%	7.28%

(₹ in crores)

Exposure to Real Estate Sector		
Category	As at March 31, 2015	As at March 31, 2014
Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs 15 lakh may be shown separately)	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund bases (NFB) limits;	1678.47	1,160.42
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-


Asset Liability Management
Maturity pattern of certain items of assets and liabilities

(₹ in Crores)

	1 day to 30/31 days (One month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	TOTAL
Liabilities									
Borrowings from Banks	122.50	25.00	215.83	426.50	1,574.16	3,756.64	1,148.36	-	7,269.00
Market Borrowings	175.37	927.66	1,175.91	542.88	1,800.24	833.65	653.25	1,182.00	7,290.96
Assets									
Advances	461.12	517.43	976.83	1,424.23	4,032.30	3,234.69	443.02	521.12	11,610.74
Investments	264.57	-	203.89	300.00	68.00	150.20	407.00	2,337.70	3,731.36

Disclosure as per clause 28 of the Listing Agreement

(A) Loans and Advances in the nature of Loan to	(₹ in Crores)
(i) Subsidiaries	Nil
(ii) Associates	Nil
(iii) Firms/Companies where Directors are interested	Nil
(B) Investment by Loanee Company in Shares of Parent and Subsidiary Company, when the Company has made a Loan or Advance in the nature of Loan	Nil

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Our Presence



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