

# ANNUAL REPORT \* 2019

\*An application is being made to the competent authority seeking an exemption for IL&FS Limited from presenting its consolidated financial statements.



**Infrastructure Leasing & Financial Services Limited** 



#### **CORPORATE INFORMATION**

#### **AUDITORS**

M/s SRBC & Co LLP (SRBC)
Chartered Accountants

#### **BANKERS**

Central Bank of India
(Lead Bank)
Axis Bank Limited

Bank of India

Bank of Baroda

Bank of Maharashtra

Credit Suisse AG

**HDFC Bank Limited** 

Indian Bank

IDBI Bank Limited

Karnataka Bank

Punjab & Sind Bank

Punjab National Bank

Oriental Bank of Commerce

The Jammu & Kashmir Bank Limited

The Karur Vysya Bank Limited

**RBL** Bank Limited

The South Indian Bank Limited

Syndicate Bank

State Bank of India

Union Bank of India

UCO Bank

Bandhan Bank Limited

Utkarsh Small Finance Bank Ltd

IndusInd Bank Ltd

Shinhan Bank Ltd

#### **DEBENTURE TRUSTEE**

Centbank Financial Services Limited Central Bank MMO Building, 3rd Floor, East Wing 55 MG Road, Mumbai 400 001

Tel: 022 2261 6217 Fax: 022 2261 6208 Email: info@cfsl.in

#### REGISTERED OFFICE

The IL&FS Financial Centre

Bandra Kurla Complex, Bandra East, Mumbai 400 051

Tel : 022 26553 3333 | Fax : 022 2653 3042 | Website :www.ilfsindia.com CIN U65990MH1987PLC044571



# BOARD OF DIRECTORS APPOINTED BY NATIONAL COMPANY LAW TRIBUNAL FROM OCTOBER 2018

#### MR. UDAY SURESH KOTAK

Non-Executive Chairman

(Director w.e.f. October 01, 2018 and Non-Executive Chairman w.e.f. October 04, 2018)

#### MR. VINEET NAYYAR

Executive Vice Chairman

(Director w.e.f. October 01, 2018, Vice-Chairman and Managing Director w.e.f. October 04, 2018 and Executive Vice Chairman w.e.f. April 03, 2019)

#### MR. CHANDRA SHEKHAR RAJAN

**Managing Director** 

(Director w.e.f. October 03, 2018 and Managing Director w.e.f. April 03, 2019)

#### MR. BIJAY KUMAR

Deputy Managing Director
(Director w.e.f December 21, 2018 and Deputy Managing Director
w.e.f. December 24, 2018)

#### MR. GIRISH CHANDRA CHATURVEDI

Director

(effective October 1, 2018)

#### DR. MALINI VIJAY SHANKAR

Director

(effective October 01, 2018)

#### MR. NAND KISHORE

Director

(effective October 01, 2018)

# MR. NATARAJAN SRINIVASAN

Director

(effective December 21, 2018)

# MR. GHYANENDRA NATH BAJPAI

(effective October 01, 2018 upto October 30, 2018)



# ERSTWHILE BOARD OF DIRECTORS (PRIOR TO OCTOBER, 2018)

#### MR. RAVI PARTHASARATHY

Non-Executive Chairman (upto July 21, 2018)

#### MR. HEMANT BHARGAVA

Chairman (Nominee Director of LIC) (effective July 21, 2018 upto September 15, 2018)

#### MR. SUNIL BEHARI MATHUR

Chairman (Independent Director) (effective September 15, 2018 upto September 30, 2018)

#### MR. HARI SANKARAN

Vice Chairman & Managing Director (upto September 30, 2018)

#### MR. ARUN K SAHA

Joint Managing Director & CEO (upto September 30, 2018)

#### MR. RAVINDRA CHANDRA BHARGAVA

Independent Director (upto September 30, 2018)

#### MR. MICHAEL PINTO

Independent Director (upto September 30, 2018)

#### MR. JAITHIRTH RAO

Independent Director (upto September 30, 2018)

#### MS. RINA KAMATH

Independent Director (upto September 30, 2018)

# MR. SANJEEV DOSHI

Nominee Director of Abu Dhabi Investment Authority (upto September 30, 2018)



#### MR. B K SINGAL

Nominee Director of the Central Bank of India (upto September 30, 2018)

#### MR. C VENKAT NAGESHWAR

Nominee Director of the State Bank of India (upto September 30, 2018)

#### MR. PRAVEEN KUMAR MOLRI

Nominee Director of LIC (upto September 30, 2018)

#### MR. KIYOSHI FUSHITANI

Nominee Director of ORIX Corporation, Japan (effective May 30, 2018 upto September 30, 2018)

#### MR. KIYOKAZU ISHINABE

Alternate Director to Mr. Kiyoshi Fushitani (upto September 30, 2018)

#### MR. HARUKAZU YAMAGUCHI

Nominee Director of ORIX Corporation, Japan (upto September 30, 2018)

#### MR. IKUO NAKAMURA

Alternate Director to Mr. Harukazu Yamaguchi (upto September 30, 2018)

# MR. YOSHIHIKO MIYAUCHI

Nominee Director of ORIX Corporation, Japan (upto May 29, 2018)



#### BRIEF PROFILE OF THE NEW BOARD OF DIRECTORS:

Mr. UDAY KOTAK, Chairman of the Company, (DIN 00007467), holds a bachelor's degree in Commerce and a MMS degree from Jamnalal Bajaj Institute of Management Studies, Mumbai. Mr. Kotak is the Managing Director and CEO of Kotak Mahindra Bank Limited. Under Mr. Kotak's leadership, over the past 33 years, the Kotak Group has established a prominent presence in major areas of financial services including banking, stock broking, investment banking, car finance, life and general insurance and asset management. Mr. Kotak is a member of International Advisory Board of GIC Private Limited, Singapore and International Advisory Panel of Monetary Authority of Singapore, Member of the Board of Governors of Indian Council for Research on International Economic Relations and the Anglo Scottish Education Society (Cathedral & John Connon School), He is also a Governing Member of the Mahindra United World College of India.

Mr Kotak was appointed as Director by the Government of India on the Board of the Company w.e.f. October 01, 2018 and appointed as Non-Executive Chairman of the Board w.e.f. October 04, 2018.

Mr. VINEET NAYYAR (DIN 00018243), Executive Vice Chairman of the Company, has led several organizations across various industries. In a career spanning over 50 years, Mr. Nayyar has worked with the Government of India, international multilateral agencies and in the Corporate Sector (both Public and Private). He started his career with the Indian Administrative Service and held a series of senior positions, including that of a District Magistrate, Secretary - Agriculture & Rural Development for the Government of Haryana and Director, Department of Economic Affairs, Government of India. He also worked with The World Bank for over 10 years in a series of senior assignments, including successive terms as the Chief for the Energy, Infrastructure and the Finance Divisions for East Asia and Pacific. Mr. Nayyar was also the founding Chairman and Managing Director of the state-owned Gas Authority of India and has served as the Managing Director of HCL Corporation Ltd., and as the Vice Chairman of HCL Technologies Ltd. He was also a co-founder and Chief Executive Officer of HCL Perot Systems. Mr. Nayyar received a Master's Degree in Development Economics from Williams College, Massachusetts. Mr. Nayyar was also the Vice Chairman of Tech Mahindra Ltd and under his leadership Tech Mahindra took-over Satyam Computer Services Ltd and revived it from the brink of collapse. In addition, Mr. Nayyar is also the Chairman of Tech Mahindra Foundation and Mahindra Educational Institutions.

Mr. Nayyar was appointed as Director of the Company by the Government of India w.e.f. October 01, 2018 and appointed as Vice Chairman and Managing Director of the Company w.e.f. October 04, 2018 and holds the position of Executive Vice Chairman of the Company w.e.f. April 03, 2019.

**Mr. CHANDRA SHEKHAR RAJAN** (DIN 00126063), Managing Director of the Company, is an IAS Officer of the 1978 Batch, who retired as Chief Secretary, Rajasthan, on June 30, 2016. He then served as Deputy Chairman, Chief Minister's Advisory Council till December 2018.

Mr Rajan was appointed as Director by the Government of India on the newly constituted Board of Infrastructure Leasing & Financial Services Limited (IL&FS) on October 03, 2018. He took over as Managing Director, IL&FS on April 03, 2019.



During his 38 years in the IAS, Mr. Rajan has served for around 14 years in various capacities in Agriculture and Rural Development, 12 years in Infrastructure sectors like Power, Roads, Industries, 5 years in Finance and 5 years in General Administration. He has co-authored a book on "Farmers Participation in Agricultural Research and Extension". Mr. Rajan has also briefly served as a Consultant with the World Bank.

Mr. GIRISH CHANDRA CHATURVEDI (DIN 00110996), Director of the Company is the Chairman of the Board of Directors of ICICI Bank. He is also the Chairman of IL&FS Energy Development Co. Limited. He is from the 1977 batch of the IAS UP cadre, retired from the services as the Secretary of Ministry of Petroleum & Natural Gas in January 2013. Thereafter, he was Member and then Chairman, Warehousing Development and Regulatory Authority of India from February 2014 to January 2018. During his long and illustrious career, he held many important positions with the Government of India and the Uttar Pradesh government.

Mr. Chaturvedi served the Government of India across many sectors such as banking, insurance, pension, health, family welfare and petroleum & natural gas. The list of the key positions he held with the Government of India includes Special Director General (Finance & Accounts); Organizing Committee Commonwealth Games, Ministry of Youth Affairs and Sports; Additional/Joint Secretary, Department of Financial Services, Ministry of Finance and Additional Secretary & Mission Director, National Rural Health Mission, Ministry of Health & Family Welfare. He had also served in Uttar Pradesh Government in various capacities at key positions, including, Secretary to Chief Minister; Secretary, Family Welfare; Additional CEO (Greater NOIDA Industrial Development Authority); Trade Tax Commissioner; Managing Director, UP State Spinning Company and District Magistrate/Collector at Muzaffarnagar, Saharanpur and Meerut.

Mr. Chaturvedi served as Chairman of Pension Fund Regulatory & Development Authority, Petronet LNG Ltd, Indian Strategic Petroleum Reserves Ltd and Oil Industries Development Board. He had also served as Director (Government Nominee) on the Boards of Canara Bank, Bank of Baroda, IDBI Bank Ltd, IDFC Ltd, GIC Re of India, New India Assurance Co. Ltd, United India Insurance Co. Ltd, Agriculture Insurance Co. of India, Institute of Banking Personnel Selection and National Insurance Academy. He has completed M. Sc. (Social Policy and Planning in Developing Countries) from the London School of Economics and M. Sc. (Physics) from the University of Allahabad.

**Dr. MALINI SHANKAR** (DIN 01602529), Director of the Company, an IAS Officer of 1984 batch, retired as Director General, Shipping, Government of India (GoI), on December 31,2018. She was appointed as Director by the GoI on the Board of the Company with effect from October 01, 2018.

She has a Management degree from the Asian Institute of Management, Manila (Philippines) and Ph.D in Economics from IIT Madras.

Dr. Malini Shankar held key positions in Government of Maharashtra and Government of India – Collector & District Magistrate, Nagpur District; Joint Development Commissioner MEPZ SEZ Chennai; Secretary, Maharashtra Electricity Regulatory Commission (MERC); Principal Secretary, Water Supply and Sanitation Department and Water Resources Department; Additional Chief Secretary, Environment Department.



**Mr. NAND KISHORE** (DIN 08267502), Director of the Company is a 1981 batch officer of Indian Audit and Account Service. He retired as Deputy Comptroller and Auditor General (Dy. CAG) in the rank and pay of Secretary to Government of India. As Dy. CAG he looked after audit of Defence, Railways and Communications ministries of Government of India including their departments and public sector units.

Mr. Kishore holds a Bachelor of Engineering (Electrical) degree from University of Roorkee (now IIT Roorkee) and is also a Certified Internal Auditor from The Institute of Internal Auditors, Florida, USA.

Mr. Kishore was appointed as Director by the Government of India on the newly constituted Board of the Company w.e.f. October 01, 2018. Mr. Kishore is also the Chairman of the Audit Committee of the Company.

Mr. NATARAJAN SRINIVASAN (DIN 00123338), Director of the Company is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Mr. Srinivasan has 34 years of experience in the areas of Financial services, legal, projects and general management. The last 15 years of his service has been with the Murugappa group, Chennai in various capacities, including as Group director finance, Executive Vice chairman and Managing director, Cholamandalam Investment and Finance Company Limited. He serves as an Independent Director on the Boards of Godrej Agrovet Ltd and India First Life Insurance Company Ltd.

Mr. Srinivasan was appointed as Director by the Government of India on the Board of the Company with effect from December 21, 2018.

Mr. BIJAY KUMAR (DIN 07262627), Director of the Company, is an IAS Officer of the 1986 Batch. Mr. Kumar retired as Additional Chief Secretary (Agriculture, ADF & Marketing), Government of Maharashtra. Mr. Kumar also worked as Principal Secretary (Finance), Government of Maharashtra. Prior to the Member of Indian Administrative Service in the year 1986, Mr. Kumar served as a member of IPS (Punjab Cadre) 1985 batch. Mr. Kumar represented Government of India in CODEX meeting organized by USDA at Washington and led Indian delegation under Indo Israel Corporation Programme in Agriculture Sector.

Mr Kumar was appointed as Director by the Government of India on the Board of the Company w.e.f. from December 21, 2018. He took over as Deputy Managing Director of the Company from December 24, 2018.



# SENIOR MANAGEMENT OF THE COMPANY

# MR. N SIVARAMAN

Chief Operating Officer (effective November 30, 2018)

# MR. MAHARUDRA WAGLE

Chief Financial Officer

# MR. SHEKHAR PRABHUDESAI

Company Secretary (effective March 11, 2019)



#### The Shareholders

# Infrastructure Leasing & Financial Services Limited

Your Directors are presenting the Thirty Second Boards' Report along with the Audited Accounts for the year ended March 31, 2019.

#### **FINANCIAL RESULTS:**

(Rs. in million)

For the Year Ended March 31,	2019	2018
Total Revenue	8,236.97	17,341.26
Less: Total Expenses and Provisions	(233,059.80)	(16,403.17)
Profit/ (Loss) before Tax	(224,822.83)	938.09
Less: Provision for Taxation	(617.39)	2,379.18
Profit / (Loss) after Tax	(225,440.22)	3,317.27
Other Comprehensive Income	167.69	17.63
Total Comprehensive Income	(225,272.53)	3,334.90
Appropriations from Profit after Tax :		
Special Reserve I	-	1,168.64
Special Reserve II	-	22.00
Dividend	-	545.71
Contingency Reserve	-	-
Preference Share Premium Redemption Account	-	563.73
Balance of Profit / (Loss)	(225,440.22)	1,017.19

<sup>\*</sup> Financials restated to reflect the balances as per IND AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31 March 2018, the Company had prepared its Financial Statements in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

As a result of the various events during the financial year 2018-19 which are more fully discussed in the notes to the Financial Statements, there was significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various investments made and loans given by the Company to its group companies.

Your Board in consultation with the operating management has assessed the realizable value of the assets considering the security available and management estimate in realization of those securities. Your Board has followed a conservative approach by making prudent provisions to the best of its judgement with a view to ensure that the Financial Statements reflect the asset values close to the recoverable values. Accordingly, the Board has made a provision on account of credit risk and



impairment of investments, resulting into loss during the year. The actual realisable values may differ from the estimates assumed.

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#### **DIVIDEND:**

As your Company has been defaulting in servicing its debt obligations since August 25, 2018 and that a resolution process is being implemented for your Company in proceedings pending before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and the Hon'ble National Company Law Appellate Tribunal ("NCLAT") under Sections 241-242 of the Companies Act, 2013, your Company is unable to pay dividend to preference and equity shareholders until the satisfaction of all its dues. Considering the magnitude of loss incurred in the financial year, the Board does not recommend any dividend for the year ended March 31, 2019.

#### **SHARE CAPITAL:**

As at March 31, 2019, the Authorised Share Capital of the Company is Rs. 16,045 mn, Issued Share Capital is Rs. 9,859.27 mn and Subscribed and Paid-up Share Capital of Rs. 9,831.53 mn, comprising of 128,403,276 Equity Shares of Rs 10 each fully paid-up, 1,133,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 7,500 each fully paid up and 5,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs 10 each fully paid up. There is no change in the Issued, Subscribed and Paid-up Share Capital of the Company during the year under review.

#### **SIGNIFICANT DEVELOPMENTS:**

The Company is a Core Investment Company registered with the Reserve Bank of India and is a holding company for diversified businesses in segments such as Transportation, Energy, Financial Services, Real Estate etc. Each of these businesses are conducted through various (direct and indirect) subsidiaries, joint venture entities, jointly controlled operations and associate companies both in India and in overseas jurisdictions ("IL&FS Group").

The Company reported defaults on its borrowing obligations during the financial year 2018-19. Further, the credit rating of the Company was downgraded to 'D' (lowest grade) in September 2018.

Pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Ministry of Corporate Affairs ("MCA") vide its Order dated September 30, 2018, directed that the affairs of the Company be investigated by the Serious Fraud Investigation Office ("SFIO"). SFIO commenced investigation of the affairs of the Company and submitted an interim report under Section 212(11) of the Companies Act, 2013, on November 30, 2018.

On October 01, 2018 Union of India ("**UOI**") (acting through the MCA) filed a petition with Hon'ble NCLT seeking immediate suspension of the Board of Directors of the Company and appointment of a new Board of Directors, amongst others, on the grounds of mismanagement and compromise in corporate governance norms and risk management by the erstwhile Board of the Company and that the affairs of the Company being conducted in a manner prejudicial to the public interest. The Hon'ble



NCLT vide its Order dated October 01, 2018 allowed the UOI's petition and appointment of six new Directors to the Board of the Company on the recommendations of the UOI (collectively known as the "New Board") being Mr. Uday Kotak, Mr. Vineet Nayyar, Mr. G N Bajpai (who subsequently resigned from the Board of the Company on October 30, 2018), Mr. G C Chaturvedi, Dr. Malini Shankar and Mr. Nand Kishore. The Hon'ble NCLT noted, that a governance and management change was required to bring back the IL&FS Group from financial collapse and in this regard, the New Board may attempt to restore the financial solvency of the IL&FS Group. Further, the Hon'ble NCLT vide its Order dated October 03, 2018 appointed of Mr. C S Rajan as a Director of the Company and vide its Order dated December 21, 2018 appointed Mr. Bijay Kumar and Mr. N Srinivasan also as Directors of the Company. Mr. CS Rajan, Mr. Bijay Kumar and Mr. N. Srinivasan form part of the New Board.

The New Board of Directors at its meeting held on October 04, 2018 elected Mr. Uday Kotak as the Non-Executive Chairman of the Company and Mr. Vineet Nayyar was appointed as the Vice Chairman & Managing Director of the Company. Further, the New Board at its meeting held on December 24, 2018 appointed Mr. Bijay Kumar as the Deputy Managing Director of the Company. Consequent to the appointment of Mr. C S Rajan as the Managing Director of the Company with effect from April 03, 2019, Mr. Vineet Nayyar holds the position of the Executive Vice Chairman of the Company.

Additionally, the Hon'ble NCLAT passed an Order on October 15, 2018 (the "Interim Order") pursuant to which it stayed various proceedings and actions against the Company and its Group Companies (until further Orders). The Interim Order enabled value preservation of the IL&FS Group's assets and provides time to the New Board to evaluate, prepare and implement a resolution plan for the Company and its group companies in an orderly manner, keeping in mind the interest of the various stakeholders.

The New Board has been working on the Resolution Plan of the IL&FS Group, which has multiple, complex and diverse entities under varied operating structures. At the time of its appointment, the New Board was directed by the Hon'ble NCLT to submit a roadmap for resolution of the IL&FS Group within a month and accordingly, the New Board submitted the *First Progress Report* to the MCA on October 30, 2018 (the "**First Progress Report**") setting out the way forward for the IL&FS Group (which in turn was filed by the MCA with the Hon'ble NCLT on October 31, 2018). In the First Progress Report, the New Board, based on its initial assessment, amongst others outlined: (i) key challenges facing the IL&FS Group; and (ii) options which were and could be considered for resolution of the IL&FS Group.

Taking into account the various challenges facing the IL&FS Group, including the complexity posed by its structure, width of operating business, scale, group-wide levels of leverage, public interest, financial stability, legality, various stakeholder interests (including interests of the joint venture partners) and commercial feasibility, the New Board has put in place a resolution framework to have a timely resolution process, which is fair and transparent and incorporates well established legal principles and seeks to address concerns of all stakeholders of the IL&FS Group. The implementation of the resolution framework is presently under way and the Company has initiated the divestment processes in relation to various group entities. The Company being a Holding Company and registered as a Core Investment Company (CIC) with RBI, depends on its group entities to continue operating as a going concern.

The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders



to achieve final resolution. Additionally, NCLAT vide its orders dated February 04, 2019 and February 11, 2019 has directed the appointment of Hon'ble Justice D K Jain (Retd Justice of the Supreme Court of India) to supervise the resolution process for the IL&FS group.

In view of the resignations of Directors in a majority of your Company's subsidiaries post October 01, 2018 and challenges faced in terms of appointment of Directors in those companies, members of the New Board have been appointed as Nominee Directors on Boards of major subsidiaries. The operations of other subsidiaries of your Company are managed through the appointment of senior officials of the IL&FS Group on their respective Boards with a view to have uniformity and co-ordination as part of actions towards the resolution of the IL&FS Group.

The New Board has submitted five Progress Reports from time to time to the Union of India who in turn has filed them with the NCLT. These Progress Reports are hosted on the Company's website as well as on the website of BSE Limited.

The Company is classified as a "Red" entity, indicating that it is not able to meet all obligations (financial and operational) including payment obligations to its senior secured financial creditors. Accordingly, under the resolution mechanism, the Company is permitted to make only those payments necessary to maintain and preserve a going concern status.

#### **RISK AND COMPLIANCE FRAMEWORK:**

Your Company had a risk management framework and compliance systems including the risk management policy adopted by the erstwhile management. Given the circumstances in which the New Board was appointed on October 01, 2018, the New Board has reviewed and put in place a revised and updated risk management framework which takes into account the complexity of IL&FS Group structure and the situation with respect to operations/liquidity management. It has also implemented certain key initiatives to protect interests of the stakeholders in order to mitigate the risks being faced by the Company (and the IL&FS Group), which are as follows:

- Engagement of expert agencies to assist the New Board in the ongoing resolution of the Company and of the IL&FS Group. External Resolution Consultant, Financial and Transaction Advisors, Claims Management Advisor and Legal Advisors have been appointed.
- Constitution of an 'Operating Committee' to work on a day to day basis to ensure co-ordination among group companies and maintain uniformity in the decisions taken across the IL&FS Group.
- Constitution of an 'Asset Sale Committee' to undertake all necessary actions and take decisions in relation to the asset monetization process (being undertaken in line with the Resolution Framework Report).
- Introduction of new position, Chief Operating Officer ("COO") by appointing Mr. N Sivaraman. The COO is responsible for oversight of day to day operations of the IL&FS Group and providing hands-on leadership for and oversight of the asset monetization efforts. The COO is part of the Operating Committee and the Asset Sale Committee.
- Institution of a group-wide payment protocol. One of the most pressing challenges which the New Board faced immediately upon taking over was the significant liquidity constrains being faced by the IL&FS Group, including the fact that (as highlighted in the First Report) there was no suitably



empowered central financial control function that maintained information and accuracy at the group level. With an aim to manage liquidity, ensuring statutory compliance, preserving value and maintaining 'going concern' status, the New Board, based on discussions with the External Resolution Consultant instituted a payment protocol for the entire IL&FS Group ("Payment Protocol"). The Payment Protocol ensures that no selective payment is made to creditors which could prejudice interests of other stakeholders (i.e. the risk of being classified as a 'preferential payment'). The External Resolution Consultant has been assisting the New Board in periodically monitoring and reviewing the liquidity position of key entities in the IL&FS Group, including conducting the following key oversight functions:

- (i) **Preparing monthly cash budget**: Preparation of a budget by the respective entity's management based on forecast of collections from customers, prioritization of payments based on the Payment Protocol and cash available, actual cash flows in the previous period etc.;
- (ii) **Reviewing operational issues:** Discussion and mitigation of key operational issues faced by the entities, such as delay in collections from customers, stoppage of supply by specific vendors / service providers, termination of projects, lenders not permitting 'going concern' payments etc.;
- (iii) **Tracking key liquidity parameters:** Periodic collation and review of cash balances across entities, amount of cash deployed in interest bearing instruments, tracking overdue salaries / statutory liabilities etc.; and
- (iv) **Identifying avenues for cash generation/ preservation:** Identification of entities with significant cash gap and determining focus areas for the respective managements such as following up on claims/ old receivables, releasing funds lien marked by lenders, cost reduction, sale of non-core assets etc.

The External Resolution Consultant also conducted a cash flow solvency test based on a '12 month look-forward' testing period ("Testing Period") based on which 150 entities (incorporated in India) of the IL&FS Group have been classified into one of the following categories:

- (a) <u>"Green" entities</u> i.e. those entities where there is no payment default/overdues subsisting currently and cash flows to be generated by that entity in the Testing Period from its operations and available cash balances are sufficient to meet all payment obligations of that entity (both operational and financial, secured as well as unsecured) as and when such payment obligations fall due in the Testing Period. These entities also do not rely upon other IL&FS Group entities for any financial support to service its debt obligations (financial and operational);
- (b) <u>"Amber" entities</u> i.e. those entities which are not able to meet all their respective obligations (financial and operational) during the Testing Period but can only meet operational payment obligations and payment obligations to senior secured financial creditors (financial creditors whose financial debt is secured by a first charge over the assets of the relevant IL&FS Group entity) during the Testing Period [1]; and

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For the purposes of determining the categorization as "Amber", in addition to ability of making payment to senior secured creditors of such companies as and when they fall due, the cash flow sufficiency to meet current operational payments (post September 30, 2018) has been considered



(c) <u>"Red" entities</u> i.e. those entities which cannot meet their respective payment obligations towards even senior secured financial creditors as and when they fall due in the Testing Period<sup>[2]</sup>.

Basis the order of the NCLAT dated February 11, 2019 under which Green entities were permitted to to make payments of all their current obligations (both financial and operational) as per the scheduled repayment terms the Payment Protocol was amended. However, IL&FS Group entities categorized as "Amber" and "Red" are permitted to make only payments necessary to maintain and preserve the 'going concern' status.

# ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively, for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

The normal business operations of the Company as they existed until September 30, 2018 have ceased since, and the New Board has undertaken certain steps to continue the current operations of the Company and is focused on achieving resolution as mandated by NCLT. The Company had laid down internal financial controls in respect of the period from October 01, 2018, from which date the members of the New Board have been appointed and such internal financial controls were adequate and were operating effectively as at year end, except that due to the prevailing conditions under which the Company is operating currently, and having regard to the matters stated. Additionally, controls have also been established for monitoring and release of payments.

Where the relevant "Red" IL&FS Group entity does not have senior secured financial debt, the unsecured (operational and financial) debt of that IL&FS Group Entity has been considered, which also cannot be fully paid as and when it falls due



# **DEVELOPMENTS IN SIGNIFICANT SUBSIDIARY COMPANIES:**

A snapshot of the businesses of IL&FS in the sectors is set out below:

]	INFRASTRUCTURE	FI	NANCIAL SERVICES
Key holding	Sector	Key entity	Sector
Company			
ITNL	Transportation	IFIN	Financial Services
IEDCL	Energy	IIML	Private Equity
IMICL	Maritime	IIAML	Mutual Fund
Schoolnet	Schoolnet Education		Securities Brokerage
India Limited			Business
IEISL	Waste Management and		
	Environmental Services		
TTL	Information Technology	]	
ITUAL	Urban Development	]	
IWL	Water	]	
IECCL	ECCL Engineering &		
	Construction		
HPCL	Real Estate		

S.	Name of	Sector	Categorization	Brief Description	Progress on resolution
No.	Company		of the IL&FS		
			Group Entity		
1	IL&FS	Non-banking	Red	A wholly owned subsidiary of IL&FS, IFIN was	The resolution for IFIN can be attempted after: (i) there
	Financial	financial		incorporated in 1995 and is registered with the	is greater visibility on the recovery of loans
	Services	business and		RBI as a systemically important Non-Banking	granted by IFIN to its borrowers - which



S.	Name of	Sector	Categorization	Brief Description	Progress on resolution
No.	Company		of the IL&FS Group Entity		
	Limited ("IFIN")	investment banking		Financial Company ("NBFC") in 2006. It is involved in providing financing solutions and has capabilities in funding infrastructure projects, including public private partnerships, sponsor and SPV-level financing.	comprises of group companies as well as external (non-Group Company) entities; and (ii) share sale proceeds are realized by IFIN (in the event equity value is derived pursuant to resolution of operating assets held by IFIN.
2	IL&FS Investment Managers Limited ("IIML")	Private Equity	Green	Incorporated in 1986, IIML is listed on NSE and BSE (with IL&FS holding 50.42% in IIML) and is Private Equity Fund Manager which manages SEBI registered funds investing across sectors and has till date raised over US\$ 3.5 bn from global and domestic investors.  IIML is also registered with SEBI as a 'portfolio manager'. Its subsidiaries and associates also manage/advise various equity and debt funds.	The entity is a part of the ongoing asset monetization process with target date for receiving binding bids as January 2020.
3	IL&FS Securities Services Limited ("ISSL")		Red	ISSL was incorporated in July 2006 (with IL&FS currently holding 81.2% of its share capital) and provides a range of capital market related services including depository, custodial, professional clearing, credit portfolio management and back office operations for small and mid-sized brokers and financial institutions.	The sale process of ISSL has been kept on hold inter alia in view of the ongoing investigation by the Securities and Exchange Board of India ("SEBI")and Economic Offences Wing ("EOW"), New Delhi in relation to certain mutual fund units provided as collateral for trades (in options contracts) conducted by Allied Financial Services Private Limited, a client of ISSL.



S.	Name of	Sector	Categorization	Brief Description	Progress on resolution
No.	Company		of the IL&FS		
			<b>Group Entity</b>		
4	IL&FS Transportation Networks Limited ("ITNL")	Surface Transportation	Red	Promoted by IL&FS, ITNL is listed on NSE and BSE. IL&FS holds 73.2% of its share capital. It also has global operations in jurisdictions of Spain, USA, Africa, UAE and China (through its subsidiaries).  ITNL is also present in other areas such as mass rapid transport system, urban transportation, border check post, etc.	This entity is the Holding Company of the transportation vertical.  The resolution for ITNL can be attempted after: (i) either share sale proceeds are realized by ITNL (in the event equity value is derived pursuant to resolution of operating assets held by such entities); and (ii) the resolution of assets/companies held by such entities is completed (pursuant to which certain payments may be received by such entity from the financial bid amount (to the extent such entity is a creditor of the relevant operating asset).  In response to RFP for sale of 14 operational road assets, binding bids were received for 10 assets After evaluating these Bids, the New Board decided to refer bids for 5 assets to the Committee of Creditors ("COC") of the respective entities. The Board has also in-principle agreed to refer the balance 9 assets to an Infrastructure Investment Trust (InvIT) to be set up under the relevant SEBI Regulations. The divestment as well as InvIT set up process is currently on-going.



Energy Power Sector ment	Sector Categorization of the IL&FS Group Entity  Power Sector Red	Brief Description	Ü
Energy Power Sector	Group Entity	W 0 FG 1 11 01 (0) C d 1 1 2 1 1 C	
C3		H 0 FG 1 11 01 (0/ C 1 1 1 1 1 C	
y L'')		IL&FS holds 91.6% of the share capital of IEDCL, the flagship Company of the Energy vertical of the IL&FS Group.  IEDCL has a portfolio of over 2900 MW of operational power projects and various projects in the conventional as well as the renewable energy segment which are operational and under development either directly or through its subsidiaries / joint ventures.	The resolution for IEDCL can be attempted after: (i) either share sale proceeds are realized by IEDCL (in the event equity value is derived pursuant to resolution of operating assets held by such entities); and (ii) the resolution of assets/companies held by IEDCL is completed (pursuant to which certain payments may be received by such entity from the financial bid amount (to the extent such entity is a creditor of the relevant operating asset).  The IL&FS Group has completed the sale process of its 51% stake, held through IL&FS Wind Energy Limited (IWEL) in 7 operating wind power SPV with 874 MW of generation capacity ("Wind SPVs") to ORIX Corporation of Japan (ORIX). With this development, ORIX, which previously owned 49% in each of the 7 SPVs now has 100% ownership. Hon'ble NCLT, Mumbai Bench had approved the sale on August 28, 2019.  Pursuant to the sale of the Wind SPVs, IWEL has received Rs. 5,928.75 mn as equity value; and IEDCL has received Rs. 2,115.79 mn (along with
			IEDCL has a portfolio of over 2900 MW of operational power projects and various projects in the conventional as well as the renewable energy segment which are operational and under development either directly or through its



S.	Name of	Sector	Categorization	Brief Description	Progress on resolution
No.	Company		of the IL&FS Group Entity		
			Group Entity		repayment of promoter debt granted by IEDCL to these Wind SPVs.  As part of the IL&FS Group asset monetization process and in line with its Resolution Framework submitted to NCLT, a publicly solicited sale process for IL&FS Wind Power Services Ltd (IWPSL), in which IEDCL has 100% ownership, was launched by the New Board on November 29, 2018. IWPSL has developed asset management expertise for the Wind SPVs. No binding bid was received for IWPSL pursuant to the publicly solicited bid process. ORIX has expressed its interest to acquire at an equity value of Rs. 60.5 mn. In line with the Resolution Framework, IEDCL called for its first COC meeting on November 1, 2019 to consider ORIX's offer for IWPSL.
6	IL&FS Maritime Infrastructure Company Limited ("IMICL")	Maritime	Red	IMICL (in which IL&FS holds 90% of the share capital) is the Holding Company of the Maritime vertical and was incorporated in 2006 as a separate vertical for undertaking and expanding the maritime and logistics initiatives of the IL&FS Group as a sponsor and developer. IMICL's project portfolio is diversified across	This entity is in the process of monetizing its assets (including real estate assets).  The resolution for IMICL can be attempted after: (i) either share sale proceeds are realized by IMICL (in the event equity value is derived pursuant to resolution of operating assets held by IMICL); and (ii) the resolution of assets/



S.	Name of	Sector	Categorization	Brief Description	Progress on resolution
No.	Company		of the IL&FS Group Entity		
				the maritime and logistics sector with projects that include multipurpose berths, tank terminals, integrated maritime complex with a shipyard, in India and the UAE.	companies held by IMICL is completed (pursuant to which certain payments may be received by IMICL from the financial bid amount (to the extent IMICL is a creditor of the relevant operating asset).
7	IL&FS Environmental Infrastructure & Services Limited ("IEISL")	Waste Management and Environmental Services	Red	IEISL (in which IL&FS holds 97.5% of its share capital), has established a waste management platform.  Currently, IEISL has 36 plants managing an aggregate capacity of 16,400 TPD and has demonstrated capabilities across various segments in the Integrated Waste Management (IWM) space.	A two stage bidding process is being followed for monetizing IL&FS' stake in IEISL. Stage 1 consists of receipt of a binding bid under a process akin to a 'Swiss Challenge' process and Stage 2 consists of a publicly solicited bid process inviting competing bids.  A binding bid under Stage 1 was received on October 22, 2019. Stage 2 comprising of the publicly solicited bid process will be initiated shortly.
8	IL&FS Township & Urban Assets Limited ("ITUAL")	Urban Development	Red	ITUAL is a 100% subsidiary of IL&FS and focuses on creating infrastructure to support urban habitation i.e. development of integrated townships, affordable housing, sports and social infrastructure. IL&FS and the Government of Gujarat have envisaged development of an International Financial Service Centre named Gujarat International Finance Tec-City	This entity is the Holding Company of the urban infrastructure vertical, and is in the process of monetizing its assets (including real estate assets).  The resolution for ITUAL can be attempted after: (i) either share sale proceeds are realized by ITUAL (in the event equity value is derived pursuant to resolution of operating assets held by ITUAL); and (ii) the resolution of assets/companies held by ITUAL is completed (pursuant



S.	Name of	Sector	Categorization	Brief Description	Progress on resolution
No.	Company		of the IL&FS Group Entity		
				("GIFT") near Gandhinagar with part development rights held by ITUAL	to which certain payments may be received by ITUAL from the financial bid amount (to the extent ITUAL is a creditor of the relevant operating asset).
9	IL&FS Engineering and Construction Company Limited ("IECCL"):	Engineering & Construction	Red	IECCL is listed on NSE and BSE (with IL&FS as a promoter holding 42.25% of the share capital) and is engaged in infrastructure development, construction and project management.	Debt restructuring is being evaluated as a possible resolution mechanism.  It is pertinent to note that the efforts and initiatives of the New Board and the management has resulted in IECCL: (i) being converted from cash deficit to cash positive on an operational basis; (ii) preserving value of approximately Rs 88.7 mn on account of realization of claims and pending receivables aggregating to approximately Rs 22 mn; and (ii) securing release of bank guarantees for a value aggregating to Rs 66.7 mn, owing to completion/ revival of its existing projects.  Efforts are currently being made to: (i) execute pending orders and collect old/ current receivables; (ii) revive projects that were previously terminated;
10	Hill County Properties Limited (HCPL):	Real Estate	Red	HCPL is a Hyderabad based Real Estate Company originally promoted by the Raju family and the IL&FS Group was inducted as the promoter of HPCL by way of an order	The process for sale of IL&FS Group's stake (aggregating to approximately 80%, held by IL&FS, ITUAL and IECCL) in HCPL has been



S. No.	Name of Company	Sector	Categorization of the IL&FS Group Entity	Brief Description	Progress on resolution
				passed by the Company Law Tribunal in January 2011.	initiated. Binding bids are expected by January 2020.
11	Schoolnet India Limited (formerly known as IL&FS Education & Technology Services Limited)	Education	Amber	Schoolnet India Limited (in which IL&FS holds 68.9% of its share capital), operates primarily in sectors relating to education, employability and employment opportunities. It has partnered with various governments to set up computer labs and through its subsidiaries also provides vocational training and commercially sustainable integrated solutions for development of micro, small and medium enterprises.	The binding bid for IL&FS Group's shareholding in Schoolnet India Limited (which would result in the indirect change in shareholding of step-down subsidiary ISDC and the business of ICDI), has been received on July 23, 2019.  The Company is a Category I Company (as defined in the Resolution Framework Report). Accordingly, a COC consisting of all financial creditors of the selling shareholder (in this case, IL&FS) was required to be constituted to consider the purchase offer. The first meeting of IL&FS COC was held on October 17, 2019, for seeking approval for the sale of IL&FS' stake in the Company, in the manner contemplated in the Resolution Framework Report.  The highest financial bid value ("H1 bid") for the sale of Schoolnet India Limited was approved by 78.46% (by value) of the IL&FS Creditors' Committee members, which is in excess of the threshold that is stipulated in the Resolution Framework (i.e. 2/3rd majority (by value)) post



S. No.	Name of Company	Sector	Categorization of the IL&FS Group Entity	Brief Description	Progress on resolution
			Group Entity		which the H1 bid was also approved by the New Board.  In accordance with the Resolution Framework, post approval of the New Board, an application has
					been made to Justice (Retd.) D.K. Jain, to seek his approval. Upon receipt of approval from Justice (Retd.) D.K. Jain, an application would be made to the Hon'ble NCLT, for seeking its approval to consummate the aforesaid sale.
12	TerraCIS Technologies Limited ("TTL") (formerly known as IL&FS Technologies Limited:	Information Technology	Green	TTL, (in which IL&FS holds 52.26% of the equity share capital), is focused on creating and enhancing customer experience through business process management, analytics, system integration and managed services.	A two stage bidding process is being followed for monetizing IL&FS' stake in TTL. Stage 1 consists of receipt of a binding bid under a process akin to a 'Swiss Challenge' process and Stage 2 consists of a publicly solicited bid process inviting competing bids.
13	IL& FS Infra Asset Management Limited ("IIAML")	Mutual Funds	Green	IIAML is a step-down subsidiary (in which IIML holds 86.6% of the share capital of IIAML). IIAML was set up in 2013 and is the asset manager of IL&FS Infrastructure Debt Fund.	The monetization process for IIAML has been relaunched and targeted date for receiving binding bid is January 2020.



S. No.	Name of Company	Sector	Categorization of the IL&FS Group Entity	Brief Description  IIAML has launched 8 schemes till date and manages assets of approximately Rs. 2,200	Progress on resolution
				crore and has made investments in multiple portfolio companies under various sub-sectors of the infrastructure sector.	
14	IL& FS Water Limited ("IWL")		Green	IWL (in which IL&FS holds 95% of its share capital), was incorporated in 2007 to focus on water and water effluent treatment projects and has expertise in project development across bulk water supply, waste water recycling, desalination, operation & maintenance of water utilities.  Apart from IWL, IL&FS has set up IL&FS Paradip Refinery Water Limited ("IPRWL") to develop the bulk water supply project on BOOT basis for IOCL's 15 MMTPA Refinery being set up at Paradip, Odisha.	This entity provides operations and maintenance services to IPRWL, Chhotagovindpur & Bagbera Drinking Water Supply Project Limited and Hubballi Dharwad Water Supply Project Limited.  Resolution of this entity can happen post closure/divestment of the aforementioned 3 entities.



#### PERFORMANCE OF SUBSIDIARIES, ASSOCIATES & JOINT VENTURES:

The Company has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting 'going concern' requirements. Further, challenges are being faced by the respective Subsidiaries in terms of valuation of underlying assets, inadequate number of Directors on the Boards of a few companies, dealing with casual vacancy of Statutory Auditors and extended timelines for finalizing and adopting audited financial statements. In view of the above, the Financial Statements of the Subsidiaries Companies will not be available before the Annual General Meeting of the Company. Accordingly the Company is unable to provide its Consolidated Financial Statement and salient features of the Financial Statements of the Company's Subsidiaries and Joint Ventures in Form AOC-1 as required under Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. An application is being made to the competent authority seeking an exemption for the Company from presenting its consolidated financial statement.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The CSR Policy of the Company was approved by the erstwhile Board at its meeting held on December 09, 2014. The CSR Policy is effective from April 01, 2014. Financial year 2019 is the fifth year of operationalization of the CSR mandate under the Companies Act, 2013.

Details of the CSR expenditure during the first six months of the year under review are given in Annexure I enclosed to the report.

Pursuant to the appointment of the New Board and mandate provided, the focus has been on the Resolution Framework. Since your Company has been categorized as "Red Entity" no further amount has been spent towards CSR activities.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

As per the provisions of Section 177(9) of the Companies Act, 2013, your Company formulated and adopted a Whistle Blower Policy and Vigil Mechanism for employees and Directors of the Company in order to report instances of unethical behavior, violation of Company's Code of Conduct. A copy of the Whistle Blower Policy is available on the Company's website: <a href="https://www.ilfsindia.com/investors/">https://www.ilfsindia.com/investors/</a>

Three complaints were received via the Whistle Blower Mechanism in the year under review and have been duly addressed by the Company.

To report any suspected or confirmed incident of fraud/ misconduct, the aggrieved person can reach the Ombudsman at: <a href="mailto:ombudsperson@ilfsindia.com">ombudsperson@ilfsindia.com</a>



#### **FIXED DEPOSITS:**

Your Company has been registered as Systemically Important Non-Deposit Accepting Core Investment Company (CIC). The Regulatory Framework for CIC in terms of RBI guidelines prohibits/restricts the CICs from raising funds by way of public deposits. Accordingly, your Company has not accepted any public deposits nor intends to raise any money by way of public deposits.

# MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Pursuant to defaults in obligations in terms of servicing its debts, the credit rating of the Company has been downgraded to "D" rating during the year. Consequent to losses incurred during the year, the net worth of the Company has substantially eroded. The Group Companies have availed third party limits carved out of the Company's limits from banks for letter of credit, performance guarantees and other financial guarantees facilities (collectively referred to as 'third party guarantees'). These third party guarantees have been issued by the Company's bankers on behalf of such Group Companies in the normal course of business after due credit assessments. The Company has also received counter guarantees from respective Group Companies against such third party guarantees.

The Company has prepared its financial statements on a 'going concern' basis, based on its plans for resolution discussed above.

#### **BOARD AND COMMITTEES:**

#### A. **DIRECTORS**:

# (1) Change in Board of Directors:

- (a) National Company Law Tribunal, Mumbai Bench ("NCLT") vide Order dated October 01, 2018 suspended the following Directors from the Board of the Company with immediate effect:
  - Mr. Hari Sankaran, Vice Chairman & Managing Director
  - Mr. Arun K Saha, Joint Managing Director & CEO
  - Mr. Ravindra Chandra Bhargava
  - Mr. Sunil Behari Mathur
  - Mr. Michael Pinto
  - Mr. Jaithirth Rao
  - Ms. Rina Kamath
- (b) Mr. Sanjeev Doshi (DIN: 02237584), Nominee Director of Abu Dhabi Investment Authority resigned as Nominee Director of the Company with effect from October 01, 2018.
- (c) Mr. B K Singal (DIN: 07753602) Nominee Director of the Central Bank of India resigned as Nominee Director of the Company with effect from October 01, 2018.
- (d) Mr. C Venkat Nageshwar (DIN: 07234179) Nominee Director of the State Bank of India resigned as Nominee Director of the Company with effect from October 01, 2018.



- (e) Mr. Praveen Kumar Molri (DIN: 07810173), Nominee Director of LIC resigned as Nominee Director of the Company with effect from October 01, 2018.
- (f) Mr. Kiyoshi Fushitani (DIN: 01965162), was appointed as a Nominee Director of ORIX Corporation, Japan with effect from May 30, 2018 and resigned with effect from October 01, 2018.
- (g) Mr. Kiyokazu Ishinabe (DIN: 07763966), Resident Representative, ORIX Corporation, Japan was appointed as an Alternate Director to Mr Kiyoshi Fushitani, Nominee Director of the Company with effect from May 30, 2018. As a result of resignation of Mr. Kiyoshi Fushitani, Mr. Kiyokazu Ishinabe cessed to an Alternate Director with effect from October 01, 2018.
- (h) Mr. Harukazu Yamaguchi (DIN: 03535391), Nominee Director of ORIX Corporation, Japan resigned with effect from October 01, 2018.
- (i) Mr. Ikuo Nakamura, ORIX Corporation, Japan cessed to an Alternate Director to Mr. Harukazu Yamaguchi with effect from October 01, 2018.
- (j) Mr. Hemant Bhargava (DIN: 01922717), Nominee Director of LIC resigned as the Director of the Company with effect from September 28, 2018.
- (k) Mr. Yoshihiko Miyauchi (DIN: 00991171) Nominee Director of ORIX Corporation, Japan resigned as a Director of the Company with effect from May 30, 2018.
- (l) Mr. Ravi Parthasarathy (DIN: 00002392) resigned as the Non-Executive Chairman and Director of the Company with effect from July 21, 2018.
- (m) Further, NCLT vide various Orders has appointed the following as the Board of Directors of the Company:
  - Mr. Uday Kotak (w.e.f. October 01, 2018)
  - Mr. Vineet Nayyar (w.e.f. October 01, 2018)
  - Mr. G C Chaturvedi (w.e.f. October 01, 2018)
  - Dr. Malini Shankar (w.e.f. October 01, 2018)
  - Mr. Nand Kishore (w.e.f. October 01, 2018)
  - Mr. G N Bajpai (w.e.f. October 01, 2018)
  - Mr. C S Rajan (w.e.f. October 03, 2018)
  - Mr. Natrajan Srinivasan (w.e.f. December 21, 2018)
  - Mr. Bijay Kumar (w.e.f. December 21, 2018)
- (n) Mr. G N Bajpai resigned as a Director of the Company with effect from October 30, 2018.

All Independent Directors as on September 30, 2018 had provided the declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Further, pursuant an application filed by the MCA, the Hon'ble NCLT vide its Order dated April 26, 2019 (in Misc. Application 1054/2019 in C.P. No. 3638/2018) has held that since members of the New Board have been appointed by the Hon'ble NCLT, there is no requirement to appoint independent director under Section 149 of the Companies Act, 2013 during the moratorium period granted pursuant to the Interim Order passed by the Hon'ble NCLAT. In view of the same, the



Company has not appointed any Independent Directors under Section 149 of the Companies Act, 2013.

#### (2) Managerial Remuneration Policy:

The erstwhile Management of the Company had adopted "Managerial Remuneration Policy" and defined a Selection Criteria for appointment of Directors, qualification, positive attributes, independence of the Directors including remuneration payable and other matters as prescribed under the Companies Act, 2013. The Managerial Remuneration Policy and Selection Criteria for Directors is available on the website of the Company: <a href="https://www.ilfsindia.com/investors/">https://www.ilfsindia.com/investors/</a>

#### (3) Board Evaluation:

As per the requirement of Schedule IV, Section 134 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, the erstwhile Management your Company had laid down a Performance Assessment Process and Parameters for the Members of the Board. The evaluation of the performance of the individual Directors, Committees and the Board was noted at the Meeting of the erstwhile Board of Directors of the Company held on May 30, 2018.

#### **B. BOARD MEETINGS**:

Nineteen Board Meetings were held during the year under review, of which Fourteen Board Meetings were held post October 01, 2018 by the New Board.

#### C. COMMITTEES OF THE COMPANY:

#### 1. Statutory Committees of The Board:

Pursuant to the Order of the Hon'ble NCLT dated October 01, 2018 all the then Directors were suspended from the Board of the Company with immediate effect. This resulted in them ceasing to be the members of all the Committees. Consequently, the committees were reconstituted by inclusion of the New Board members appointed by the Hon'ble NCLT.

## (a) Audit Committee:

Erstwhile the Audit Committee of the Board of Directors of the Company comprised of the following members as on September 29, 2018, Mr. R C Bhargava, Chairman, Mr. Michael Pinto, Mr. S B Mathur and Mr. Arun Saha.

Pursuant to the NCLT Order dated October 01, 2018 all the members of the Committee were suspended from the Board of the Company with immediate effect. Subsequently, the Audit Committee was reconstituted on October 04, 2018 with the following Directors as members viz. Mr. Nand Kishore, Chairman, Mr. C S Rajan and Dr. Malini Shankar. Subsequently, the Audit Committee was re-constituted on December 24, 2018 by including Mr. N Srinivasan.



Further, Mr. C S Rajan stepped down from the Audit Committee on April 03, 2019. Currently, the Committee comprises of Mr. Nand Kishore, Chairman, Dr Malini Shankar and Mr. N Srinivasan.

During the year under review, the Audit Committee had Nine Meetings of which Seven Meetings were held by the newly constituted Audit Committee members post October 01, 2018.

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

## (b) Nomination & Remuneration Committee ("NRC"):

Erstwhile the Nomination Remuneration Committee of the Board of Directors of the Company comprised of the following members as on September 29, 2018, Mr. S B Mathur, Chairman, Mr. Michael Pinto and Mr. Hari Sankaran as Members of the Committee.

Pursuant to the NCLT Order dated October 01, 2018 all the members of the Committee were suspended from the Board of the Company with immediate effect. Subsequently, the NRC was reconstituted on October 04, 2018 with the following Directors as members viz. Mr. G C Chaturvedi, Chairman, Mr. C S Rajan and Mr. Uday Kotak.

Further, Mr. C S Rajan stepped down from the NRC on April 03, 2019. Currently the Committee comprises of Mr. G C Chaturvedi, Chairman, Mr. Uday Kotak and Mr. Nand Kishore.

During the year under review, the NRC had Seven Meetings of which Four Meetings were held by the newly constituted NRC members post October 01, 2018.

The responsibilities of the NRC, inter-alia, include:

- (i) to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board, their appointment and/or removal and shall carry out evaluation of every Director's performance;
- (ii) to formulate criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration for the Directors, KMP and other employees; and
- (iii) to endorse the methodology and distribution of Performance Related Pay to the employees of the Company.

# (c) Corporate Social Responsibility (CSR) Committee:

In accordance with the provisions of the Companies Act, 2013, your Company has constituted a CSR Committee. The Committee comprised of Ms. Rina Kamath, Chairman, Mr. Hari Sankaran, Mr. Arun K Saha and Mr. Jaithirth Rao. Pursuant to the NCLT Order dated October 01, 2018 all the members of the Committee were suspended from the Board of the Company with immediate effect. Subsequently, the CSR Committee was reconstituted on October 04, 2018 with the following Directors as members viz. the Committee comprised of Dr. Malini



Shankar, Chairman, Mr. Vineet Nayyar and Mr. G N Bajpai. Subsequently, on November 14, 2018 the Committee was reconstituted to include Mr. Nand Kishore in place of Mr. G N Bajpai.

Further, the Committee was reconstituted consequent to Mr. C S Rajan stepping down from the CSR Committee on April 03, 2019. Currently, the CSR Committee comprises of Dr. Malini Shankar, Chairman, Mr. Vineet Nayyar and Mr. N Srinivasan.

During the year under review, the erstwhile CSR Committee met once.

The responsibilities of CSR Committee include to:

- (i) frame and recommend to the Board of Directors, a CSR Policy which shall indicate the activities to be undertaken by the Company;
- (ii) recommend the amount of expenditure to be incurred on the activities specified;
- (iii) establish a monitoring mechanism including the mandatory MIS/ Reporting formalities;
- (iv) ensure the build-up of a robust pipeline of CSR initiatives to avoid any carry forward of fund allocations;
- (v) formalise the operational structure of the CSR Program.

## (d) Stakeholders' Relationship Committee ("SRC"):

In accordance with the provisions of the Companies Act, 2013, your Company has constituted a Stakeholders' Relationship Committee ("SRC"). The Committee comprised of Mr. S B Mathur, Chairman, Mr. Arun K Saha, and Mr. Kiyokazu Ishinabe. Pursuant to the NCLT Order dated October 01, 2018 all the members of the Committee were suspended from the Board of the Company with immediate effect. Subsequently, the SRC was reconstituted on October 04, 2018 with the following Directors as members viz. Mr. G N Bajpai, Chairman, and Mr. G C Chaturvedi as member of the New Board appointed by the NCLT. Subsequently, on November 14, 2018 SRC was reconstituted to include Mr. Vineet Nayyar in place of Mr. G N Bajpai.

Currently, the Committee comprises of Mr. G C Chaturvedi, Chairman and Mr. Vineet Nayyar.

The Committee is responsible for resolving stakeholder's grievances, if any. No meetings were held during the year under review.

# (e) Asset Liability Management ("ALM") Committee:

The ALM Committee had been constituted as per RBI directives and comprised of Mr. Arun K Saha, Mr. R C Bawa, Mr. M M Wagle, Mr. Milind Patel and Mr. Sujoy Das. Subsequently, the ALM Committee was reconstituted on November 15, 2018 with the following members viz. Mr. M M Wagle and Mr. Surjeet Wagh.

Further, ALM Committee was reconstituted on May 22, 2019 with the following members viz. Mr. M M Wagle, Mr. Deepak Pareekh, Mr. Neerav Kapasi and Mr. Manish Agal. Currently the ALM Committee comprises of Mr. M M Wagle, Mr. Neerav Kapasi and Mr. Manish Agal.

The Committee is responsible for ensuring compliance with the requirements as specified by the RBI from time to time. During the year under review, the erstwhile ALM Committee met twice.



#### (f) Internal Complaints Committee (ICC):

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".

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

#### 2. Non Statutory Committees:

The New Board is being assisted by various committees constituted from time to time to deal with specific tasks inter-alia including the following Committees.

#### (a) Asset Sale Committee:

The New Board had constituted an Asset Sale Committee on April 16, 2019 comprising of Mr. Vineet Nayyar, Chairman, Mr. C S Rajan, Mr. Bijay Kumar and Mr. N Sivaraman to consider and decide on matters pertaining to sale, divestment and monetization of assets of the Company including its direct and indirect interests in Group entities and/or it assets, division(s), undertaking(s), business(es), subsidiary companies, joint ventures, through a fair and transparent process in the manner as contemplated under the Resolution Framework Report subject to the final approvals of the Board, Justice (Retd.) D.K. Jain and other requisite approvals.

#### (b) Operating Committee (OpCo):

The New Board constituted a "Core Operating Committee" on October 12, 2018 comprising of Mr. Vineet Nayyar, Chairman, Mr. Kaushik Modak, Mr. Ashwani Kumar, Mr. Dilip Bhatia and Mr. TV Raghunath. Subsequently, the Committee was reconstituted on December 24, 2018 by including Mr. Bijay Kumar and Mr. N Sivaraman.

Further, the Committee was reconstituted on April 03, 2019 by including Mr. CS Rajan.

The Committee was renamed to "Operating Committee" on February 12, 2019.

#### (c) Empowered Committee on Restructuring:

An "Empowered Committee on Restructuring" was constituted on June 28, 2019 comprising of Mr. N Srinivasan, Chairman, Mr. Vineet Nayyar, Mr. C S Rajan and Mr. Bijay Kumar.

The Committee is assisted and supported by Mr. N Sivaraman in terms of conceptualization, structuring, evaluation, consideration and providing the requisite support in taking forward the actions with respect to the restructuring proposals as required.



#### (d) Standing Committee for Road Projects:

The New Board of Directors appointed by NCLT has constituted the "Standing Committee for Road Projects" on July 24, 2019 comprising of Mr. G C Chaturvedi, Chairman, Mr. Vineet Nayyar and Mr. C S Rajan. The Committee is assisted and supported by Mr. Dilip Bhatia.

The rationale for forming the Committee was to finalise and agree for settlement of claims with authorities such as NHAI/ NHIDCL/ MoRTH for incomplete road projects, where the counter party is represented in the form of state or a state related authority.

# PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

The Company is registered as a Systemically Important Non-Deposit Accepting Core Investment Company (CIC-ND-SI), engaged in the activities of investing in and lending to the group companies. Hence the provisions of Section 186 of the Companies Act, 2013, except Section 186(1), are not applicable and hence the details thereof are not disclosed.

#### **KEY MANAGERIAL PERSONNEL:**

In terms of provisions of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel (KMP) of the Company:

- Mr. Vineet Nayyar, Managing Director (from October 01, 2018 to April 02, 2019)
- Mr. C S Rajan, Managing Director (from April 03, 2019)
- Mr Maharudra M Wagle, Group Chief Financial Officer
- Ms. Varsha Sawant, Senior Vice President & Company Secretary (upto March 10, 2019)
- Mr. Shekhar Prabhudesai, Company Secretary (from March 11, 2019)
- Mr Hari Sankaran, Vice Chairman & Managing Director (suspended by NCLT from October 01, 2018)
- Mr Arun K Saha, Joint Managing Director & CEO (suspended by NCLT from October 01, 2018)



#### **CHANGES IN GROUP COMPANIES:**

Pursuant Rules 8(5) of the Companies (Accounts) Rules 2014 as amended from time to time, the following changes have occurred to the list of Group Companies during the year under review:

S	Name of the Company	Type of	Date from which the relationship	
No		Relation	Established on	Ceased on
1	IL&FS Capital Advisors Limited #	Subsidiary	-	-
2	IL&FS Renewable Energy Limited *	Subsidiary	-	-
3	Jorabat Shillong Expressway Limited	Subsidiary	August 16, 2018	-
4	Sharjah General Services LLC	Subsidiary	-	August 09, 2018
5	IL&FS Engineering & Construction	Subsidiary	April 01, 2018	-
	Company Limited			
6	Dehradun Integrated Arena Limited	Indirect	May 23, 2018	-
		Subsidiary		
7	Srinagar Sonamarg Tunnelway	Indirect	September 29, 2018	-
	Limited	Subsidiary		
8	Jharkhand e-Governance Solutions &	Joint	-	-
	Services Limited <sup>@</sup>	Venture		
9	Karnataka Enterprise Solutions	Joint	-	July 10, 2018
	Limited	Venture		

<sup>#</sup> The Companies have filed an application for Voluntary Liquidation.

#### **RELATED PARTY TRANSACTIONS:**

It should be noted that the nature of related party transactions undertaken during the year, prior to October 01, 2018 under the erstwhile management, are under review as part of various internal and external investigations that have been initiated. Therefore, pending such investigations, the Company is unable to confirm the completeness of the related party transactions and whether some of these were undertaken at an arm's length basis and/or in the ordinary course of business. Hence, 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 for the period prior to October 01, 2018, have not been included for the year under review. In view of the above, the Company is unable to provide the disclosures in Form AOC-2.

The erstwhile Management had formulated a Policy for Related Party Transactions (RPT), which was reviewed and recommended by the then Audit Committee and approved by the erstwhile Board. The RPT Policy is available on the website of the Company: <a href="https://www.ilfsindia.com/investors/">https://www.ilfsindia.com/investors/</a>.

<sup>\*</sup> Merged with IEDCL April 20, 2018.

<sup>@</sup> The Company has filed an application for strike-off the name with MCA under Fast Track Exit scheme.



#### **EMPLOYEES:**

The total number of employees in your Company as on March 31, 2019 stood at 116 as compared to 134 employees as on March 31, 2018. Further, the total number of employees at group level as on March 31, 2019 stood at 4,331 as compared to 5,579 employees as on September 30, 2018.

The New Board places on record it's appreciation for all the employees of the Group for their sustained efforts, dedication and hard work during the year.

#### **PARTICULARS OF REMUNERATION:**

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, is enclosed as Annexure II to the Directors' Report.

#### **FOREIGN EXCHANGE OUTGO:**

The particulars regarding expenditure in foreign exchange is as follows:

	•	• 11	• \
(Rs.	ın	mill	Innl
1173.	111		иои

Particulars	2019	2018
Interest & Commitment Charges	98.71	158.85

# **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

Since the Company does not own any manufacturing facility, the other particulars as per Rule 8(3) of the Companies (Account) Rules, 2014 as amended from time to time, are not applicable.

#### **COST RECORDS AND COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried by the Company.



### **AUDITORS:**

# (1) **STATUTORY AUDITORS**:

M/s SRBC & Co LLP (SRBC), Chartered Accountants, Mumbai (ICAI Registration No.324982E/ E300003) were appointed as Statutory Auditors of the Company for a term of 5 years (i.e. from FY 2018 to FY 2022) in the Annual General Meeting of the Company held on September 26, 2017. In accordance with the Companies Amendment Act, 2017, effective May 7, 2018 by the Ministry of Corporate Affairs (MCA), the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Management Representation on the qualifications/ observations/ remarks of Statutory Auditor pertaining to year ended March 31, 2019 are as under:

Sr. No	Qualifications	Responses to Audit Qualifications / observations
1.	Note 1.6 to the accompanying standalone Ind-AS financial statements, on January 1, 2019, the Company and two of its subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress	An order received from NCLT dated January 01, 2019 has allowed a petition by the Union Of India for reopening of the books of accounts and recasting of the financial statements under Section 130 of the Companies Act for the five financial years between 2013-14 to 2017-18 of IL&FS and its Subsidiaries IFIN and ITNL. Accordingly, the NCLT has appointed firms to carry out the re-opening and recasting of financial statements which is under progress. The company will make the required adjustments once the recasting process is completed.
2.	Note 1.7 to the accompanying standalone Ind-AS financial statements, the Board of Directors have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.	The New Board, in January 2019, has initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the New Board.



Sr. No	Qualifications	Responses to Audit Qualifications / observations
3.	Note 1.8 to the accompanying standalone Ind-AS financial statements, management is in the process of reconciling claims received with its books of account.	Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 05 June, 2019 (subsequently extended till September 22, 2019) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.  Management of the Company is in the process of reviewing such claims, and
		reconciliation of such claims with the corresponding amounts as per the Company's books of account. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present and possible obligations that would need to be recognised by the Company as liabilities.
4.	Note 1.18 to the accompanying standalone Ind-AS financial statements, there are ongoing investigations by various regulatory authorities and agencies on the Company.	The MCA, Government of India, has vide its letter dated October 01, 2018 initiated investigation by the Serious Fraud Investigation Office (SFIO) against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. Further, regulatory and law enforcement agencies namely RBI, Enforcement



Sr. No	Qualifications	Responses to Audit Qualifications / observations
		Directorate (ED), National Financial Reporting Authority (NFRA) have initiated investigations against the Company and its group companies.
5.	Note 1.9 to the accompanying standalone Ind-AS financial statements, pending management's determination of the financial and other consequences of the litigations stated in the said note, no adjustments have been made to the accompanying standalone Ind-AS financial statements in this regard.	As a result of the events up to September 30, 2018, there have been legal cases and suits files against the Company following the default of borrowings made by the Company, as described in that note. Further, the Company is undergoing a resolution process under the order of the National Company Law Tribunal ("NCLT"), pending which the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities.
6.	Note 1.10 to the accompanying standalone Ind-AS financial statements, as at March 31, 2019, the Company has made provisions of Rs 95,429.01 million, Rs 2,072.35 million and Rs 96,804.75 million respectively towards provisions for loans given to and receivables from, and impairment of investments in, its subsidiaries, associates and joint ventures and recorded net loss on fair value changes of Rs 26,692.99 million on financial assets measured at fair value though profit and loss. The Company does not currently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables and accordingly, management has recorded full provision for the balances indicated in that note, which does not consider the requirements of the relevant Ind-AS standards in entirety.	As a result of the events during the financial year 2018-19, there is significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the loans given to, receivables from, and investments in, group companies. All group companies in India have been classified as "Red", "Amber" or "Green" categories, based on 12 months solvency test.  Management, in consultation with the New Board, has assessed and determined that the amounts of investments in entities classified as "Red" and "Amber" are not significantly recoverable. Similarly, the amounts of loans in to entities classified as "Red" and "Amber" are not entirely recoverable. Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety as the Company does not presently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables. On this basis, provision has been made in respect of the balance of loans, receivables and investments,



Sr. No	Qualifications	Responses to Audit Qualifications / observations
		aggregating Rs. 95,429.01 million, Rs. 2,072.35 million and Rs. 96,804.75 million respectively, and recorded net loss on fair value changes of Rs. 26,692.99 million on financial assets measured at fair value though profit and loss, arising from transactions up to September 30, 2018, except in respect of certain entities where security is available, and management expects realization of those securities. In the view of the Company, the impairment provision made is prudent and represents the economic substance of the amounts recoverable.
7.	Note 1.11 to the accompanying standalone Ind-AS financial statements, the Company is in the process of reconciling the completeness and status of financial guarantees extended by it to group companies in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities in the accompanying standalone Ind-AS financial statements. In the absence of sufficient appropriate audit evidence in this regard, we are unable to comment on the consequential effects thereof on the accompanying standalone Ind-AS financial statements.	The Company has issued financial guarantees to its group companies. Management is in the process of reconciling the completeness and status of financial guarantees issued, devolved, claimed and recorded / to be recorded in the books of account, including those guarantees in respect of which claims have been received as part of the claims management process.
8.	Note 1.12 to the accompanying standalone Ind-AS financial statements, the Company has not accounted for contractual interest income from its subsidiaries, associates and joint ventures (of Rs 7,379.80 million on a gross basis) and contractually payable finance costs on borrowings (of Rs 6,925.85 million, excluding penal / other interest and charges), for the period from October 16, 2018 to March 31, 2019. In our opinion, the Company would be required to account for such interest income and interest expenses, and the related assets and liabilities as at March 31, 2019.	In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group.  In terms of the Resolution Framework Reports, the proposal made is that all liabilities relating to the relevant IL&FS Group Entity, whether financial (including interest, default interest, indemnity claims and additional charges),



Sr. No	Qualifications	Responses to Audit Qualifications / observations
		operational debt (including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims), whether existing at or relating to a period after October 15, 2018 (the Cut-Off Date, as explained in the previous paragraph) should not continue accruing.
		Accordingly, management has:  a) Recognised interest income for the year on loans made, only for the period up to October 15, 2018. No such income has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs. 7,379.80 million on a gross basis.
		b) Recognised finance costs on borrowings (including from third parties) for the year, only for the period up to October 15, 2018. No such finance costs has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates to Rs. 6,925.85 million.
		The above amounts are based on contractually agreed terms, and exclude penal / other interest and charges. Further, the above (a) and (b) are not applied to entities classified as "Green" category, ie, entities which are in a position to honour their respective financial and operational liabilities. The above basis of accounting is on the basis of the proposal made by the Company to NCLT.
9.	As more fully discussed in Note 1.17, management is evaluating the consequential effects of the Reserve Bank of India's inspection of the Company with reference the year ended March 31, 2018. The accompanying standalone Ind-AS financial statements do not include any possible adjustments arising from the consequential effects of such inspection.	The management is in the process evaluating the financial and other consequences arising out of inspection. However, the Company has made provision on loans and investments as indicated in note 1.10 of accompanied financial statements.



Sr. No	Qualifications	Responses to Audit Qualifications / observations
10.	Note 1.13 to the accompanying standalone Ind-AS financial statements, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and the consequential effects on the disclosures of related party transactions and balances in Note 44, to the accompanying standalone Ind-AS financial statements.	The Group has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting 'going concern' requirements Therefore, audited financial statements of several subsidiaries, associates and joint ventures of the Company for the year ended March 31, 2019, are not available. The Company is in the process of performing and completing the confirmation and reconciliation of intercompany balances with its subsidiaries, associates, joint ventures.
11.	<ol> <li>We have not received audit evidence as follows:</li> <li>Reconciliation of differences with one bank discussed in Note 1.14 to the accompanying standalone Ind-AS financial statements aggregating Rs. 2,412.80 million, which management believes represents an incorrect adjustment made by the bank in the Company's bank account (included in note 3 and 4 to the accompanying standalone Ind-AS financial statements).</li> <li>Unreconciled differences in bank reconciliation statements/other borrowings including direct debits by banks aggregating Rs. 1,485.85 million, which in management's view is primarily arising out of claims for penal interest, which are in the process of being reconciled by the Company.</li> <li>c) Direct confirmations from three banks in respect of derivatives (including the mark to market amount) of Rs. 337.79 million in note 5 to the accompanying standalone Ind-AS financial statements.</li> </ol>	The Company has done extensive follow up and will continue its efforts to get the requisite documents and confirmations. Also, the Company has written letters protesting any unilateral adjustments pending final outcome of resolution and claim management process. Further, under the claims management process, these parties have already filed their claims and accordingly, there is indirect acknowledgement available with the Company.



Sr. No	Qualifications	Responses to Audit Qualifications / observations
	Accordingly, we are unable to comment on the consequential effects of the above, on the accompanying standalone Ind-AS financial statements.	
12.	The Company does not have information for certain disclosures including, but not limited to, those required by Schedule III of the Companies Act, 2013 (the "Act"), Ind-AS, and certain regulations of the Reserve Bank of India and related rules, as and for the reasons discussed in Note 1.15 and Note 1.4.2 to the accompanying standalone Ind-AS financial statements.	The Company has substantially curtailed its normal business operations, and is currently engaged in the resolution process. It is not practically possible for management to obtain the necessary information required for making (i) certain disclosures required by the financial reporting framework applicable to the Company including, but not limited to, certain requirements of Schedule III to the Companies Act, Ind-AS, and certain requirements of the RBI Act and Master Directions; and / or (ii) disclosures of corresponding figures for certain items where current year figures have been disclosed.
13.	Note 1.16 to the accompanying standalone Ind-AS financial statements, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully discussed in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the accompanying standalone Ind-AS financial statements.	The Company is not in compliance with certain provisions / requirements of applicable laws and regulations. These include certain requirements of Companies Act, 2013, listing agreement entered into with the stock exchange, and certain regulations of the Reserve Bank of India as applicable to the Company.  Where the management has identified any non-compliance subsequent to September 30, 2018, these have been reported or are in the process of being reported to the relevant regulator, and the Company intends to comply with the necessary requirements or further directions at the earliest.  The Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a



Sr. No	Qualifications	Responses to Audit Qualifications / observations
		comprehensive assessment of other non-compliances, to determine their financial, operating or other consequences.
14.	Material Uncertainty Related to Going Concern  We refer to Note 1.19 to the accompanying standalone Ind-AS financial statements. The Company has incurred a loss (including other comprehensive income) of Rs 2,25,272.51 million for the year ended March 31, 2019 and has net liabilities of Rs 1,69,351.52 million as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters set forth in that note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.	The Company and the IL&FS group, in general, are undergoing substantial financial stress as at March 31, 2019. A resolution process is being run by the New Board. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, stakeholders' interest and commercial feasibility. The resolution plan includes measure such as sale of entities / assets wherever possible. The Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is committed to taking necessary steps to meet its financial commitments to the extent possible.  During the year, the Company has also engaged an independent third party as External Resolution Consultants, to assess the liquidity at the Company and at group companies in India. As a result, 150 domestic companies in the IL&FS group have been classified into three categories, as explained in Note 1.3 to these standalone Ind-AS financial statements. These classifications reflect the ability of the companies to pay their financial and operational creditors in normal course of business, and are subject to periodic assessment and review by the management and the Board. Further, these results are being submitted to the NCLT, the last of which have been submitted on August 09, 2019.  The ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, and restructure / settle its liabilities. In view of actions that are currently underway, the accompanying financial statements



Sr. N	Qualifications	Responses to Audit Qualifications / observations
		have been prepared on going concern basis based on cumulative impact of certain steps taken by the New Board.

# (2) <u>SECRETARIAL AUDITORS</u>:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the Company has appointed M/s P Diwan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2019. The Report of the Secretarial Auditor is annexed as Annexure III.

The Management Representation on the qualifications/ observations/ remarks of Secretarial Auditor pertaining to year ended March 31, 2019 are as under:

Sr. No.	Qualifications	Responses to Audit Qualifications / Observations
1	The Company has not disclosed following decisions taken in the Board	Pursuant to the Order dated October 01, 2018 passed by the NCLT, the
	Meeting of erstwhile Directors to Stock Exchange and therefore the Company has received Show Cause Notice from Securities Exchange	erstwhile Board was suspended and New Board was appointed. Considering
	Board of India ("SEBI")	Board is not in a position to comment on the said observations.
	Raising equity capital by way of rights issue; and  Right Hald B. 20,000	
	• Disinvestment plan to reduce the overall debt by Rs. 30,000 crores and recapitalization of group companies to the extent of Rs. 5,000 crores.	
2	The erstwhile Director(s) have participated in Board Meeting and Audit	
	Committee meeting through electronic mode wherein discussion of	



Sr. No.	Qualifications	Responses to Audit Qualifications / Observations
	approval of the Annual Financial Statement and Board's report where taken for which permission of Chairman was not obtained.	
3	The erstwhile Director(s) who were interested in agenda conducted in Board Meetings were present during discussions and voting.	
4	The erstwhile Board of Directors of the Company has not approved following in the Board meeting:  • Appointment of Scrutinizer  • Appointment of Agency for e-voting  • Cut Off date of e-voting  • Authority to Chairman or other to receive scrutinizer report	
5	<ul> <li>Prior to October, 2018; the Company has not filed following e-forms with Ministry of Corporate Affairs:</li> <li>Form MGT-14 for Board Resolution passed in Board Meeting dated 29.08.2018 w.r.t. Loan taken From State Bank of India, Issue of Securities NCD upto Rs. 50000 Cr, Issue of Shares on Rights and Approval of Directors Report as required under Section 117 of the Companies Act, 2013.</li> <li>Form GNL-2 for filing PAS-4 and PAS-5 for Issue of NCD for series 2018-I-D.</li> </ul>	
6	<ul> <li>The Company has not filed following with Stock Exchange / RBI as applicable:</li> <li>Reconciliation of Share Capital Audit report for Quarter ended December, 2018 and March, 2019 as required under The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;</li> </ul>	The Company has not done certain filings as per the requirements of applicable laws and regulations.  Most of these non-compliances relate or in turn depend upon the completion of audited financial statements for the respective period and these have not been complied with due to delay in the process of completion of the said



Sr. No.	Qualifications	Responses to Audit Qualifications / Observations
	<ul> <li>Compliance Certificate for half year ended March 2019 as required under Regulation 7(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Unaudited Financial Results for the half year ended 30.09.2018 and 31.03.2019 as required under Regulation 52 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Undertaking as required under Regulation 57 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>ALM-1 Return for the Quarter ended December, 2018 and March, 2019.</li> <li>ALM-2 Return for half year ended March, 2019.</li> <li>NDSI-500_CR for the Quarter ended March, 2019.</li> <li>NBS-7 for all Quarters.</li> <li>Returns under Foreign Direct Investment.</li> </ul>	financial results. The Management has kept the respective regulators informed with the reasons for the said non-compliances.  The Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine their financial, operating or other implications, if any.
7	<ul> <li>The Company has not filed following with Stock Exchange / RBI within prescribed time:</li> <li>Statement of Investor Grievance for the half year ended 31.03.2019 as required under Regulation 13(4) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Branch Info Returns of all Quarters</li> <li>ALM Returns</li> <li>NDSI_500_CR for Quarter ended June, September and December, 2018</li> <li>Quarterly Return on Overseas Investment for Quarter ended September and December, 2018</li> </ul>	There was slight delay in filing the Statement due to resource constraints.



Sr. No.	Qualifications	Responses to Audit Qualifications / Observations
	• External Commercial Borrowings for month ended October, 2018 and December, 2018.	
8	The appointment of Mr. N Sivaraman as Chief Operating Officer of the Company by the Board of Directors was not routed through Nomination and Remuneration Committee.	The need for the creation of position of COO was considered by the New Board in view of the unique and extraordinary situation faced by the IL&FS Group as a whole. Considering the complexity of IL&FS Group structure and specific requirements of the said position, with a view to broadbase the selection process in this respect, the decision was taken by the Board directly instead of routing the same through the Committee.
9	<ul> <li>The Company has not satisfied with the some of the conditions as prescribed under Core Investment Companies (Reserve Bank) Directions, 2016 such as:</li> <li>(i) It holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;</li> <li>(ii) Its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitute not less than 60% of its net assets as mentioned in clause (i) above;</li> </ul>	The Company has made the substantial provision for Expected Credit Loss and impairment on the investment based on conservative approach. Accordingly, the Company has not been able to satisfy the conditions of the Core Investment Companies (Reserve bank) Directions. 2016 for the year ended March 31, 2019.  An annual certificate based on the audited financials for the year ended March 31, 2019 would be submitted to the Reserve Bank of India in due course.



# **SIGNIFICANT AND MATERIAL ORDERS PASSED:**

Sr.	Parties / Case No.	Adjudicating	Date of Order	Particulars
No.		Authority		
1	Union of India, Ministry of Corporate Affairs vs Infrastructure Leasing & Financial Services Limited ('IL&FS') and 10 Ors. (C.P. 3638/2018)	National Company Law Tribunal, Mumbai Bench	October 01, 2018  (read with orders dated October 3, 2018 and December 21, 2018)	The Union of India, through Ministry of Company Affairs filed an application under Section 241(2) read with Section 242(2)(k) of the Companies Act, 2013 ("Act") against IL&FS, before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT").  The Hon'ble NCLT suspended the erstwhile Board of Directors of IL&FS and appointed a new Board of Directors ("New Board") for IL&FS. The Order, <i>inter alia</i> , directed to take over the affairs of IL&FS immediately; conduct its business as per the Memorandum and Articles of Association of IL&FS and provisions of the Act; and submit a roadmap to the Hon'ble NCLT before October 31, 2018.  It is pertinent that three more directors were appointed to the New Board of IL&FS <i>vide</i> orders dated October 03, 2018 and December 21, 2019.
2	Union of India, Ministry of Corporate Affairs vs Infrastructure Leasing & Financial Services Limited ('IL&FS') and 10 Ors. (M.A. 1110 of 2018 in C.P. No. 3638 of 2018)	National Company Law Tribunal, Mumbai Bench	October 05, 2018	The Hon'ble NCLT <i>inter alia</i> (i) directed that no action should be initiated against the New Board for the past actions and past wrongs of the suspended directors and officials of IL&FS without prior approval of the Hon'ble NCLT; and (ii) granted immunity to the directors on the New Board <i>inter alia</i> from disqualification/ disability under Section 164 and 167 of the Companies Act, 2013 that may arise out of the acts of the suspended directors of IL&FS.



3	Union of India, Ministry of Corporate Affairs vs IL&FS and 10 Ors. (MA 1110 / 2018 in C.P. 3638 (MB) /2018)	National Company Law Tribunal, Mumbai Bench	October 09, 2018	The Hon'ble NCLT passed an Order inter alia holding that:  actions of the New Board done in good faith, in the interests of IL&FS, various stakeholders including the public at large are protected which empowered the New Board to replace the directors on the subsidiaries, joint-ventures and associate companies of IL&FS as per existing provisions of the Memorandum and Articles of Association of IL&FS Group Company.
4	Union of India vs IL&FS and Ors. (Company Appeal (AT) no. 346 of 2018) With IL&FS vs Union of India (Company Appeal (AT) no. 347 of 2018)	National Company Law Appellate Tribunal, New Delhi	October 15, 2018	The Hon'ble National Company Law Appellate Tribunal ("NCLAT") granted interim stay on, amongst others, coercive creditor and other action against IL&FS and its group companies.
5	Union of India Vs IL&FS and 2 Ors. (CP 4506/2018)	National Company Law Tribunal, Mumbai Bench	January 01, 2019	The Hon'ble NCLT Ordered the reopening and recasting of books of accounts of IL&FS and two other subsidiary companies of IL&FS <i>i.e.</i> , IFIN and ITNL for the past 5 financial years under Section 130(1)(ii) of the Act on the basis that there was mismanagement in the affairs of IL&FS and the two other entities.  It is pertinent to note that this Order was upheld on appeal before the Hon'ble NCLAT <i>vide</i> its Order dated January 31, 2019 as well as the Hon'ble Supreme Court <i>vide</i> its judgment dated June 4, 2019.



6	Union of India vs IL&FS and Ors. (Company Appeal (AT) no. 346 of 2018)	National Company Law Appellate Tribunal, New Delhi	February 11, 2019	The Hon'ble NCLAT appointed (in accordance with this Order and an Order dated February 04, 2019) Justice D. K. Jain (Retd.) to supervise and oversee the resolution process of IL&FS and its group companies.  The Hon'ble NCLAT recorded the names of 69 Indian IL&FS Group Entities which were classified into "Green", "Amber" and "Red" 'categories based on the 12 month cash flow based solvency test which was conducted by the External Resolution Consultant, details of which were submitted to the NCLAT vide affidavit dated February 11, 2019.  The Hon'ble NCLAT also excluded all offshore entities of the IL&FS Group from the purview of the interim stay granted on coercive creditor
				and other action vide the Order dated October 15, 2018 passed by the Hon'ble NCLAT. However, it was clarified that the resolution for those Offshore Group Entities may be taken up by the New Board under the supervision of the Hon'ble Justice (Retd.) D.K. Jain.  By this Order, the Hon'ble NCLAT also permitted all "Green" Entities of the IL&FS Group to service their debt obligations as per scheduled repayment. It was further clarified that the resolution of such "Green" Entities should be within the 'Resolution Framework' which was placed before the Hon'ble NCLAT <i>vide</i> an affidavit dated January 25, 2019 filed by the UoI, and subject to the supervision of the Hon'ble Justice (Retd.) D.K. Jain.
7	Union of India, Ministry of Corporate Affairs vs IL&FS and Ors. (MA 1576/2019, MA 1577/2019 and MA 1054/2019 in C.P. 3638/2019)	National Company Law Tribunal, Mumbai Bench	April 26, 2019	The Hon'ble NCLT dispensed with the requirement under the Act for the appointment of independent directors and women directors in various IL&FS group companies during the moratorium period.



8	Union of India vs IL&FS and Ors. (Company Appeal (AT) no. 346 of 2018)	National Company Law Appellate Tribunal, New Delhi	August 8, 2019	The Hon'ble NCLAT <i>inter alia</i> clarified that prior permission of Hon'ble Justice (Retd.) D. K. Jain would be required before selling, transferring, dealing with or creating any third party right, title or interest on any movable or immovable assets of the 82 "Red" entities.
				It is pertinent to note that by way of an Order dated August 14, 2019 the Hon'ble NCLAT further clarified that the Order dated August 08, 2019 shall not affect Red Entities to pay salary of its Employees/ Workman, Officers and Operational creditors to keep the Red Entities going concern.
9	Union of India, Ministry of Corporate Affairs vs IL&FS and 2 Ors. (M.A No. 2699 of 2019 in C.P. No. 4506 of 2018)	Law Tribunal,	August 9, 2019	Further to the Order dated January 01, 2019, the Hon'ble NCLT appointed the following chartered accountants for re-opening and recasting the accounts of IL&FS, IFIN and ITNL:  a. For IL&FS and IFIN: Borkar & Mazumdar & Co;  b. For ITNL: M/s. G.M. Kapadia & Co.  Further, the NCLT appointed the following chartered accountants for auditing the reopened and re-cast accounts of IL&FS, IFIN and ITNL:  a. For IL&FS and IFIN: M/s. CNK Associates LLP;  b. For ITNL: M/s. M. M. Chitale & Co.

The NCLT and NCLAT has from time to time passed various other Orders to enable resolution of the IL&FS and its group companies which are uploaded in the their respective websites.



#### **ANNUAL RETURN:**

The Annual Return is available on the Company's website: <a href="https://www.ilfsindia.com/investors/">https://www.ilfsindia.com/investors/</a>

#### **SECRETARIAL STANDARDS:**

In view of the frequent meetings of the New Board, the compliance with applicable Secretarial Standards has been met more in spirit than as a process. Accordingly, the compliance with the Secretarial Standards has been met on a best efforts basis.

#### **FRAUDS REPORTED BY AUDITORS:**

There were no frauds reported by the Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

- 1. On October 01, 2018, based on a petition by Union of India ("UOI"), the erstwhile Board of Directors was suspended by the Hon'ble NCLT with immediate effect and New Board of Directors was appointed. The present Board of Directors (New Board) took charge of the Company and held the First Board Meeting on October 04, 2018. Accordingly, in respect of the period prior to October 01, 2018, the Directors are unable to and do not confirm the compliance with the requirements of the provisions of the Companies Act 2013.
- 2. The New Board has on a best effort basis and after considering the complexity of the operations, including challenges in implementing the resolution plan, put in place a framework for preparation of financial statements, selection of accounting policies, maintenance of accounting records and prevention and detection of frauds for periods subsequent to their appointment. The Company has also faced several challenges in obtaining financial information and in being able to prepare its financial statements for the year ended March 31, 2019 in view of first-time application of IND-AS and severe resource and other constraints. Having regard to these matters, the Company has applied judgments and estimates for several matters on applying prudence and conservatism for accounting and has tried to reflect substance over form in respect of transactions and balances in order to derive the business sense from the transactions and events and to present them in a manner that best reflects their true essence based on current estimates. These estimates may change due to subsequent events and are subject to the internal and external investigations that have been initiated.
- 3. The Company's accounts for the 5 financial years ended 2017-18 are undergoing the process of reopening and restatement, pursuant to an order of the NCLT. The SFIO and the New Board have also initiated their respective, independent investigations on various matters in relation to the Company, for past years and for the current financial year up to September 30, 2018. The possible outcomes of these matters and their effects are currently not determinable.
- 4. Section 134(3)(c) of the Companies Act, 2013, requires the Board of Directors to provide a statement to the Members of the Company in connection with maintenance of books, records, and



- preparation of Annual Accounts in conformity with accepted accounting standards and past practices followed by the Company.
- 5. Pursuant to the foregoing, and to the best of the knowledge and belief of the New Board, on the basis of representations received from the operating management, and after due enquiry and having regard to the matters discussed previously and subject to the various limitations due to the extenuating circumstances, it is confirmed that.
- A. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures. Such departures, which are stated in the relevant notes to the financial statements, have been done having regard to the prevailing conditions under which the Company is operating currently as more fully explained in paragraphs 1-4 above;
- 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 or loss of the Company for that period, having regard to the prevailing conditions under which the Company is operating currently;
- 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, from the period from which the members of the New Board have been appointed. The directors have put in place controls and processes in respect of resolution processes / transactions from October 1, 2018 to March 31, 2019;
- D. the Directors have prepared the annual accounts on a going concern basis;
- E. the Directors have laid down internal financial controls to be followed by the Company in respect of the period from October 01, 2018 from which date the members of the New Board have been appointed and that such internal financial controls were adequate and were operating effectively as at year end, except that due to the prevailing conditions under which the Company is operating currently, and having regard to the matters stated;
- F. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively, commencing from the period from October 01, 2018, having regard to the various matters discussed earlier that have resulted in the current status of the Company;



# **ACKNOWLEDGEMENTS:**

Your Directors thank the various stakeholders such as the Central and State Governments, Ministry of Corporate Affairs, Ministry of Commerce, Reserve Bank of India, Securities and Exchange Board of India, Banks, Financial Institutions, Customers, Employees and Consultants for the support extended by them and look forward to receiving their continued support and encouragement.

For and on behalf of the Board of Directors

Uday Kotak Chairman Vineet Nayyar

**Executive Vice Chairman** 

Chandra Shekhar Rajan Managing Director Bijay Kumar

Dy. Managing Director

Place: Mumbai

Date: December 04, 2019



#### **ANNEXURE I**

## **ANNUAL REPORT ON CSR ACTIVITIES**

Brief Outline of the Company's Corporate Social Responsibility Policy and Overview of Projects:

#### I Background:

The Corporate Social Responsibility Policy of the Company was approved by the erstwhile Board at its Meeting held on December 9, 2014. The Corporate Social Responsibility Policy is effective from April 1, 2014. FY 2019 is the fifth year of operationalization of the Corporate Social Responsibility mandate under the Companies Act, 2013.

A copy of the Corporate Social Responsibility Policy is available on the website of the Company at https://www.ilfsindia.com/investors/.

#### II Composition of the Corporate Social Responsibility Committee :

Consequent to last reconstitution of the Corporate Social Responsibility Committee on April 3, 2019, the Committee comprises of:

Dr. Malini Shankar	Chairman
Mr. Vineet Nayyar	Member
Mr. N Srinivasan	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 Corporate Social Responsibility Rules, 2014, the audited net profits for the last 3 years ended March 31, 2018 and the average of the same is as given below:

(Rs. in million)

	Particulars	FY 2018	FY 2017	FY 2016
		Audited	Audited	Audited
	Profit Before Tax*	3,864.39	3,586.87	5,092.34
Less:	Dividend received from any other companies in India, which are covered under and complying with the provisions of Section 135 under Companies Act, 2013	(2,002.97)	(4,284.96)	(4,950.47)
Less:	Any profit arising from any overseas branch or branches of the Companies, whether operated as separate Companies or otherwise	-	-	-
	Total	1,861.42	(698.09)	141.87
	Average Profit		435.06 *	

<sup>\*</sup>Net profit computed as per Section 198 of the Companies Act, 2013. In view of the re-opening of the books of accounts and recasting the financial statements of the Company for the past five financial years, the above mentioned figures are subject to completion of restatement of accounts.



#### **IV** Prescribed Corporate Social Responsibility Expenditure:

In view of the note given in point no. III above, the amount to be spent would depend on the restated financials of the Company for last five years. Accordingly, the New Board is unable ascertain the amount to be spent by the Company against CSR activities.

#### V Details of Corporate Social Responsibility Spend during the financial year:

The total amount spent during the financial year was Rs. 2.50 mn

- (1) Amount unspent, if any: Presently the Committee is unable to ascertain this amount.
- (2) Manner in which the amount is spent during the Financial year by the erstwhile Management:
  - During the year the Company has donated Rs. 2.50 mn to Nalanda Foundation which works in the following areas:
    - Promoting Education
    - Skill and Livelihood Development
    - Sustainability and Environment
    - Research and Incubation

#### VI Reasons for shortfall in Corporate Social Responsibility Spend:

Since your Company has been categorized as "Red" Entity for the Resolution Framework, it is not in a position to meet its obligations towards Corporate Social Responsibility activities from October 01, 2018.

#### VII Responsibility Statement as required to be disclosed in Directors Report:

The Corporate Social Responsibility Committee of the Company takes on record that Rs. 2.50 mn has been spent by the erstwhile management of the Company during April-September 2018.

Chandra Shekhar Rajan Managing Director Malini Shankar Chairman of the CSR Committee

Place: Mumbai

Date: December 04, 2019



# **ANNEXURE II**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, in respect of employees of the Company.

(1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company

Sr.	Director	Ratio of	Median
No		Remuneration	Remuneration of all
		of the	employees (excluding
		Director	3 Whole Time
		(Times)	Directors) (Rs. In Mn)
	<b>Erstwhile Non-Executive Directors</b>		
1.	Mr. Hari Sankaran	39.82	1.31
2.	Mr. Ravi Parathasarathy	30.26	1.31
3.	Mr. Arun K Saha	29.86	1.31
4.	Mr. RC Bhargava	3.78	1.31
5.	Mr. SB Mathur	2.40	1.31
6.	Mr. Michael Pinto	3.09	1.31
7.	Mr. Jaithirth Rao	2.40	1.31
8.	Ms. Rina Kamath	2.40	1.31
9.	Mr. Harukazu Yamaguchi	0.00	1.31
10.	Mr. Ikuo Nakamura	0.00	1.31
	(Alternate to Mr. H Yamaguchi)		
11.	Mr. Hemant Bhargava	0.00	1.31
12.	Mr. Sanjeev Doshi	0.00	1.31
13.	Mr. BK Singal	0.00	1.31
14.	Mr. C Venkat Nageswar	0.00	1.31
15.	Mr. Praveen Kumar Molri	0.00	1.31
16.	Mr. Yoshihiko Miyauchi	0.00	1.31
17.	Mr Kiyoshi Fushitani	0.00	1.31
18.	Mr. Kiyokazu Ishinabe	0.00	1.31
	(Alternate Director to Mr. K Fushitani)		
	Directors Appointed by NCLT		
19.	Mr. Uday Kotak	0.00	1.31
20.	Mr. Vineet Nayyar	0.00	1.31
21.	Mr. C.S. Rajan	0.00	1.31
22.	Mr. G.N. Bajpai	0.00	1.31
23.	Mr. G. C. Chaturvedi	0.00	1.31
24.	Dr. Malini Shankar	0.00	1.31
25.	Mr. Nand Kishore	0.00	1.31
26.	Mr. Bijay Kumar	1.01	1.31
27.	Mr. N Srinivasan	0.00	1.31



(2) The percentage increase / decrease in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year

Sr.	Name and designation	% increase in
No.		remuneration *
1	Mr. Ravi Parthasarathy, Chairman	-
2	Mr. Hari Sankaran, Vice Chairman & Managing Director	-
3	Mr. Arun K Saha, Joint Managing Director & CEO	-
4	Mr. Maharudra M Wagle, Group Chief Financial Officer	(23.96)
5	Ms. Varsha Sawant, Company Secretary	21.63
6	Mr. Vineet Nayyar, Vice Chairman & Managing Director	NA
7	Mr. Shekhar Prabhudesai, Company Secretary	NA

<sup>\*</sup> The remuneration includes all components paid to respective employees for the financial year, including Leave Encashment, Leave Travel Allowance, Performance Related Pay and other reimbursements claimed etc.

- (3) The percentage increase in the median remuneration of employees in the financial year is 42.45%
- (4) As on March 31, 2019, the Company has 114 permanent employees on its rolls & 2 off-roll employees.
- (5) The average percentage increase in the salaries of employees other than Managerial Personnel in FY 2019 is 7.17% and percentage decrease in the Managerial Remuneration was 23.96%
- (6) The remuneration paid is as per the remuneration policy of the Company.
- (7) In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said annexure is available for inspection by the Members at the registered office of the Company during business hours on working days of the Company (other than Saturday) upto the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at the registered office.
- (8) The details of Remuneration and Commission received by the Whole-time Directors & Managers of the Company from Subsidiary Companies and/or group companies, is as provided below:

No	Name of Director	Rs. in million
(a)	Mr Hari Sankaran	11.70
(b)	Mr Arun K Saha	29.68
(c)	Mr Vineet Nayyar	-



Note: The remuneration received by the Whole-time Directors from the Subsidiary Companies and/or group companies includes Sitting Fees. None of the Directors other than mentioned above receive any remuneration and commission from the Subsidiary Companies and/or Group Companies.

For and on behalf of the Board of Directors

Uday Kotak Chairman Vineet Nayyar Executive Vice Chairman

Chandra Shekhar Rajan Managing Director Bijay Kumar Dy. Managing Director

Place: Mumbai

Date: December 04, 2019



#### ANNEXURE III

# SECRETARIAL AUDIT REPORT Form No. MR-3 FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[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
Infrastructure Leasing and Financial Services Limited
The IL &FS Financial Centre, Plot No C-22
G Block, Bandra-Kurla Complex
Mumbai – 400 051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Infrastructure Leasing and Financial Services Limited** having CIN: L65990MH1987PLC044571 (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.

Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated 01.10.2018 suspended the existing Board of Directors of Company with immediate effect on the grounds of mismanagement and compromise in corporate governance norms and risk management by the erstwhile Board of the Company and the affairs of Company being conducted in a manner prejudicial to the public interest and the new persons were appointed as Directors in terms of provisions of Section 242(2) (k) of the Act, to manage the affairs of the Company.

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, 2019 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 and the qualification / remarks indicated hereafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2019 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) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- (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) Core Investment Companies (Reserve Bank) Directions, 2016.

As per 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 and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (v) 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- 1) The Company has not disclosed following decisions taken in the Board Meeting of erstwhile Directors to Stock Exchange and therefore the Company has received Show Cause Notice from Securities Exchange Board of India ("SEBI")
  - Raising equity capital by way of rights issue; and
  - Disinvestment plan to reduce the overall debt by Rs. 30,000 crores and recapitalization of Group companies to the extent of Rs. 5,000 crores
- 2) The erstwhile Director(s) have participated in Board Meeting and Audit Committee meeting through electronic mode wherein discussion of approval of the Annual Financial Statement and Board's report where taken for which permission of Chairman was not obtained.
- 3) The erstwhile Director(s) who were interested in agenda conducted in Board Meetings were present during discussions and voting.
- 4) The erstwhile Board of Directors of the Company has not approved following in the Board meeting:
  - Appointment of Scrutinizer
  - Appointment of Agency for evoting
  - Cut Off date of evoting
  - Authority to Chairman or other to receive scrutinizer report



- 5) Prior to October, 2018; the Company has not filed following e-forms with Ministry of Corporate Affairs:
  - Form MGT-14 for Board Resolution passed in Board Meeting dated 29.08.2018 w.r.t. Loan taken From State Bank of India, Issue of Securities NCD upto Rs. 50000 Cr, Issue of Shares on Rights and Approval of Directors Report as required under Section 117 of the Companies Act, 2013.
  - Form GNL-2 for filing PAS-4 and PAS-5 for Issue of NCD for series 2018-I-D.
- 6) The Company has not filed following with Stock Exchange / RBI as applicable:
  - Reconciliation of Share Capital Audit report for Quarter ended December, 2018 and March, 2019 as required under The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - Compliance Certificate for half year ended March 2019 as required under Regulation 7(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - Unaudited Financial Results for the half year ended 30.09.2018 and 31.03.2019 as required under Regulation 52 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - Undertaking as required under Regulation 57 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ALM-1 Return for the Quarter ended December, 2018 and March, 2019.
  - ALM-2 Return for half year ended March, 2019.
  - NDSI-500\_CR for the Quarter ended March, 2019.
  - NBS-7 for all Quarters.
  - Returns under Foreign Direct Investment.
- 7) The Company has not filed following with Stock Exchange / RBI within prescribed time:
  - Statement of Investor Grievance for the half year ended 31.03.2019 as required under Regulation 13(4) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - Branch Info Returns of all Quarters
  - ALM Returns
  - NDSI\_500\_CR for Quarter ended June, September and December, 2018
  - Quarterly Return on Overseas Investment for Quarter ended September and December, 2018
  - External Commercial Borrowings for month ended October, 2018 and December, 2018
- 8) The appointment of Mr. N Sivaraman as Chief Operating Officer of the Company by the Board of Directors was not routed through Nomination and Remuneration Committee.
- 9) The Company has not satisfied with the some of the conditions as prescribed under Core Investment Companies (Reserve Bank) Directions, 2016 such as:
  - (i) It holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies;
  - (ii) Its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitute not less than 60% of its net assets as mentioned in clause (i) above;



#### We further report that:

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors upto 30.09.2018, thereafter pursuant to Order of National Company Law Tribunal (NCLT) dated 01.10.2018, new persons were appointed as Directors in terms of provisions of Section 242(2) (k) of the Act and previous Board of Directors were suspended. 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, except the appointment of Independent Director.

Adequate notice is generally given to all directors to schedule the Board Meetings, however agenda and detailed notes on agenda were not sent in the prescribed time i.e. seven days in advance. 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.

In reference to the compliances of Secretarial Standards 1 & 2 the management has given the following representation:-

"In view of the frequent meetings of the New Board, the compliance with applicable Secretarial Standards has been met more in spirit than as a process. Accordingly the compliance to Secretarial Standards has been followed on a best efforts basis."

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 as per the representations made by the management and relied upon by us, 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 to the best of its efforts in view of the extraordinary situation faced by the Company as mentioned in this report during the period under review.

As per the representations made by the management and relied upon by us. We further report that during the audit period, the specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs are detailed in "Annexure A".

For P. DIWAN & ASSOCIATES

PRASHANT DIWAN
PARTNER

FCS: 1403 CP: 1979

Date: December 4, 2019

Place: Mumbai PR No: 530/2017

UDIN: F001403A000355416

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



Annexure "A"

## List of Specific Events / Actions having a major bearing on the Company's affairs

- 1) The Company has issued and allotted of Debentures on Private Placement.
- 2) The Company was unable to service its obligations from September, 2018 in respect of the Commercial Papers, Principal and Interest with respect to loans from Banks, Principal and Interest with respect to Inter Corporate Deposit, Line of Credit, Letter of Credit, Principal and Interest of loan facility, Interest payment of Non-Convertible Debentures, Principal and Interest with respect to Deposits etc.
- 3) The credit rating of the Company has been downgraded to rating "D".
- 4) NCLT vide its order dated 01.10.2018 has suspended the existing Board of Directors of Company with immediate effect and has appointed following new persons as Directors in terms of provisions of Section 242(2) (k) of the Act, to manage the affairs of the Company:
  - Mr. Uday Kotak
  - Mr. Vineet Nayyar
  - Mr. G. N. Bajpai (resigned 30.10.2018)
  - Mr. G. C. Chaturvedi
  - Dr. Malini Shankar
  - Mr. Nand Kishore
  - Mr. Bijay Kumar
  - Mr. C S Rajan
  - Mr. N Srinivasan
- 5) The new Board is entitled to prepare a resolution plan keeping in mind the interest of the various stakeholders.
- 6) Pursuant to Order passed by the National Company Law Appellate Tribunal ("NCLAT") on October 15, 2018, all actions or proceedings by creditors against the Company and its group companies have been restricted until further orders.
- 7) NCLT vide its order dated 01.01.2019, permitted reopening and recasting of the accounts of the Company for the past 5 financial years, under Section 130(l)(ii) of the Companies Act, 2013, by a Chartered Accountant.
- 8) The Serious Fraud Investigation Office, Ministry of Corporate Affairs, New Delhi has initiated investigation into the affairs of the Company under section 212 (1) of the Companies Act, 2013.
- 9) The Company has breached its conditions for holding a Certificate of Registration as a CIC issued by the Reserve Bank of India as at March 31, 2019.



10) The Company had made an application to The Registrar of Companies, Maharashtra, Mumbai requesting for an extension of time for the purpose of holding Annual General Meeting (AGM) for the financial year ended 31.03.2019. The said application was subsequently approved by The Registrar of Companies, Maharashtra, Mumbai and the extension to hold AGM was granted for three months from the last date of holding AGM.

For P. DIWAN & ASSOCIATES

PRASHANT DIWAN PARTNER FCS: 1403 CP: 1979

Date: December 4, 2019

Place: Mumbai PR No: 530/2017

UDIN: F001403A000355416



Annexure "B"

To
The Members
Infrastructure Leasing and Financial Services Limited
The IL &FS Financial Centre, Plot No C-22
G Block, Bandra-Kurla Complex
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 PARTNER

FCS: 1403 CP: 1979

Date: December 4, 2019

Place: Mumbai PR No: 530/2017

UDIN: F001403A000355416



#### **ANNEXURE-IV**

# Form MGT-9 EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2019

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

# (I) REGISTRATION & OTHER DETAILS:

(a)	Company Identification No (CIN)	L65990MH1987PLC044571
(b)	Registration Date	September 03, 1987
(c)	Name of the Company	Infrastructure Leasing & Financial Services Limited
(d)	Category / Sub-Category of the Company	Company Limited by Shares
(e)	Address of the Registered Office and contact details	The IL&FS Financial Centre Plot C-22, G Block, Bandra Kurla Complex Bandra East, Mumbai 400 051 Tel: +91 22 2653 3333   Fax: +91 22 2653 3042
(f)	Whether Listed Company	Yes*
(g)	Name, Address & Contact details of R&T Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060

<sup>\*</sup> The Company's Equity Shares are not listed on any Stock Exchange, whereas, the Secured Non-Convertible Debentures as well as Non-Convertible Redeemable Cumulative Preference Shares are listed on BSE.

# (II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No	Name and description of the Main Products/ Services	NIC code of the Product/ Service	% to total turnover of the Company
(a)	Interest Income	64200	63.11
(b)	Rental Income	68100	14.34
(c)	Other Income		15.60



# (III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

# SUBSIDIARIES – DIRECT

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
01	Chhattisgarh Highway Development Company Limited House No. 705, Sector 2, Avanti Vihar, Telibandha Raipur Chhattisgarh 492 006	U45203CT2007PLC020220	Subsidiary	74.00	2(87)
02	Chhotagovindpur & Bagbera Drinking Water Supply Project Ltd A-5, Navin's Presidium, 103, Nelson Manickam Road Aminjikarai Chennai 600 029	U41000TN2015PLC100519	Subsidiary	51.00	2(87)
03	IL&FS Academy of Applied Development The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U85191MH2014NPL252329	Subsidiary	100.00	2(87)
04	IL&FS Airports Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2012PLC228351	Subsidiary	100.00	2(87)
05	IL&FS Education & Technology Services Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U80220MH1997PLC112535	Subsidiary	68.93	2(87)
06	IL&FS Energy Development Company Limited 4th Floor, Dr Gopaldas Bhawan, 28,Barakhamba Road, Connaught Place New Delhi New Delhi DL 110001	U40300DL2007PLC163679	Subsidiary	91.42	2(87)
07	IL&FS Environmental Infrastructure & Service Limited 4th Floor, Dr Gopaldas Bhavan, 28 Barakhamba Road, Connaught Place, New Delhi 110 001	U90001DL2007PLC166554	Subsidiary	97.54	2(87)
08	IL&FS Financial Services Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U65990MH1995PLC093241	Subsidiary	100.00	2(87)
09	IL&FS Global Pte Limited 1, Marina Boulevard, # 28-00 One Marina Boulevard,	Foreign Company	Subsidiary	100.00	2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	Singapore 18989				
10	IL&FS Investment Managers Limited	L65999MH1986PLC147981	Subsidiary	50.42	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
11	IL&FS Maritime Infrastructure Company Limited	U45201MH2006PLC165803	Subsidiary	90.02	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
12	IL&FS Paradip Refinery Water Limited	U41000TN2009PLC073439	Subsidiary	100.00	2(87)
	A5, Navins' Presidium, 103 Nelson Manickam Road,				
	Aminjikarai, Chennai 600 029				
13	IL&FS Portfolio Management Services Limited	U74140MH2006PLC165363	Subsidiary	95.00	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
14	IL&FS Securities Services Limited	U74992MH2006PLC163337	Subsidiary	81.24	2(87)
	IL&FS House, Raheja Vihar, Chandivili, Andheri East,				
	Mumbai 400 072				
15	TerraCIS Technologies Limited (Formerly known as IL&FS	U74999MH1993PLC070724	Subsidiary	58.29	2(87)
	Technologies Limited)				
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
16	IL&FS Township & Urban Assets Limited	U70109MH1969PLC014184	Subsidiary	100.00	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
17	IL&FS Transportation Networks Limited	L45203MH2000PLC129790	Subsidiary	71.92	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
18	IL&FS Water Limited	U45400TN2007PLC071125	Subsidiary	95.00	2(87)
	A5, Navins' Presidium, 103 Nelson Manickam Road,				
	Aminjikarai, Chennai 600 029				



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
19	CPG BPO Private Limited	U72200KA2010PTC054709	Subsidiary	58.91	2(87)
	(formerly ISSL CPG BPO Private Limited)				
	Survey No 51/1, Ward No 192, Via Chikka Begur Road,				
	Lakshmi Layout Main Road, Bommanahalli P O, Bangalore				
	Bangalore KA 560068				
20	ISSL Settlement & Transaction Services Limited	U67190MH2010PLC210582	Subsidiary	100.00	2(87)
	IL&FS House, Raheja Vihar Chandivili, Andheri-East Mumbai-				
	400072				
21	Jharkhand Accelerated Road Development Company Limited	U45203JH2008PLC013085	Subsidiary	74.00	2(87)
	443/A Road No. 5, Ashok Nagar, Ranchi 834 002				
22	Khambhat Port Limited	U63032MH2008PLC182489	Subsidiary	95.90	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
23	MP Toll Roads Limited	U45203MH1996PLC252098	Subsidiary	80.00	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
24	Tamil Nadu Water Investment Company Limited	U65993TN2000PLC044029	Subsidiary	53.85	2(87)
	Polyhose Towers, 1st Floor, 86 Mount Road, Gundy,				
	Chennai 600 032				



# SUBSIDIARIES - INDIRECT

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Alcantarilla Fotovltanica SLU	Foreign Company	Subsidiary		2(87)
	C/San Severo 18, Madrid, 28042 Spain				
2.	Amravati Chikhli Expressway Limited	U45201MH2015PLC267727	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
3.	Andhra Pradesh Urban Infrastructure Asset Management Ltd	U65999AP2016PLC103663	Subsidiary		2(87)
	Amaravati Metro Rail Corporation Limited, # 40-3-8, 1st Floor				
	Kaushalya, G Gopalarao St., Labbipet, Vijayawada 520 010				
4.	Area De Servicio Coiros SLU	Foreign Company	Subsidiary		2(87)
	c/San Severo, 18 Madrid, 28042 Spain				
5.	Area De Servicio Punta Umbria SLU	Foreign Company	Subsidiary		2(87)
	San Severo, 18 Madrid, 28042 Spain				
6.	Antenea Seguridad y Medico Ambienete SAU	Foreign Company	Subsidiary		2(87)
	c/San Severo 18, Madrid 28042, Spain				
7.	Avash Logistic Park Private Limited	U63023MH2007PTC176221	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G- Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
8.	Badarpur Tollway Operations Management Limited	U45203DL2010PLC210680	Subsidiary		2(87)
	Toll Plaza, Mayur Vihar Link Road, Delhi 110 092				
9.	Baleshwar Kharagpur Expressway Limited	U45400MH2012PLC228590	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
10.	Barwa Adda Expressway Limited	U45400MH2013PLC242336	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
11.	Beasolarta, SLU	Foreign Company	Subsidiary		2(87)
	c/San Severo, 18 Madrid, 28042 Spain				



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
12.	Bhopal e-Governance Limited 3rd Floor, Ambience Corporate Tower, Ambience Mall, Ambience Island, N.H#8, Gurgaon 122 001, Haryana	U72200HR2013PLC048356	Subsidiary		2(87)
13.	Capacity Swap Linkage (formerly Apptex Marketing Services & Solutions Limited 2nd Floor, Niryat Bhawan, Rao Tula Ram Marg, Opposite Army Research and Referral Hospital, New Delhi 110 057	U74110DL2008PLC172927	Subsidiary		2(87)
14.	Charminar Robopark Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45400MH2011PLC220224	Subsidiary		2(87)
15.	Chenani Nashri Tunnelway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45400MH2010PLC203614	Subsidiary		2(87)
16.	CIESM INTEVIA SAU c/San Severo 18, Madrid 28042 Spain	Foreign Company	Subsidiary		2(87)
17.	Conservacion Sde Infraestructuras De Mexico SD DE CV Av. Prolongación Tecnológico No. 950 B, Co. San Pablo, 76130 9 Queretaro, Qro, Mexico	Foreign Company	Subsidiary		2(87)
18.	Control 7, SAU Polígono Malpica, Santa Isabel, C/E Parcela 57-61, Nave 9, 50057, Zaragoza, Spain	Foreign Company	Subsidiary		2(87)
19.	Cuddalore Solar Power Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2012PTC237302	Subsidiary		2(87)
20.	Dakshin Dilli Swachh Initiative Limited  4th Floor, Dr Gopal Das Bhawan, 28 Barakhambha Road New Delhi 110 001	U74900DL2015PLC287308	Subsidiary		2(87)
21.	Dehradun Integrated Arena Limited ( <i>from May 23, 2018</i> ) 23, Raipur Road, Dehradun UR 248001	U74999UR2018PLC008760	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
22.	East Delhi Waste Processing Company Private Limited Dr Gopal Das Bhavan, 4th Floor, 28 Barakhamba Road, New Delhi 110 001	U37100DL2005PLC135148	Subsidiary		2(87)
23.	East Hyderabad Expressway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2007PLC172133	Subsidiary		2(87)
24.	Elsamex Colombia SAS City of Bogota	Foreign Company	Subsidiary		2(87)
25.	Elsamex Construcao E Manutentcao LTDA (Brazil) Rua Gonçalves Maia nº 207, Soledade, Recife-PE, CEP 50.070.060, Pernambuco, Brazil	Foreign Company	Subsidiary		2(87)
26.	Elsamex India Private Limited WZ 11D/1, Gali No. 23, Sant-Garh, Tilak Nagar, New Delhi 110 068	U74140MH1999PTC289580	Subsidiary		2(87)
27.	Elsamex Internacional, SLU c/San Severo 18, Madrid 28042, Spain	Foreign Company	Subsidiary		2(87)
28.	Elsamex Maintenance Services Limited The IL&FS Financial Centre, Plot No. C-22, G-Block. Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45201MH2013FLC285659	Subsidiary		2(87)
29.	Elsamex Portugal - Engheneria e Sistemas De Gestao SA Rua Quiunta das Romeiras, Edificio Eduardo Viana, nº 104 6º esqu.1495 – 236 Alges, Portugal	Foreign Company	Subsidiary		2(87)
30.	Elsamex SA San Severo, Street No.18, 28042 Madrid, Spain	Foreign Company	Subsidiary		2(87)
31.	Elsamex Vietnam Joint Stock Company 8001, 8th Floor, No. 2, Ngo Quyen, Ly Thai To word, Hoan Kim, District Hanoi, Vietnam	Foreign Company	Subsidiary		2(87)
32.	ESM Mantenimiento Integral, SA DE CV	Foreign Company	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	Av. Prolongación Tecnológico No. 950 B, Co. San Pablo, 76130 Queretaro, Qro, Mexico				
33.	Etesian Urja Limited (formerly Bhojpur Biomass Power Co Ltd) The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40107MH2011PLC220673	Subsidiary		2(87)
34.	Fagne Songadh Expessway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block. Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45201MH2015PLC267730	Subsidiary		2(87)
35.	Futureage Infrastructure India Limited 3rd Floor, A-1, Crescent Krishna Metropolis. Rukminipuri, A S Rao Nagar, Hyderabad – 500 062	U45200TG2006PLC049721	Subsidiary		2(87)
36.	GRICL Rail Bridge Development Company Limited 301 Shapath-1 Complex, Opp Rajpath Club, Near Madhur Hotel, Sarkhej Highway, Bodakdev, Ahmedabad 380 015	U45203GJ2014PLC078880	Subsidiary		2(87)
37.	Grusamar Albania SHPK Rr. Hik Kolli n° 26/2 Tirana, Albania	Foreign Company	Subsidiary		2(87)
38.	Grusamar India Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45400MH2012FLC236837	Subsidiary		2(87)
39.	Grusamar Ingenieria y Consulting, Colombia SAS City of Bogota	Foreign Company	Subsidiary		2(87)
40.	Grusamar Ingenieria y Consulting, SLU (Grusamar) c/San Severo 18, Madrid 28042, Spain	Foreign Company	Subsidiary		2(87)
41.	Grusumar Engenharia & Consultoria Brasil LTDA Rua Gonçalves Maia nº 207, Soledade, Recife-PE, CEP 50.070.060, Pernambuco, Brazil	Foreign Company	Subsidiary		2(87)
42.	Gujarat Integrated Maritime Complex Private Limited Unit No 402, Shivalik - 2, 132 Feet Ring Road, Near Shivrajani Cross Roads, Satellite, Ahmedabad 380 015	U63012GJ1996PTC029173	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
43.	Hazaribagh Ranchi Expressway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2009PLC191070	Subsidiary		2(87)
44.	IIML Asset Advisors Limited The IL&FS Financial Centre, Plot No. C-22, G-Block Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U74140MH2005PLC158416	Subsidiary		2(87)
45.	IIML Fund Managers (Singapore) Pte Limited One Marina Boulevard #28-00 Singapore 018989	Foreign Company	Subsidiary		2(87)
46.	IIPL Laos Pte Ltd 8 Marina Boulevard 05-2 Marina Bay Financial Centre Tower 1 Singapore-018981	Foreign Company	Subsidiary		2(87)
47.	IIPL USA LLC 1940 Duke Street, Suite 200, Alexandria, Virginia 22314 USA	Foreign Company	Subsidiary		2(87)
48.	IL&FS Africa Infrastructure Development Company IFS Court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius	Foreign Company	Subsidiary		2(87)
49.	IL&FS AMC Trustee Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U67190MH2012PLC238473	Subsidiary		2(87)
50.	IL&FS Asian Infrastructure Managers Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U66020MH2006PLC161439	Subsidiary		2(87)
51.	IL&FS Broking Services Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U67120MH2009PTC191131	Subsidiary		2(87)
52.	IL&FS Capital Advisors Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U65191MH2012PLC226314	Subsidiary		2(87)
53.	IL&FS Cluster Development Initiative Limited	U70109DL2006PLC153767	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	2nd Floor, Niryat Bhawan, Rao Tula Ram Marg, Opp Army				
	Research & Referral Hospital, New Delhi 110 057				
54.	IL&FS Global Financial Services (HK) Limited	Foreign Company	Subsidiary		2(87)
	1401 Hutchison House, 10 Harcourt Road, Hong Kong				
55.	IL&FS Global Financial Services (ME) Limited	Foreign Company	Subsidiary		2(87)
	Office No 402 & 403, Level 4, Al Fattan Currency House				
	Dubai International Financial Centre, P O Box 241754,				
	Dubai, UAE				
56.	IL&FS Global Financial Services (UK) Limited	Foreign Company	Subsidiary		2(87)
	40, Queen Street, London EC4R 1DD, United Kingdom				
57.	IL&FS Global Financial Services Pte Limited	Foreign Company	Subsidiary		2(87)
	80 Raffles Place, # 38-02, UOB Plaza 1,				
	Singapore 048 624				
58.	IL&FS Infra Asset Management Limited	U65191MH2013PLC239438	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
59.	IL&FS Investment Advisors LLC	Foreign Company	Subsidiary		2(87)
	IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius				
60.	IL&FS Maritime International FZE	Foreign Company	Subsidiary		2(87)
	PO Box -5232 , Fujairah, UAE				
61.	IL&FS Offshore Natural Resources Pte Limited	Foreign Company	Subsidiary		2(87)
	8 Marina Boulevard #05-02, Marina Bay Financial Centre,				
	Singapore 018 981				
62.	IL&FS Prime Terminals FZC	Foreign Company	Subsidiary		2(87)
	8 Marina Boulevard #05-02, Marina Bay Financial Centre,				
	Singapore 018 981				
63.	IL&FS Rail Limited	U63040HR2008PLC039089	Subsidiary		2(87)
	2nd Floor, Ambience Corporate Towers, Ambience Island, NH#				, ,
	8, Gurgaon 122 001				



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	IL&FS Skills Development Corporation Limited 2nd Floor, Niryat Bhawan, Rao Tula Ram Marg Opp Army Hospital Research & Referral New Delhi 110057	U80904DL2011PLC213135	Subsidiary		2(87)
64.	IL&FS Solar Power Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2010PLC207073	Subsidiary		2(87)
65.	IL&FS Tamil Nadu Power Company Limited 4th Floor, KPR Tower, Old No.21, New No.2 1st Street, Subba Rao Avenue, College Road, Chennai 600 006	U72200TN2006PLC060330	Subsidiary		2(87)
66.	IL&FS Technologies Philippines Inc, (Philippines) 2nd floor, IMC-LARES Bldg, LRA Compound, Corner NIA Road, East Avenue, Diliman, Quezon City – 1100, Philippines	Foreign Company	Subsidiary		2(87)
67.	IL&FS Urban Infrastructure Managers Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U67190MH2006PLC162433	Subsidiary		2(87)
68.	IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal Ltd) 301-303 Kaivanna Complex, Panchwati, Ahmedabad, Gujarat 380 006	U40106GJ2013PLC077520	Subsidiary		2(87)
69.	IL&FS Wind Power Services Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U74120MH2013PLC242327	Subsidiary		2(87)
70.	ILFS Maritime Offshore Pte Limited 8, Marina Boulevard 05-02, Marina Bay Financial Centre, Singapore 018 981	Foreign Company	Subsidiary		2(87)
71.	IMICL Dighi Maritime Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U74120MH2011PLC222188	Subsidiary		2(87)
72.	India Tourist & Heritage Village Private Limited	U63040MH2008PTC183169	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
73.	Intevial-Gestao Integral Rodoviaria S.A	Foreign Company	Subsidiary		2(87)
	Av. Do Brasil nº 43, 5 Direito, 1700-062, Lisboa, Portugal				
74.	ITNL Africa Projects Limited	Foreign Company	Subsidiary		2(87)
	No. 2 Justice Sowemimo Street, Asokoro, Abuja				
75.	ITNL Infrastructure Developer LLC	Foreign Company	Subsidiary		2(87)
	Unit No. 1001, Boulevard Plaza, Tower No. 2, P O Box 413818,				
	Dubai, UAE				
76.	ITNL International DMCC	Foreign Company	Subsidiary		2(87)
	Unit No.608-609, Jumeriah Business Centre 1, Cluster G				
	Jumeriah Lake Towers, P O Box 309018, Dubai, UAE				
77.	ITNL International Pte Limited	Foreign Company	Subsidiary		2(87)
	8 Marina Boulevard #05-02, Marina Bay Financial Centre,				
	Singapore 018 981				
78.	ITNL Offshore Pte Limited	Foreign Company	Subsidiary		2(87)
	8 Marina Boulevard #05-02, Marina Bay Financial Centre,				
	Singapore 018 981				
79.	ITNL Offshore Three Pte Limited	Foreign Company	Subsidiary		2(87)
	8 Marina Boulevard #05-02, Marina Bay Financial Centre,				
	Singapore 018 981				
80.	ITNL Offshore Two Pte Limited	Foreign Company	Subsidiary		2(87)
	8 Marina Boulevard #05-02, Marina Bay Financial Centre,				
	Singapore 018 981				
81.	ITNL Road Infrastructure Development Company Limited	U45400MH2007PLC175415	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				Ì
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
82.	Jharkhand Infrastructure Implementation Company Limited	U45201JH2015PLC003025	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	2nd Floor, 443/A, Road No. 5, Ashok Nagar, Ranchi Jharkhand 834 001				
83.	Jharkhand Road Projects Implementation Company Limited 443/A, Road No 5, Ashok Nagar , Ranchi 834 002	U45200JH2009PLC013693	Subsidiary	6.57	2(87)
84.	Jogihali Wind Energy Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U74900MH2014PTC255989	Subsidiary		2(87)
85.	Jorabat Shillong Expressway Limited The IL&FS Financial Centre, Plot NO. C-22, G-Block, Bandra- Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2010PLC204456	Subsidiary		2(87)
86.	Kanak Resources Management Limited 4th Floor, Dr Gopal Das Bhawan, 28, Barakhamba Road, New Delhi 110 001	U74140DL2007PLC170750	Subsidiary		2(87)
87.	Karyavattom Sports Facilities Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U70102MH2011PLC223656	Subsidiary		2(87)
88.	Kaze Energy Limited (formerly Vaspeth Wind Energy Limited) The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2013PLC241321	Subsidiary		2(87)
89.	Khandke Wind Energy Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2012PTC234746	Subsidiary		2(87)
90.	Khed Sinnar Expressway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45209MH2013PLC242133	Subsidiary		2(87)
91.	Kiratpur Ner Chowk Expressway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2012PLC226792	Subsidiary		2(87)
92.	Lalpur Wind Energy Private Limited	U40300MH2011PTC222588	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
93.	Land Registration Systems Inc, (Philippines) Information Management Centre Bldg., LRA Compound, East Avenue, Diliman, Quezon City – 1100, Philippines	Foreign Company	Subsidiary		2(87)
94.	LIVIA India Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U72900MH2009PLC191389	Subsidiary		2(87)
95.	Mahidad Wind Energy Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U74999MH2014PTC255870	Subsidiary		2(87)
96.	Mantenimiento y Conservacion de Vialidades, SA DE CV Av. Prolongación Tecnológico No. 950 B, Co. San Pablo, 76130 Queretaro, Qro, Mexico	Foreign Company	Subsidiary		2(87)
97.	Maritime International Offshore Pte Limited 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018 981	Foreign Company	Subsidiary		2(87)
98.	Moradabad Bareilly Expressway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45208MH2010PLC198737	Subsidiary		2(87)
99.	Mota Layja Gas Power Company Limited 301-303 Kaivanna Complex, Panchwati, Ahmedabad, Gujarat 380 006	U40106GJ2013PLC077551	Subsidiary		2(87)
100.	MP Border Checkpost Development Company Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2010PLC209046	Subsidiary		2(87)
101.	Nana Layja Power Company Limited 301-303, Kaivanna Complex, Panchwati, Ahmedabad, Gujarat 380 006	U40103GJ2010PLC062968	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section										
102.	North Karnataka Expressway Limited	U45203MH2001PLC163992	Subsidiary	6.50	2(87)										
	The IL&FS Financial Centre, Plot No. C-22, G-Block,														
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051														
103.	Park Line LLC	Foreign Company	Subsidiary		2(87)										
	Unit No.1001, 10th Floor, Boulevard Plaza, Tower 2														
	Emaar Square, Downtown, PO Box 413818, Dubai, UAE														
104.	Patiala Bio Power Company Limited	U40200MH2011PLC220462	Subsidiary		2(87)										
	The IL&FS Financial Centre, Plot No. C-22, G-Block,														
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051														
105.	Porto Novo Maritime Limited	U74999MH2012PLC228437	Subsidiary		2(87)										
	The IL&FS Financial Centre, Plot No. C-22, G-Block,														
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051														
106.	Pt Bangun Asia Persada	Foreign Company	Subsidiary		2(87)										
	UOB Plaza, Thamrin Nine, 30th Floor, Jl, MH Thamrin Kav 8-10,														
	Jakarata Pusat														
107.	Pt Mantimin Coal Mining	Foreign Company	Subsidiary												2(87)
	UOB Plaza, Thamrin Nine, 30th Floor, Jl, MH Thamrin Kav 8-10,														
	Jakarata Pusat														
108.	Pune Sholapur Road Development Company Limited	U45203MH2009PLC195154	Subsidiary		2(87)										
	The IL&FS Financial Centre, Plot No. C-22, G-Block,														
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051														
109.	Ramagiri Renewal Energy Limited (formerly IL&FS Wind Farms	U40100MH1997PLC105323	Subsidiary		2(87)										
	Ltd)														
	The IL&FS Financial Centre, Plot No. C-22, G-Block,														
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051														
110.	Ranchi Muri Road Development Limited	U45309JH2017PLC010398	Subsidiary		2(87)										
	443/A, Road No. 5, Ashok Nagar, Ranchi, JH 834002														
111.	Rapid MetroRail Gurgaon Limited	U60200HR2009PLC039116	Subsidiary		2(87)										



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	2nd Floor, Ambience Corporate Towers, Ambience Island, NH #8, Gurgaon 122 001, Haryana				
112.	Rapid MetroRail Gurgaon South Limited 2nd Floor, Ambience Corporate Towers, Ambience Island, NH #8, Gurgaon 122 001, Haryana	U35990HR2012PLC046882	Subsidiary		2(87)
113.	Ratedi Wind Power Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40102MH2007PTC176369	Subsidiary		2(87)
114.	RDF Power Projects Limited 401, Galada Towers, Adjacent Lane to Pantaloons, Begampet, Hyderabad 500 016	U40109TG1998PLC030670	Subsidiary		2(87)
115.	Rohtas Bio Energy Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2011PLC220218	Subsidiary		2(87)
116.	Sabarmati Capital One Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U70102MH2011PLC222987	Subsidiary		2(87)
117.	Sabarmati Capital Two Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U70102MH2011PLC222809	Subsidiary		2(87)
118.	Se7en Factor Corporation Oliaji Trade Centre, 1st Floor, Victoria, Mahe, Seychelles	Foreign Company	Subsidiary		2(87)
119.	Sealand Ports Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45205MH2008PTC179558	Subsidiary		2(87)
120.	Sealand Warehousing Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U63023MH2007PTC176412	Subsidiary		2(87)
121.	Senalizacion Viales e Imagen, SAU	Foreign Company	Subsidiary		2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	Polígono Industrial La Variante, c/ La Grajera n° 2, 26140- Lardero, La Rioja, Spain				
122.	Sharjah General Services LLC ( <i>upto August 9, 2018</i> ) P O Box 2326, Sharjah, United Arab Emirates	Foreign Company	Subsidiary		2(87)
123.	Shendra Green Energy Limited D-197, Shendra MIDC, Aurangabad Jalna Road. Aurangabad, Maharashtra 431210	U40100MH2005PLC151412	Subsidiary		2(87)
124.	Sikar Bikaner Highway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45203MH2012PLC229612	Subsidiary		2(87)
125.	Sipla Wind Energy Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2011PLC220004	Subsidiary		2(87)
126.	Skill Training Assessment Management Partners Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U80903MH2006PLC284821	Subsidiary		2(87)
127.	Srinagar Sonamarg Tunnelway Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U45400MH2013PLC241828	Subsidiary		2(87)
128.	Swayam Swachhta Initiative Limited 4th Floor, Dr Gopal Das Bhawan, 28 Barakhamba Road, New Delhi - 110 001	U74110DL2016PLC304699	Subsidiary		2(87)
129.	Tadas Wind Energy Private Limited The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051	U40300MH2011PTC220233	Subsidiary		2(87)
130.	Tierra Enviro Limited 4th Floor, Dr Gopal Das Bhawan, 28 Barakhamba Road, Central Delhi, New Delhi 110001	U37200DL2010PLC210697	Subsidiary		2(87)
131.	Unique Waste Processing Company Limited	U37100DL2005PLC135145	Subsidiary		2(87)



Sr.	Name & Address of the Company	CIN/ GLN	Holding/	% of	Applicable
No.			Subsidiary/ Associate	Shares held	Section
	Dr Gopal Das Bhavan, 28 Barakhamba Road,				
	New Delhi 110 001				
132.	Vansh Nimay Infraprojects Limited	U45201MH2006PLC166149	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
133.	Vejas Power Projects Limited (formerly IL&FS Wind Projects	U40109MH2007PLC176368	Subsidiary		2(87)
	Development Limited )				
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
134.	West Gujarat Expressway Limited	U60200MH2005PLC151958	Subsidiary	26.00	2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
135.	Wind Urja India Private Limited	U40104MH2012PTC234709	Subsidiary		2(87)
	The IL&FS Financial Centre, Plot No. C-22, G-Block,				
	Bandra-Kurla Complex, Bandra East, Mumbai 400 051				
136.	Yala Construction Company Private Limited	U45201MH2000PTC289581	Subsidiary		2(87)
	WZ 11D/1, Gali No. 23, Sant-Garh, Tilak Nagar, West Delhi,				
	New Delhi 110068				
137.	IL&FS Engineering & Construction Company Limited	L45201AP1988PLC008624	Subsidiary		2(87)
	Door No 8-2-120/113, Block B, 1st Floor Sanali Info Park, Road				
	no 2, Banjara Hills Hyderabad - 500034				



### JOINT VENTURE

Sr.	Name & Address of the Company	CIN/ GLN	Holding/	% of Shares	Applicable
No.			Subsidiary/	held	Section
			Associate		
1	Bihar e-Governance Services & Technologies Limited	U72200BR2006PLC012666	Joint Venture	50.00	2(6)
	C/o Bihar State Electronics Development Corporation Ltd,				
	Beltron Bhavan, Shastri Nagar, Patna 800 023				
2	Gujarat International Finance Tec-City Company Limited	U65929GJ2007PLC051160	Joint Venture	50.00	2(6)
	Office 1, Gift City, Zone - 5, Taluka & District				
	Gandhinagar 382355				
3	Haldia Integrated Development Agency Limited	U45309WB2005PLC101987	Joint Venture	42.54	2(6)
	Haldia Unnayan Bhavan (Ground Floor), City Centre				
	PO Debhog, Haldia, Purba Medinipur 721 657				
4	Jharkhand e-Governance Solutions & Services Limited	U72200JH2008PLC013151	Joint Venture	50.00	2(6)
	JAPIT, Engineers Hostel, HEC, Near Gol Chhakar, Dhurwa,				
	Ranchi, Jharkhand 834 004				
5	Odisha e-Governance Services Limited	U72200OR2008PLC009813	Joint Venture	50.00	2(6)
	OCAC Building, Plot No. N-1/7-D, Acharya Vihar,				
	Bhubaneswar 751 013				
6	Road Infrastructure Development Company of Rajasthan	U45203RJ2004PLC019850	Joint Venture	50.00	2(6)
	Limited				
	1st Floor, LIC Jeevan Nidhi Building, Bhawani Singh Road,				
	Jaipur 302 005				



## **ASSOCIATE**

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Dighi Port Limited	U35110MH2000PLC127953	Associate	39.38	2(6)
	New Excelsior Building, 6th Floor, AK Nayak Marg, Fort,				
	Mumbai 400 001				
2	Dighi Project Development Company Limited	U45200MH2006PLC158665	Associate	29.90	2(6)
	New Excelsior Building, 6th Floor, AK Nayak Marg, Fort,				
	Mumbai 400 001				
3	Mangalore SEZ Limited	U45209KA2006PLC038590	Associate	50.00	2(6)
	3rd Floor, Mangalore Urban Development Authority (MUDA)				
	Building, Urwa Store, Ashok Nagar, Mangalore, Dakshina				
	Kannada KA 575006 IN				
4	IL&FS Engineering & Construction Company Limited	L45201AP1988PLC008624	Associate		2(6)
	Door No 8-2-120/113, Block B, 1st Floor Sanali Info Park, Road				
	no 2, Banjara Hills Hyderabad - 500034				



### (IV) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

## (i) Category-wise Shareholding:

Category of Shareholders	No of Shares held at the beginning of the year  Demat Physical Total % of				No of Sh	ares held at	the end of the y	/ear	% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual / HUF	-	-	-	-	-	-	-	-	-
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ FIs	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
Individual / NRIs	-	-	-	-	-	-	-	-	-
Others – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/ FIs	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of	-	-	-	-	-	-	-	-	-
Promoters (A)=(A)(1)+(A)(2)									
(B) Public Shareholding									
(1) Institutions									
Mutual Funds	1,051,111	-	1,051,111	0.82	1,051,111	-	1,051,111	0.82	-
Banks / FIs	18,081,353	-	18,081,353	14.09	18,081,353	-	18,081,353	14.09	-



Category of Shareholders	No of Share	es held at the	e beginning of th	ne year	No of Sh	ares held at	the end of the y	ear	% change during the year
	Demat	Physical	Total	% of	Demat	Physical	Total	% of	
				Total				Total	
				Shares				Shares	
Central Government	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	32,541,123	-	32,541,123	25.34	32,541,123	-	32,541,123	25.34	-
FIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	51,673,587	-	51,673,587	40.25	51,673,587	-	51,673,587	40.25	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-
Bodies Corporate									
> Indian	12,835,052	-	12,835,052	10.00	12,857,772	-	12,857,772	10.01	-
> Overseas	47,460,972	-	47,460,972	36.96	47,460,972	-	47,460,972	36.96	-
Individual Shareholders holding nominal share capital upto Rs 1 lakh	261,302	9,207	270,509	0.21	299771	9,207	308978	0.24	0.03
Individual Shareholders holding nominal share capital in excess of Rs 1 lakh	16,130,740	32,226	16,162,966	12.59	16055885	32,226	16088111	12.53	-0.06
Others (NRI)	190	-	190	-	13856	-	13856	0.01	-
Sub Total (B)(2)	76,688,256	41,433	76,729,689	59.75	76,688,256	41,433	76,729,689	59.75	-
Total Public Shareholding	128,361,843	41 422	128,403,276	100.00	120 261 042	41 422	128,403,276	100.00	
(B) = (B)(1) + (B)(2)	140,301,043	41,433	140,403,470	100.00	128,361,843	41,433	120,403,2/0	100.00	-
(C) Shares held by Custodians	-	-	-	-	-	-	-	-	
for ADRs & GDRs									
Grand Total (A+B+C)	128,361,843	41,433	128,403,276	100.00	128,361,843	41,433	128,403,276	100.00	-



# (ii) Shareholding of Promoters: Not Applicable, as the Company is Professionally managed by its Board of Directors with no identifiable Promoters

Sr.	Shareholders	Shareholding at the beginning of the year			Shareho	of the year	% change	
No Name	Name	No of Shares	% of total shares of the Company	the pledged/ shares of the pledged	% of shares pledged/ encumbered to	during the year		
				shares			total shares	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

## (iii) Change in Promoters Shareholding: Not applicable

Sr. No		Shareholding at	the beginning	Cumulative	Shareholding
		of the year		during the year	
	At the beginning of the year	-	-	-	-
	Date-wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (eg, allotment/ transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-



## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs):

Sl.	Name of Shareholder	Shareholdi	ng at the	Date-wise	Increase/ De	crease in	Cumulative Sh	areholding	Shareholding	g at the end
No		beginning o	f the year	Shareholding			during th	e year	of the	year
					for increase/ d					
				allotment/ tra		sweat equity				
		27 201 201 2			etc)		3.7 0.01		2.7	
		No of Shares	% of total	Date	Increase/	Reason	No of Shares	% of total	No of	% of total
			shares of		Decrease			shares of	Shares	shares of
			the					the		the
			Company					Company		Company
1	Life Insurance Corporation	32,541,123	25.34	-	-	-	32,541,123	25.34	32,541,123	25.34
	of India									
2	ORIX Corporation, Japan	30,227,509	23.54	-	-	-	30,227,509	23.54	30,227,509	23.54
3	Abu Dhabi Investment	16,129,252	12.56	-	-	-	16,129,252	12.56	16,129,252	12.56
	Authority									
4	IL&FS Employees Welfare	15,407,658	12.00	-	2,724	Acquisition	15,407,658	11.99	15,410,382	12.00
	Trust									
5	Housing Development	11,587,194	9.02	-	-	-	11,587,194	9.02	11,587,194	9.02
	Finance Corp Ltd									
6	Central Bank of India	9,843,386	7.67	-	-	-	9,843,386	7.67	9,843,386	7.67
7	State Bank of India	8,237,967	6.42	-	-	-	8,237,967	6.42	8,237,967	6.42
8	India Discovery Fund Ltd	1,104,211	0.86	-	-	-	1,104,211	0.86	1,104,211	0.86
9	UTI Unit Linked Insurance	1,051,111	0.82	-	-	-	1,051,111	0.82	1,051,111	0.82
	Plan – UTI Asset									
	Management Company Ltd									
10	Jupiter Capital Private	666,667	0.52	-	-	-	666,667	0.52	666,667	0.52
	Limited									



### (v) Shareholding of Directors & Key Managerial Personnel:

Sl.	Name of Directors / Key	Sharehole	ding at the	Cumu	lative
No	Managerial Personnel **	beginning	of the year	Shareholding	g during the
				yea	ar
		No of	% of total	No of	% of total
		Shares	shares of	Shares	shares of
			the		the
			Company		Company
A	At the beginning of the Year				
1	Mr Ravi Parthasarathy	81,825	0.06	81,825	0.06
2	Mr Hari Sankaran	57,898	0.05	57,898	0.05
3	Mr Arun K Saha	50,142	0.04	50,142	0.04
4	Mr MM Wagle	1,971	-	1,971	-
5	Ms Varsha Sawant	-	-	-	-
1					
В	Date-wise increase/ decrease	in Shareho	lding during	g the year spe	ecifying the
В	Date-wise increase/ decrease reasons for increase/ decrease		-		
<b>B</b>	reasons for increase/ decrease Mr Ravi Parthasarathy		-		
	reasons for increase/ decrease		-		
1	reasons for increase/ decrease Mr Ravi Parthasarathy		-		
1 2	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran		-		
1 2 3	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran Mr Arun K Saha		-		
1 2 3 4	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran Mr Arun K Saha Mr MM Wagle		-		
1 2 3 4 5	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran Mr Arun K Saha Mr MM Wagle Ms Varsha Sawant		-		
1 2 3 4 5 C	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran Mr Arun K Saha Mr MM Wagle Ms Varsha Sawant At the end of the Year		-		
1 2 3 4 5 C	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran Mr Arun K Saha Mr MM Wagle Ms Varsha Sawant At the end of the Year Mr Vineet Nayyar		-		
1 2 3 4 5 C 1 2	reasons for increase/ decrease Mr Ravi Parthasarathy Mr Hari Sankaran Mr Arun K Saha Mr MM Wagle Ms Varsha Sawant At the end of the Year Mr Vineet Nayyar Mr Bijay Kumar	e (eg allotme - - - - -	-	bonus/ sweat e	

<sup>\*</sup> Ms. Varsha Sawant, Company Secretary of the Company resigned from the services of the Company w.e.f. March 11, 2019.

None of the Director and Key Managerial Personnel other than mentioned above hold any shares of the Company as on March 31, 2019.

<sup>\*\*</sup> Mr. Shekhar Prabhudesai has been appointed as Company Secretary of the Company, with effect from March 11, 2019.



### (V) <u>INDEBTEDNESS</u>:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment (Rs in Million)

	Secured	Unsecured	Deposits	Total
	Loans	Loans		Indebtedness
	excluding			
	deposits			
Indebtedness at the beginning of	f the financial y	year		
i) Principal Amount	1,20,768.89	24,531.16	14,053.80	1,59,353.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,686.57	189.65	449.57	5,325.79
Total (i+ii+iii)	1,25,455.46	24,720.81	14,503.37	164,679.64
Changes in indebtedness during	the financial y	ear :		
Additions	37,923.75	18,712.03	37,722.32	94,358.10
Reductions *	10,758.86	18,549.53	38,288.36	67,596.75
Net Change	27,164.89	162.50	(566.04)	26,761.35
Indebtedness at the end of the fi	nancial year			
i) Principal Amount	1,47,933.78	24,693.66	13,487.76	1,86,115.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,697.68	484.16	864.68	7,046.52
Total (i+ii+iii)	1,53,631.46	25,177.82	14,352.44	1,93,161.72

<sup>\*</sup>Includes net change in Bank Credit facility.

### (VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

# (A) Remuneration paid to the Managing Director, Whole-time Directors and/or Manager: (Rs in Million)

S	Particulars of Remuneration	Mr. Hari	Mr. Arun K	Mr. Vineet	Total
No		Sankaran	Saha	Nayyar	Amount
1	Gross Salary				
	> Salary as per provisions	49.16	36.74	-	85.9
	contained in Section 17(1) of				
	the Income Tax Act, 1961				
	➤ Value of Perquisites u/s	1.68	1.29		2.97
	17(2) of Income Tax Act,				
	1961				
	Profits in lieu of salary under	-	-		-
	Section 17(3) of Income				
	Tax Act, 1961				
2	Stock Option	-	-		-
3	Sweat Equity	-	-	-	-



S	Particulars of Remuneration	Mr. Hari	Mr. Arun K	Mr. Vineet	Total
No		Sankaran	Saha	Nayyar	Amount
4	Commission			-	-
	> as % of Profit				
	> others, specify				
5	Others, please specify *	1.31	1.08	-	2.39
	Total (A)	52.15	39.11	-	91.26
	Ceiling as per the Act #				

<sup>\*</sup> Others represent Retiral Fund contribution (except Gratuity) to the extent exempt under the Income Tax Act, 1961.

## (B) Remuneration to other Directors:

(Rs in Million)

		Fee for						
		attending						
Sl. No	Name of Directors	the Board/	Commission	Others	Total			
		Committee						
		Meetings						
(i)	<b>Independent Directors</b>							
1	Mr SB Mathur	0.46	3.5	-	3.96			
2	Mr RC Bhargava	0.38	5.5	-	5.88			
3	Mr Michael Pinto	0.36	4.5	-	4.86			
4	Mr Jaithirth Rao	0.26	3.5	-	3.76			
5	Ms Rina Kamath	0.32	3.5	-	3.82			
	Total B (1)	1.78	20.5	-	22.28			
(ii)	Erstwhile Non-Executive Directors							
1.	Mr. Ravi Parthasarathy	0.09	-	*39.64	39.73			
2.	*** Mr. Harukazu Yamaguchi	0.20	-	-	0.20			
3.	*** Mr. Hemant Bhargava	0.26	-	-	0.26			
4.	*** Mr. Praveen Kumar Molri	0.21	-	-	0.21			
5.	*** Mr. Yoshihiko Miyauchi	-	-	-	-			
6.	*** Mr. Kiyoshi Fushitani	-	-	-	-			
7.	*** Mr. Sanjeev Doshi	0.29	-	-	0.29			
8.	*** Mr. B K Singal	0.20	-	-	0.20			
9.	*** Mr. C Venkat Nageswar	0.21	-	-	0.21			
10.	**Mr. Kiyokazu Ishinabe	0.29	-	1.21	1.5			
	(Alternate Director to Mr. K							
	Fushitani)							
11	** Mr. Ikuo Nakamura	-	-	-	-			
	(Alternate to Mr. H Yamaguchi)							
(iii)	<b>Directors Appointed by NCLT</b>							
12	Mr. Uday Kotak	-	-	-	-			
13	Mr. G.N. Bajpai	0.05	-	-	0.05			



(Rs in Million)

Sl. No	Name of Directors	Fee for attending the Board/Committee Meetings	Commission	Others	Total
14	Mr. C.S. Rajan	0.15	-	-	0.15
15	Mr. G. C. Chaturvedi	-	-	-	-
16	Dr. Malini Shankar	0.11	-	-	0.11
17	Mr. Nand Kishore	0.30	-	-	0.30
18	Mr. Bijay Kumar	0.05	-	1.32	1.37
19	Mr. N Srinivasan	0.13	-	-	0.13
	Total B (2)	2.54	-	-	44.71
	Total Managerial Remuneration Total B= (B)(1)+(B)(2)	4.32	20.5	42.17	66.99
	Overall Celling as per the Act				

<sup>\*</sup> The amount of Rs. 39.64 mn paid to Mr. Ravi Parthasarthy comprises of consolidated pay, Medical Allowance, Performance related Pay for FY 2018 and other perquisites.

#NOTE: Due to the possible effects of the matters reported in the Financial Statements, the New Board is unable to comment on whether the Managerial Remuneration paid to its erstwhile Managerial Personnel during the period from April 01, 2018 to September 30, 2018 has been paid/provided in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V thereto. Managerial Remuneration in respect of Managerial Personnel appointed subsequent to October 01, 2018 has been paid/provided by the Company in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V thereto, read with the relevant Regulatory communications in this regard.

<sup>\*\*</sup> Alternate Directors

<sup>\*\*\*</sup> These Directors are Nominee Directors and the Sitting Fees paid to the Institutions they are representing on the Board.



### (C) Remuneration to Key Managerial Personnel other than MD/ Manager/WTD:

(Rs in Million)

, s			Key Managerial	al Personnel		
Sr. No	Particulars of Remuneration	Mr. M M Wagle (CFO)	Ms. Varsha Sawant (CS)*	Mr. Shekhar Prabhudesai (CS)*	Total	
(1)	Gross Salary					
	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	18.95	6.36		25.31	
	➤ Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.99	0.04		1.03	
	➤ Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-		1	
(2)	Stock Options	-	-		-	
(3)	Sweat Equity	-	-		-	
(4)	Commission	-	-		-	
	As % of Profit	-	-		-	
	Others	-	-		-	
(5)	Others, please specify	@1.12	@0.31	#0.27	1.43	
	Total	21.06	6.71	0.27	27.77	

<sup>(</sup>a) Others represent Retiral Fund contribution (except Gratuity) to the extent exempt under the Income Tax Act, 1961.

### (VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There have been no Penalties/ Punishments/ Compounding of Offences by the Company or its Directors nor other Officers in Default

Type	Section of	Brief	Details of	Authority	Appeal
	the	Description	Penalty /	(RD/	made, if
	Companies		Punishment /	NCLT/	any (give
	Act		Compounding	Court)	details)
			fees imposed		
(A) Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

<sup>\*</sup> Ms. Varsha Sawant resigned as Company Secretary of the Company w.e.f. March 10, 2019 and Mr. Shekhar Prabhudesai was appointed as the Company Secretary of the Company w.e.f. March 11, 2019.

<sup>#</sup> Mr. Shekhar Prabhudesai has been serving the Company in capacity of Company Secretary at a fixed charge on contract basis.



Туре	Section of	Brief	Details of	Authority	Appeal	
	the	Description	Penalty /	(RD/	made, if	
	Companies		Punishment /	NCLT/	any (give	
	Act		Compounding	Court)	details)	
			fees imposed			
(B) Directors	(B) Directors					
Penalty	-	-	-	-	-	
Punishment	-	-	-	-	-	
Compounding	-	-	-	-	-	
(C) Other Office	(C) Other Officers In Default					
Penalty	-	-	-	-	-	
Punishment	-	-	-	ı	-	
Compounding	-	-	-	-	-	

For and on behalf of the Board of Directors

Uday Kotak Chairman Vineet Nayyar Executive Vice Chairman

**Chandra Shekhar Rajan Managing Director** 

Bijay Kumar Dy. Managing Director

Place: Mumbai

Date: December 04, 2019



Financial Statement 2019



Infrastructure Leasing & Financial Services Limited

12th Floor, The Ruby 29 Senapati Bapat Marg Dadar (West) Mumbai - 400 028, India

Tel: +91 22 6819 8000

#### INDEPENDENT AUDITOR'S REPORT

To the Members of Infrastructure Leasing & Financial Services Limited

### Report on audit of standalone Ind AS financial statements

#### Disclaimer of Opinion

We were engaged to audit the accompanying standalone Ind AS financial statements of Infrastructure Leasing & Financial Services Limited (the "Company"), which comprise the standalone Balance Sheet as at March 31, 2019, the standalone Statement of Profit and Loss including the Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone Ind AS financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying standalone Ind AS financial statements.

#### Basis for Disclaimer of Opinion

The matters in Paragraphs 1 to 9 below should be read with Note 1.2 to the accompanying standalone Ind-AS financial statements which discusses certain key events of the year including reconstitution of the board of directors of the Company effective October 1, 2018 and Note 1.3 to the accompanying standalone Ind-AS financial statements regarding the resolution process followed by the board of directors in relation to the Company's operations, as well as the relevant notes referred to hereinbelow.

- (a) As mentioned in Note 1.6 to the accompanying standalone Ind-AS financial statements, on January 1, 2019, the Company and two of its subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress.
  - (b) As mentioned in Note 1.7 to the accompanying standalone Ind-AS financial statements, the Board of Directors have initiated a third-party forensic examination of various matters for the period April 2013 to September 2018, which is currently ongoing.
  - (c) As mentioned in Note 1.8 to the accompanying standalone Ind-AS financial statements, management is in the process of reconciling claims received with its books of account.
  - (d) As mentioned in Note 1.18 to the accompanying standalone Ind-AS financial statements, there are ongoing investigations by various regulatory authorities and agencies on the Company.

Consequently, the accompanying standalone Ind-AS financial statements do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.

- As mentioned in Note 1.9 to the accompanying standalone Ind-AS financial statements, pending
  management's determination of the financial and other consequences of the litigations stated in the said note,
  no adjustments have been made to the accompanying standalone Ind-AS financial statements in this regard.
- 3. As mentioned in Note 1.10 to the accompanying standalone Ind-AS financial statements, as at March 31, 2019, the Company has made provisions of Rs 95,429.01 million, Rs 2,072.35 million and Rs 96,804.75 million respectively towards provisions for loans given to and receivables from, and impairment of directments in, its subsidiaries, associates and joint ventures and recorded net loss on fair value changes of

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Rs 26,692.99 million on financial assets measured at fair value though profit and loss. The Company does not currently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables and accordingly, management has recorded full provision for the balances indicated in that note, which does not meet the requirements of the relevant Ind-AS standards in entirety.

- 4. As mentioned in Note 1.11 to the accompanying standalone Ind-AS financial statements, the Company is in the process of reconciling the completeness and status of financial guarantees extended by it to group companies in the period prior to September 30, 2018, pending which, the Company has not recognised any resultant liabilities, if any, in the accompanying standalone Ind-AS financial statements. Consequently, the accompanying standalone Ind-AS financial statements do not include any possible adjustments in this regard.
- 5. In view of the reasons mentioned more fully in Note 1.12 to the accompanying standalone Ind-AS financial statements, the Company has not accounted for contractual interest income from its subsidiaries, associates and joint ventures (of Rs 7,379.80 million on a gross basis) and contractually payable finance costs on borrowings (of Rs 6,925.85 million, excluding penal / other interest and charges), for the period from October 16, 2018 to March 31, 2019. In our opinion, the Company would be required to account for such interest income and interest expenses, and the related assets and liabilities as at March 31, 2019.
- 6. As mentioned in Note 1.13 to the accompanying standalone Ind-AS financial statements, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019, and/or the related completion of the inter-company balances reconciliation process, we are unable to comment on the adjustments that may be required and the consequential effects on the disclosures of related party transactions and balances in Note 44, to the accompanying standalone Ind-AS financial statements.
- 7. We have not received audit evidence as follows:
  - a) Reconciliation of differences with one bank mentioned in Note 1.14 to the accompanying standalone Ind-AS financial statements aggregating Rs 2,412.80 million, which management believes represents an unauthorised adjustment made by the bank in the Company's bank account (included in note 3 and 4 to the accompanying standalone Ind-AS financial statements).
  - b) Unreconciled differences in bank reconciliation statements/other borrowings including direct debits by banks aggregating Rs 1,485.85 million, which in management's view is primarily arising out of claims for penal interest, which are in the process of being reconciled by the Company.
  - c) Direct confirmations from three banks in respect of derivatives (including the mark to market amount) of Rs 337.79 million in note 5 to the accompanying standalone Ind-AS financial statements.

Accordingly, we are unable to comment on the consequential effects of the above, on the accompanying standalone Ind-AS financial statements.

- 8. The Company does not have information for certain disclosures including, but not limited to, those required by Schedule III of the Companies Act, 2013 (the "Act"), Ind-AS, and certain regulations of the Reserve Bank of India and related rules, as and for the reasons mentioned in Note 1.15 and Note 1.4.2 to the accompanying standalone Ind-AS financial statements.
- 9. As mentioned in Note 1.16 to the accompanying standalone Ind-AS financial statements, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully stated in that note. Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the accompanying standalone Ind-AS financial statements.

#### Material Uncertainty Related to Going Concern

We refer to Note 1.19 to the accompanying standalone Ind-AS financial statements. The Company has incurred a loss (including other comprehensive income) of Rs 225,272,53 million for the year ended March 31, 2019 and sharp has net liabilities of Rs 169,351.57 million as at March 31, 2019. The Company has also suffered consistent afdywngrades in its credit ratings since September 2018, as a result of which the Company's ability to raise funds

Chartered Accountante

has been substantially impaired, with normal business operations being substantially curtailed. These conditions, along with other matters set forth in that note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the accompanying standalone Ind-AS financial statements and our auditor's report thereon.

Our opinion on the accompanying standalone Ind-AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying standalone Ind-AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone Ind-AS Financial Statements

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

In preparing the accompanying standalone Ind-AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Ind-AS Financial Statements

Our responsibility is to conduct an audit of the Company's standalone Ind-AS financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying standalone Ind-AS financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Reporting on comparatives in case of first Ind-AS financial statements

The transition date opening balance sheet as at April 1, 2017 included in standalone Ind-AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) :: Rules, 2006 audited by the predecessor auditor of the Company whose report for the year ended March 31, 2017

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dated April 26, 2017 expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind-AS. We were engaged to audit the adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind-AS. In view of the matters reported in the Basis for Disclaimer of Opinion section above, we are unable to comment whether any further Ind-AS adjustments are required to the balances in respect of the transition date balance as at April 1, 2017 and the comparatives for the year ended March 31, 2018.

### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, but to the extent described in the Basis for Disclaimer of Opinion section above, were unable to obtain such information;
  - (b) 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, except to the extent stated in the Basis for Disclaimer of Opinion section above:
  - (c) Read with the matters stated in the Basis for Disclaimer of Opinion section of our report, the standalone Balance Sheet, the standalone Statement of Profit and Loss (including the Other Comprehensive Income), the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the aforesaid standalone Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) The matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above;
  - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the accompanying standalone Ind-AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report. That report expresses a disclaimer of opinion on the Company's internal controls over financial reporting for the reasons stated therein;
  - (i) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our auditor's report on the financia! statements, we are unable to comment on whether the managerial remuneration paid to its erstwhile managerial personnel during the period from April 1, 2018 to September 30, 2018 has been paid / provided in accordance with the provisions of section 197 of the Act, read with Schedule V thereto. Managerial remuneration in respect of managerial personnel appointed subsequent to October 1, 2018 has been paid / provided by the Company in accordance with the provisions of Section 197 of the Act, read with Schedule V thereto, read with the relevant regulatory communications in this regard.

- (j) Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind-AS financial statements Refer Note 32 and Note 1.20 to the accompanying standalone Ind-AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

#### For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Bharath N S Partner

Membership No.: 210934

UDIN: 19210934AAAADY3110 Place of Signature: Mumbai Date: December 4, 2019

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Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Infrastructure Leasing & Financial Services Limited (the "Company")

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given by the management, the fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification which, in our opinion, provides reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us, we report that the title deeds of freehold land and building are held in the name of the Company as at March 31, 2019 except in respect of one property with a net book value Rs 1.8 million where the title deed was not produced for our verification and in respect of which we are unable to comment.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (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. According to the information and explanations given to us:
  - (a) Pending the outcome of the investigations stated in paragraphs 1(b) and 1(d) of the Basis of Disclaimer of Opinion section of our auditor's report on the financial statements, we are unable to report on whether the terms and conditions of the grant of such loans are, prima facie, prejudicial to the Company's interest;
  - (b) In respect of loans granted to companies covered in the register maintained under section 189 of the Companies Act, 2013, the schedule of repayment of principal and payment of interest has not been as stipulated; and
  - (c) The Company has a sum aggregating Rs 5,407.29 million which are overdue for more than ninety days from companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and having regard to the matters mentioned in Note 1.2 and Note 1.3 to the accompanying standalone Ind-AS financial statements, reasonable steps have been taken by the Company for recovery of overdue amounts where possible.
- (iv) In our opinion and according to the information and explanations given by the management, considering the nature of the Company and that the Company is registered as a non-banking finance company to which the provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable, reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, value added tax, cess, tax deducted at source and other statutory dues applicable to the Company have generally been regularly deposited with slight delay in a few instances. In respect of dues of goods and service tax the Company has not regularly deposited with the appropriate authorities and there have been

Chartered Accountants

serious delays in large number of cases. The provisions relating to duty of custom and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, and except for the possible effects of the matter stated in paragraph 9 of the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, undisputed dues in respect of provident fund, employees' state insurance, incometax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding as per the Company's books of account, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. in mn unless otherwise stated)	Period to which the amount relates	Duc Date
Goods and service tax	Goods and service tax liability	14.43	Nov 2018 to Mar 2019	Various dates
Income Tax Act	Dividend Distribution Tax	165.28	Jun 2018	12-Jun-18
Labour Welfare Fund Act	LWF payment	Rs 4830 *	Jan 2018 to Dec 2018	31-Jan-19

<sup>\*</sup> represents absolute number

(c) According to the records of the Company, and except for the possible effects of the matter stated in paragraph 9 of the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute as per the Company's books of account, are as follows:

Name of the statute	Nature of the dues	Amount (Rs mn)	Period to which the amount relates	
Finance Act	Service Tax	29.51	2004-2010	CESTAT
Income Tax Act	Income Tax - TDS	1.11	2011-2012	CIT (A)

(viii) According to the information and explanations given by the management, the Company has delayed in repayment of loans or borrowings to financial institutions, banks or government and dues to debenture holders during the year in respect of principal amounts of Rs 32,776.00 million (the delay in such repayments being between 5 and 217 days as at March 31, 2019), and Rs 32,276.00 million of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Sr no	Particulars	Total amount of default as at balance sheet date (Rs. in mn) #	Date of first default #
	Term loans / Commercial papers / Inter- corporate deposits		
1	IndusInd Bank Ltd	6,666.67	30-Sep-18
2	Small Industries Development Bank of India	4,500.00	27-Aug-18
3	Micro Units Development & Refinance Agency Limited	2,850.00	17-Nov-18
4	Credit Suisse AG	2,600.00	28-Sep-18
5	Bank of India	2,000.00	28-Sep-18
6	National Bank for Agriculture and Rural Development	2,000.00	15-Jan-19
7	Syndicate Bank	1,500.00	30-Sep-18
8	STCI Primary Dealer Limited	1,000.00	17-Sep-18
9	Bank of Baroda	1,000.00	30-Sep-18

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Sr no	Particulars	Total amount of default as at balance sheet date (Rs. in mn) #	Date of first default #
10	Bandhan Bank Limited	900.00	28-Sep-18
1·1	Indian Renewable Energy Development Agency Limited	700.00	29-Oct-18
12	Punjab & Sind Bank	525.00	28-Sep-18
13	Bank of Maharashtra	400.00	30-Sep-18
14	Central Bank of India	375.00	30-Sep-18
15	Jammu & Kashmir Bank Ltd	250.00	30-Sep-18
16	Karnataka Bank Ltd	250.00	30-Sep-18
17	The South Indian Bank Limited	250.00	30-Sep-18
18	State Bank of Bikaner & Jaipur	125.00	30-Sep-18
19	Asian Development Bank *	120.41	17-Dec-18
20	Utkarsh Small Finance Bank Limited	66.67	30-Sep-18
21	Kreditanstalt für Wiederaufbau (KfW) *	55.13	30-Dec-18
22	The United States Agency for International Development (USAID) Loan	22.50	30-Sep-18
	Debentures		
23	Total debentures	4,120.00	Various **
	Total	32,276.00	

<sup>\*</sup> Has been paid by Government of India to the lender, pursuant to a guarantee provided by the former

\*\* Various dates between September 17, 2018 and March 27, 2019

# Amounts and date of first default are as per original terms of contractual agreements. Amounts are cumulative from the date of first default to March 31, 2019, and, represents principal only, and does not include interest, for reasons stated in Note 1.12 to the financial statements and paragraph 5 of the Basis for Disclaimer of Opinion section of our auditor's report of even date

(ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence this part of clause (ix) is not commented upon.

Further, we were not provided with all the information and explanation regarding utilisation of moneys raised prior to October 1, 2018 by way of term loans, and accordingly we are unable to comment as to whether the moneys raised from such term loan have been utilized for the purposes for which they were obtained. No term loans were taken subsequent to October 1, 2018.

- (x) As a consequence of the various matters resulting in the change in operational status of the Company, as more fully described in Note 1.2 and Note 1.3 to the accompanying standalone Ind-AS financial statements, and having regard to and pending final outcome of the various matters described in the Basis for Disclaimer of Opinion section above, based upon the audit procedures performed by us and according to the information and explanations given by the management, we are unable to report on fraud by the Company or on the Company by the officers and employees of the Company during the year.
- (xi) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, we are unable to comment on whether the managerial remuneration paid to its erstwhile managerial personnel during the period from April 1, 2018 to September 30, 2018 has been paid / provided in accordance with the provisions of section 197 of the Act, read with Schedule V thereto. Managerial remuneration in respect of managerial personnel appointed subsequent to October 1, 2018 has been paid / provided by the Company in accordance with the provisions of Section 197 of the Act, read with Schedule V thereto, read with the relevant regulatory communications in this regard.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

Chartered Accountants

- (xiii) As discussed in paragraph 6 of the Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind-AS financial statements, pending completion of audit of financial statements of various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2019, and/or the related completion of the inter-company balances reconciliation processes, the Company has not recorded any adjustments that may be required in this regard. Accordingly, (a) we are unable to comment if the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 in respect of the period from April 1, 2018 to September 30, 2018; and (b) with respect of the period from October 1, 2018 to March 31, 2019, except for the possible effects of the matter stated in paragraph 6 of the Basis for Disclaimer of Opinion section of our auditors' report on the financial statements, we report that the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act 2013. Further, in view of the matter stated in paragraph 8 of the Basis for Disclaimer of Opinion section of our auditor's report on the financial statements, we are unable to comment as to whether details disclosed in the notes to the accompanying standalone Ind-AS financial statements, as required by the applicable accounting standards are adequate in respect of the transactions from April 1, 2018 to September 30, 2018 and as a consequence on the balance as of March 31, 2019.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind-AS financial statements, we are unable to comment on whether the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013 in respect of the period from April 1, 2018 to September 30, 2018. Further, we report that the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of Companies Act, 2013 in respect of the period from October 1, 2018 to March 31, 2019.
- (xvi) According to the information and explanations given to us, we report that the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934, without considering the consequential effects, if any, of the matter mentioned in Note 1.16 to the accompanying standalone Ind-AS financial statements.

For S R B C & CO LLP Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Bharath N S Partner

Membership No.: 210934

UDIN: 19210934AAAADY3110 Place of Signature: Mumbai Date: December 4, 2019

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED

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

We were engaged to audit the internal financial controls over financial reporting of Infrastructure Leasing & Financial Services Limited (the "Company") as of March 31, 2019, in conjunction with our audit of the accompanying standalone Ind-AS 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to the standalone Ind-AS financial statements based on our audit. We were engaged to audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the material and pervasive nature of the matters described in the Basis for Disclaimer of Opinion section in our auditor's report on the accompanying standalone Ind-AS financial statements, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on internal financial controls over financial reporting with reference to the accompanying standalone Ind-AS financial statements of the Company.

## Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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.

#### Disclaimer of Opinion

Consequent to the various matters mentioned in Note 1.2 to the accompanying standalone Ind-AS financial statements, which have inter alia, resulted in the matters stated in the Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind-AS financial statements, the normal business operations of the Company as they existed until September 30, 2018 have ceased since, and the New Board has undertaken certain steps as mentioned in that note, to continue the current operations of the Company.

Chartered Accountants

However, in view of the material and pervasive nature of the matters described in our Basis for Disclaimer of Opinion section of our auditor's report on the accompanying standalone Ind-AS financial statements of the Company, we are unable to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to the accompanying standalone Ind-AS financial statements.

#### Explanatory paragraph

We were engaged to audit, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the accompanying standalone Ind-AS financial statements of Infrastructure Leasing & Financial Services Limited, which comprise the standalone Balance Sheet as at March 31, 2019, the standalone Statement of Profit and Loss including the statement of Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 standalone Ind-AS financial statements of Infrastructure Leasing & Financial Services Limited and this report affects our report dated December 4, 2019 which expresses a disclaimer of opinion on those standalone Ind-AS financial statements.

#### For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Bharath N S

Partner

Membership No.: 210934

UDIN: 19210934AAAADY3110 Place of Signature: Mumbai Date: December 4, 2019

# Infrastructure Leasing & Financial Services Limited Balance Sheet as at March 31,2019



(Rs. in million)

		Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	Assets				
(1)	Financial Assets				
(a)	Cash and cash equivalents	3	538.46	5,706.43	3,170.74
(b)	Bank Balance other than (a) above	4	2,145.29	19,207.82	11,076.88
(c)	Derivative financial instruments	5	337.79	161.27	507.79
(d)	Trade Receivables	6	247.43	1,948.23	1,125.38
(e)	Loans	7	12,455.67	60,886.37	40,958.61
(f)	Investments	8	8,041.06	121,288.44	117,576.57
(g)	Other Financial assets	9	386.39	11,824.16	6,366.60
(2)	Non-financial Assets				
(a)	Current Tax Assets (Net)	10	7,746.95	7,571.78	4,604.86
(b)	Deferred Tax Assets (Net)	10	-	617.39	591.46
(c)	Investment Property	11	8,290.62	8,482.87	8,694.50
(d)	Property, Plant and Equipment	12	532.71	608.06	636.59
(e)	Capital work-in-progress	12	0.63	3.15	2.33
(f)	Other Intangible Assets	13	7.65	14.95	19.60
(g)	Other non-financial assets Total assets	14	748.54 41,479.19	363.30 238,684.22	348.54 195,680.45
-	1 Otal assets	1	41,477.17	2,70,004,22	175,000.45
-	Liabilities and Equity	1	I		
	Liabilities and Equity				
(1)	Financial Liabilities				
(a)	Derivative financial instruments	5	_	_	36.70
(b)	Payables	1			
	Trade Payables				
Į	(i) total outstanding dues of micro enterprises and	l	0.28	0.72	-
	small enterprises				
	(ii) total outstanding dues of creditors other than		262.42	283.67	359.81
	micro enterprises and small enterprises				
(c)	Debt securities	15	100,441.72	101,979.47	84.473.82
(d)	Borrowings (Other than Debt Securities)	16	90,436.32	60,186.66	38,666.41
(e)	Subordinated liabilities	17	16,225.62	16,214.63	14,831.40
(f)	Other financial liabilities	18	2,974.23	3,137.09	2,552.44
(2)	Non-Connected Not-1144				
(2)	Non-financial liabilities Current tax liabilities (Net)	10		41.38	544.74
(a) (b)	Provisions	19	127.53	369.83	520.06
(c)	Deferred tax liabilities (Net)	10	127.55	309.63	320.00
(d)	Other non-financial liabilities	20	362.64	550.27	563.32
(4)	Total Liabilities	20	210,830.76	182,763.71	142,548.69
(3)	Equity			202, 001/1	
(a)	Equity share capital	2	1,284.03	1,284.03	1,284.03
(b)	Other equity	2A	(170,635.60)	54,636.48	51,847.73
	Equity attributable to owners of the Company		(169,351.57)	55,920.51	53,131.76
	Total equity		(169,351.57)	55,920.51	53,131.76
-	Total liabilities and equity	1	41,479.19	238,684.22	

Notes 1 to 46 forms part of the Standalone Financial Statements

For and behalf of the Board

In terms of our report attached.

For SRBC & Co LLP Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Uday Kotak Chairman (DIN: 00007467) Vineet Nayyar Vice Chairman (DIN: 00018243) CS Rajan Managing Director (DIN:00126063)

Bharath N S Partner

Membership No:210934

Bijay Kumar Deputy Managing Director (DIN: 07262627) Nand Kishore Director (DIN: 08267502) Dr Malini Shankar Director (DIN:01602529)

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Mumbai December 4, 2019 N Srinivasan Director (DIN:00123338) G C Chaturvedi Director (DIN: 00110996)

Maharudra Wagle Chief Financial Officer Shekhar Prabhudesai Company Secretary

Mumbai 13 December 4, 2019



(Rs. in million)

#### Infrastructure Leasing & Financial Services Limited Statement of Profit and Loss for the year ended 31st March, 2019

Year Ended March 31, 2019 Year Ended March 31, 2018 Particulars Note No. Revenue from operations 5,198.51 10,193.96 Interest Income 21 Dividend Income 2,003.08 (ii) 102.38 1,079.83 1.181.34 (iii) Rental Income 2,124.79 Fees and commission Income 22 (iv) 397.36 (v) Net gain on fair value changes 23A 1,800.19 (vi) Net gain on derecognition of financial instruments 23B 72.24 112.53 under amortised cost category (I) Total Revenue from operations 6,951.83 17,314.38 αn Other Income 1,285,14 24 26.88 (III) Total Income (I+II) 8,236,97 17,341.26 Expenses (i) Finance Costs 25 10,566.32 13,927.51 (ii) Fees and commissions expense 199.35 238.51 (iii) Net loss on fair value changes 23A 26,692,99 Impairment on Financial Assets and Investment (Net) 194,306.11 535.87 (iv) 26 27 Employee Benefits Expenses 408.70 709.55 (v) (vi) Depreciation and amortization 28 269.07 319.29 Other expenses (vii) 617.26 672.44 (IV) Total Expenses (IV) 233,059.80 16,403.17 (V) Profit/(loss) before tax (III-IV) (224,822.83) 938.09 (VI) Tax Expense: (1) Current Tax 1,255.15 (2) Deferred Tax 617.39 (25.93)(3) Current Tax (Prior Year) 10.3 (3,608.40)617.39 (2,379.18)(VII) Profit / (loss) for the period (V-VI) (225,440.22) 3,317.27 (VIII) Other Comprehensive Income A. Items that will not be reclassified to profit or Remeasurements of the defined benefit plans, Gain / (Loss) 14.82 29.90 Tax impact on above (5.36)24.54 Subtotal (A) 14.82 B. Items that will be reclassified to profit or loss The effective portion of gains and (loss) on hedging 152 87 (8.42)instruments in a cash flow hedge: Tax impact on above 1.51 Subtotal (B) 152.87 (6.91)Other Comprehensive Income (A+B) 17.63 (IX) Total Comprehensive Income for the year (225,272.53) 3,334.90 (X) Earnings per equity share Basic (Rs.) 31 (1,755,72)25.83 Diluted (Rs.) (1,755.72)25.83

Notes 1 to 46 forms part of the Standalone Financial Statements

# For and behalf of the Board

In terms of our report attached.

For S R B C & Co LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003 Uday Kotak Chairman (DIN: 00007467) Vineet Nayyar Vice Chairman (DIN: 00018243) CS Rajan Managing Director (DIN:00126063)

Bharath N S Partner Membership No:210934 Bijay Kumar Deputy Managing Director (DIN: 07262627) Nand Kishore Director (DIN: 08267502) Dr Malini Shankar Director (DIN:01602529)

Mumbai December 4, 2019

N Srinivasan Director (DIN:00123338) G C Chaturvedi Director (DIN: 00110996)

Mr. Maharudra Wagle Chief Financial Officer Mr. Shekhar Prabhudesai Company Secretary

Mumbai 14 December 4, 2019

#### Statement of Changes in Equity of Infrastructure Leasing & Financial Services Limited for the year ended March 31, 2019

#### 1. Equity Share Capital

Balance at the beginning of the period and at the end of the period (Rs in million)	Number of shares
1,284.03	128,403,276

1A. Other equity										(Rs. in million)
				Reserves and surplu	IS			Other compreh	ensive income	Total
	General Reserve	Share Premium	Equity	Retained Earnings	Capital Redemption	Preference Share P		Re-	Cash flow hedge	1
		Account	component of		Reserve	remium Redempti		measurements of	reserve	
			compound			on Reserve		net defined		
			financial					benefit plans		
			instrument							
Balance as at April 1, 2017	3,702.13	11,454.27	33.48	25,348.68	520.00	1,182.12	9,585.67	-	21.38	51,847.73
Dividend paid including dividend distribution tax				(545.71)						(545.71)
Transfer to special reserve				(1,190.64)			1,190.64			-
Transfer to preference share premium redemption reserve										
		(618.84)		(563.73)		1,182.13				(0.44)
Income tax on the above										-
Profit (loss) for the year after income tax				3,317.27						3,317.27
Other Comprehensive Income for the year before income tax										
(Net of tax)								24.54	(6.91)	17.63
Total Comprehensive Income for the year				3,317.27				- 24.54	(6.91)	3,334.90
Balance as at March 31, 2018	3,702.13	10,835.44	33.48	26,365.87	520.00	2,364.25	10,776.31	24.54	14.47	54,636.48
Profit (loss) for the year after income tax	3,702.13	10,033.44	33.40	(225,440.22)	320.00	2,304.23	10,776.31	24.34	14.47	(225,440.22)
Other Comprehensive Income for the year before income tax				(223,440.22)						(223/110.22)
(Net of tax)								14.82	152.87	167.69
inet of taxi								14.02	152.67	107.07
Total Comprehensive Income for the year	-	-	_	(225,440.22)		_	_	14.82	152.87	(225,272.53)
Balance as at March 31, 2019	3,702.13	10,835.44	33.48	(199,074.35)	520.00	2,364.25	10,776.31	39.79	167.34	(170,635.60)

For and behalf of the Board

In terms of our report attached.

For S R B C & Co LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003

Uday Kotak Chairman (DIN: 00007467) Vineet Nayyar Vice Chairman (DIN: 00018243) CS Rajan Managing Director (DIN:00126063)

Bharath N S Partner Membership No:210934 Bijay Kumar Deputy Managing Director (DIN: 07262627) Nand Kishore Director (DIN: 08267502)

Dr Malini Shankar Director (DIN:01602529)

Mumbai December 4, 2019 N Srinivasan Director (DIN:00123338) G C Chaturvedi Director (DIN: 00110996)

Maharudra Wagle Chief Financial Officer Shekhar Prabhudesai Company Secretary

Mumbai December 4,2019





#### Infrastructure Leasing & Financial Services Limited Cash Flow Statement for the year ended

	Particulars	Year Ended	(Rs. in millio
- 1	Particulars	31st March 2019	31st March 2018
	The state of the s	S1st Watch 2019	318t March 2018
4)	CASH FLOW FROM OPERATING ACTIVITIES		
	(Loss) / Profit Before tax	(224,822.83)	938.0
	Adjustments for:		
	Depreciation and amortisation	269.07	319.
1	Impairment on Financial Assets and Investment (Net)	194,018.64	535.
-	Net gain loss on Fair value changes Rent Income	26,692.99	(1,800
-	Profit on sale of investments	(1,181.34)	(1,079 (71
	Profit on sale of fixed assets	(11.45)	(0
)	OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(5,034.92)	(1,158
1	Adjustments for changes in Working Capital:	1	
	Increase in Receivables	(83.34)	(823
	Decrease in Other Financial Assets	1,227.53	320
- 1	Increase in Other Non-Financial Assets	(385.24)	(14
1	Increase in Loans (Decrease) / Increase in Payables	(46,998.30)	(26,394 1,566
-	(Decrease) / Increase in Other Financial Liabilities	(162.85)	584
-	Decrease in Other Non-Financial Liabilities	(187.63)	(13
1	Decrease in Other Pool-Financial Elabilities  Decrease in Provisions	(227.05)	(150
	Cash Used In Operations	(51,935,99)	(26,083
1	Income tax Paid (Refer note-1)	(216.54)	(1,120
	NET CASH USED IN OPERATING ACTIVITIES	(52,152.53)	(27,204
0	CASH FLOW FROM INVESTING ACTIVITIES		
	Disposal / (Acquisition) of PPE	20.11	(74
	Acquistiion of intangible	(0.33)	24 75 26
1	Investment in Subsidiaries		(1,411
	Proceeds from Sale / Redemption of Investment	9.00	2,136 1,079
	Rental income Increase in Advance Towards Investment	1,181.34	(2,338
	NET CASH GENERATED /(USED IN) FROM INVESTING ACTIVITIES	1,210.12	(609
C)	CASH FROM FINANCING ACTIVITIES		
	(Repayment) / Proceeds from Debt security (Net)	(1,537.75)	17,505
	Proceeds from Borrowings (Net)	30,249.66	21,520
1	Divident paid to shareholders		(545
1	Proceeds / (Investments) in fixed deposits (net)	17,062.53	(8,130
	NET CASH GENERATED FROM FINANCING ACTIVITIES	45,774.44	30,349
	Net (Decrease) / Increase in Cash and Cash Equivalents	(5,167.97)	2,535
	Cash and Cash Equivalents at the beginning of Year	5,706.43	3,170
	Cash and Cash Equivalents at the end of the Year	538.46	5,706
	Net (Decrease) / Increase in cash and cash equivalents	(5,167.97)	2,535

Notes 1 to 46 forms part of the Standalone Financial Statements

For and behalf of the Board

In terms of our report attached.

For SRBC & CoLLP Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Uday Kotak Chairman (DIN: 00007467)

Vineet Nayyar Vice Chairman (DIN: 00018243) CS Rajan Managing Director (DIN:00126063)

Bharath NS

Partner Membership No:210934

Bijay Kumar Deputy Managing Director (DIN: 07262627) Nand Kishore Director (DIN: 08267502)

Dr Malini Shankar Director (DIN:01602529)

Mumbai

December 4, 2019

N Srinivasan Director (DIN:00123338) G C Chaturvedi Director (DIN: 00110996)

Maharudra Wagle Chief Financial Officer

Shekhar Prabhudesai Company Secretary

16 Mumbai December 4, 2019

<sup>1)</sup> Direct tax paid is treated as arising from operating activites and are not befurcated between Investment and Financing activites



#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

## Note 1

## 1.1. Background and general information

Infrastructure Leasing & Financial Services Limited ("IL&FS" or the "Company"), is a Public Limited Company incorporated in India having its registered office at The IL&FS Financial Centre, Plot C-22, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

IL&FS is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non Deposit Accepting Core Investment Company (CIC-ND-SI). As per the RBI CIC framework, the Company invests in and provides loans to its subsidiaries, associates and joint venture. The Company's preference shares and debentures are listed on the Bombay stock exchange.

## 1.2. Significant developments at IL&FS subsequent to the year ended March 31, 2018

Infrastructure Leasing & Financial Services Limited ("IL&FS" or the "Company") reported defaults on its borrowing obligations during the financial year 2018-19. Further, the credit rating of IL&FS was downgraded to 'D' (lowest grade) in September 2018.

Pursuant to a report filed by the Registrar of Companies, Mumbai ("RoC") under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the Company be investigated by the Serious Fraud Investigation Office("SFIO"). SFIO commenced investigation of affairs of the Company. SFIO submitted an interim report under Section 212(11) of the Companies Act, 2013, on November 30, 2018.

The Union of India on October 1, 2018 filed a petition with the National Company Law Tribunal ("NCLT") seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the RoC and on the following grounds:

- The precarious and critical financial condition of IL&FS and its group companies and their inability to service their debt obligations had rattled the money market.
- II. On a careful consideration of the Union of India, it was of the opinion that affairs of IL&FS and its group companies were conducted in a manner contrary to the public interest due to its mis-governance; and
- III. The intervention of the Union of India is necessary to prevent the downfall of IL&FS and its group companies and the financial markets.

It was felt that the governance and management change is required to bring back the IL&FS Group from Financial collapse, which may require, among other things, a change in the existing Board and management and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board and appointed the New Board proposed by the Union of India with seven persons namely:

- Mr Uday Kotak
- II. Mr Vineet Nayyar
- III. Mr G N Bajpai
- IV. Mr G C Chaturvedi
- V. Dr Ms Malini Shankar
- VI. Mr Nand Kishore
- VII. Mr C S Rajan



The present constitution of the New Board is as follows:

- I. Mr Uday Kotak, Chairman
- II. Mr Vineet Nayyar, Vice Chairman (Managing Director till March 31, 2019)
- III. Mr C S Rajan, Director (Managing Director from April 2, 2019)
- IV. Mr Bijay Kumar, Deputy Managing Director
- V. Mr Nand Kishore
- VI. Dr Ms Malini Shankar
- VII. Mr N Srinivasan
- VIII. Mr G C Chaturvedi

Further applications were made by the Union of India and others, to the NCLT and the National Company Law Appellate Tribunal ("NCLAT") on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:

- The institution or continuation of suits or any other proceedings by any party or person or bank or Company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- II. Any action by any party or person or bank or company etc to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- III. The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies.
- IV. Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- V. Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies.

# 1.3. Resolution process proposed by new Board of Directors of the Company

The New Board of Directors of the Company (hereinafter, "New Board"), as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

As discussed earlier, the NCLAT had given a moratorium to IL&FS and its group entities and that no creditors can proceed against it except under article 226 of the Constitution.

The resolution plan seeks a fair and transparent resolution for the Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. The Company being a holding company and registered as a Core Investment Company (CIC) with RBI, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.



The New Board is pursuing vertical level, SPV level and asset level resolution plan. The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Further, the stakeholders' interests will be protected adequately since the framework and asset sale will be subject to NCLAT approval. The agreed resolution plan would be made public for the knowledge of all concerned stakeholders through an affidavit filed by the Union of India before Hon'ble NCLAT.

As discussed above, the New Board has submitted five progress reports to the NCLT on the resolution plans and latest of which were submitted on August 9, 2019.

Strategic actions taken include:

- (a) Appointing Legal, Transaction and Resolution Advisors
- (b) Securing a moratorium order from third party actions
- (c) Setting up 'Operating Committee' of senior executives for managing daily operations
- (d) Developing are solution framework for managing unprecedented group in solvency using an umbrella resolution approach
- (e) Active recovery actions on external lending portfolio of IL&FS Financial Services (IFIN)
- (f) Working with central and state government authorities to resolve outstanding claims

The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

Based on this classification of "Green", "Amber" and "Red", the New Board has put in place a payment protocol for the IL&FS group during the resolution process. The classification of the entities, the payment protocol and the resolution framework has been filed with the NCLAT and the NCLAT has directed the appointment of Justice D K Jain (Retd) to supervise the resolution process for the IL&FS group.

IL&FS is classified as a "Red" entity, indicating that it is not able to meet all obligations (financial and operational) including the payment obligations to senior secured financial creditors. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status.

# 1.4. Significant Accounting Policies and critical accounting estimates and judgments

# 1.4.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Financial Statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest millions (INR 000,000), except share, per share and otherwise indicated. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

# 1.4.2 Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2018, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).



These are the Company's first Ind AS Financial Statements prepared in accordance with Ind-AS read with Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company is provided in the Notes to the stand-alone financial statements.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act except that certain disclosures are omitted or incomplete in these financial statements particularly relating to borrowings such terms of repayment, dues to related parties, foreign currency expenditure. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Company's compliance with the measurement and recognition and presentation and disclosure requirements of the Ind AS are subject to the matters described in Notes 1.6 to Note 1.18 to these financial statements.

#### 1.4.3 Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

- I. Derivative financial instruments,
- II. Certain financial assets and liabilities measured at fair value
- III. Plan Assets of Defined Benefit Plans which are measured at fair value at the end of each reporting period as explained in the accounting policy.

# 1.4.4 Order of Liquidity

Pursuant to Ind AS 1 - 'Presentation of Financial Statements' and amendment to Division III of Schedule III to the Companies Act, 2013 dated October 11, 2018, the Company presents its balance sheet in the order of liquidity. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

# 1.4.5 Significant accounting judgements, estimates and assumptions

The preparation of Financial Statements requires the Company 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. The Company 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 such estimates is recognised prospectively. Further, the Company has applied the principles of prudence and substance over form for recognition and measurement of its assets and liabilities in view of the matters stated in the Notes 1.6 to 1.18 to the financial statements.



In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year in case of following:

- I. Expected Credit Loss (ECL) on loans and
- II. Impairment of Investment

Refer Note 1.10 for the basis of recording adjustment in respect of the above matters.

#### Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the service rendered (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- I. Identification of contract(s) with customers;
- II. Identification of the separate performance obligations in the contract;
- III. Determination of transaction price;
- IV. Allocation of transaction price to the separate performance obligations; and
- V. Recognition of revenue when (or as) each performance obligation is satisfied.

# **Interest Income**

The Company recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

- The Company calculates interest income by applying the EIR to the gross carrying amount of material financial assets other than credit-impaired assets
- II. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.
- III. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Refer Note 1.12 for the basis of interest income recorded in the year ended March 31, 2019.



#### **Dividend Income**

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

#### **Investment Income**

The gain / losses on sale of investments are recognised in the Statement of Profit and Loss. Gain or loss on sale of investment is determined after consideration of cost on a weighted average basis.

#### Lease Rental Income

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit or loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## Sales of Services

Revenue from services is recognised as per the terms of the contract and on rendering of services.

## Advisory fees and Consultancy fees

Revenue from contract with customer is recognised point in time when performance obligation is satisfied. These include consultancy fees which is charged per transaction executed.

# **Brand Fees**

Brand fees is charged to group entities for the usage of brands and are recognized on accrual basis based on the terms of the contract. For periods beyond September 30, 2018 no brand fee has been recognized in view of the matters discussed in Notes 1.2 and 1.3 to these stand-alone financial statements.

# **Guarantee Fees**

Guarantee fees is charged to group entities towards guarantee provided to the entities and are recognized on accrual basis based on the terms of the contract. The guarantee fee represents the fair value of the guarantee.

# Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any directly attributable cost to bring the asset to its working condition for its intended use

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.



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.:

Useful Life (years)
4
Fully depreciated in the year of Purchase
3
5
3
Amortised over Primary period of Lease
Fully depreciated in the year of purchase
4 years or the useful life of the software, whichever is shorter

The residual value of all fully depreciated assets is retained at Rs. 1 each to identify the assets in Fixed Asset Register.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as of April 1, 2017 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## **Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with requirements of Ind AS 16 for cost model.

Depreciation is recognized using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.



An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2017 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# **Intangible Assets:**

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Estimated useful life of the intangible asset is as follows:

Asset	Useful life (years)
Software	4 years or the useful life of the software, whichever is shorter

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and whenever there is an indication that the asset may be impaired.

An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.



When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **Financial Instruments**

## Recognition of Financial Instruments

Financial assets and financial liabilities are recognized, with exception of borrowing when the Company becomes a party to the contractual provisions of the financial instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Company recognises borrowings when funds reach the Company.

#### Initial Measurement of Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from their respective fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

# Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

#### **Financial Assets**

#### **Investment in Equity Shares**

Investment in the equity shares of the subsidiaries, associates and joint ventures are carried at cost less impairment.

The Company subsequently measures all other equity investments at fair value through profit or loss, unless the Company has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.



# Classification and Subsequent Measurement

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- I. Amortised cost
- II. Fair Value Through Other Comprehensive Income,
- III. Fair Value Through Profit and Loss

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and;
- II. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

# Financial Assets carried at Amortised Cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

# Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Revenue from operations' line item.

# **Effective Interest Method:**

The Effective Interest Method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.



For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

# Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other financial asset, and financial guarantees not designated as at FVTPL. Impairment has been done based on management estimates and past experience.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Considering that the loans are to group entities most of which are rated by external rating agencies. The proxy PDs of the external rating is used for similar external facilities granted to the borrowing entities. In case of multiple ratings lowest rating is considered. In case of unrated securities two class down rating is considered as compared to average rating of the portfolio of IL&FS. Further management overlay is provided where the Company's estimate is more conservative then the external rating. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

For all other financial assets on which ECL to be recognised, the Company does staging of the loans basis of below methodology:

- Stage I (Performing): For exposures which have not been assessed as credit-impaired or where there has not been a significant increase in credit risk since initial recognition. For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.
- Stage II (Under Performing): For exposures where there has been a significant increase in credit risk (SICR) since initial recognition but are not credit-impaired, a lifetime ECL are to be recognised, but interest revenue is still calculated on the gross carrying amount of the asset.
- Stage III (Non-Performing): Financial assets will be assessed as credit impaired when one or more events
  having a detrimental impact on the estimated future cash flows of that asset have occurred. For financial
  assets that have become credit impaired, a lifetime ECL will need to be recognised.



- Lifetime ECL represents the expected credit losses that will result from all possible default events over the
  expected life. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from
  default events that are possible within 12 months after the reporting date.
- The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the borrowers, and other relevant forward-looking information.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. The Company recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

The company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised as provisions.

For the year ended March 31, 2019, the Company has not been able to follow the above methodology as per the accounting standards in view of various uncertainties involved and has therefore elected the following methodology to provide for loans on a prudent basis.

The following basis of calculation of Expected Credit Loss (ECL) has been laid down:

In case of Entities classified as Red & Loans unsecured: PD @ 100% & LGD @ 100% of the loans amount. Hence, to be provided fully

Red Entities & Secured: PD @ 100% & LGD @ 55% of the loans amount. Provision to be done based on the value of security estimated to be realized.

Amber Entities: LGD & PD @ 100% of the loans amount. Hence, to be provided fully. In case of any other information being available on realization of loans based on bids, the same should be considered



Green: LGD -65% for unsecured (as per RBI Norms) / 55% for secured (as per RBI Norms); PD as per ratings and where rating is not available 'BBB'

ECL = (Principal + Interest) x PD x LGD PD = Probability of Default LGD = Loss Given Default

The Company has made assumptions to arrive at the PD and LGD for the year ended March 31, 2019 in the absence of information to support these estimates.

## Derecognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party

On derecognition of a financial asset accounted under Ind AS 109 in its entirety, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in profit or loss

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

# Modification/ revision in estimates of cash flows of financial assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, The Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Various quantitative and qualitative factors are considered to determine whether the renegotiated terms are substantially different and whether the same would amount to extinguishment of financial asset and recognition of a new financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset

# Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains / losses (including impairment gains or losses) or interest.



## Financial Liabilities and Equity Instruments

## Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Financial Liabilities

A financial liability is any liability that is:

- I. Contractual obligation
- II. to deliver cash or another financial asset to another entity; or
- III. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- IV. a contract that will or may be settled in the entity's own equity instruments

All Financial Liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Company has not designate any financial liabilities at FVTPL

## **Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and initial fair value is amortised over the life of the guarantee or the commitment, if not designated as at FVTPL, are subsequently measured at the higher of:

- I. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- II. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

For the year ended March 31, 2019, as discussed in Note 1.11 below the Company is in the process of making this assessment and has accordingly not recorded any of these guarantee contracts.

## **Derecognition of Financial Liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.



## **Derivative Financial Instruments:**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

#### **Embedded Derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts are measured at FVTPL. The host contracts are not measured at FVTPL.

# **Hedge Accounting**

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

## Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in Cash flow hedging reserve relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.



# Offsetting of Financial Assets and Financial Liabilities

The Company offsets financial assets and financial liabilities in the balance sheet when:the Company currently has a legally enforceable right to offset the amounts; and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The terms of a master netting arrangements entered into by the Company meets the above-mentioned offsetting criteria, and accordingly, offsetting is done in the balance sheet for the related financial assets and financial liabilities.

#### Loan Commitment

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with prespecified terms to the customer during the duration of commitment.

#### Write-off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

# Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:



Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

- I. Level 1 financial instruments where inputs used in the valuation are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date; The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of identical assets or liabilities and there are binding and exercisable price quotes available on the balance sheet date
- II. Level 2 financial instruments are those where the inputs that are used for valuation and are significant are derived from directly or indirectly observable market data over the entire period of the instrument life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instrument in inactive markets and observable input other than quoted prices such as interest rates and yield curves, implied volatilities and credit spreads. In addition, adjustment may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument and
- III. Level 3 financial instrument are those that include one or more unobservable input that is significant to the measurement as whole

#### Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are measured at cost as per Ind AS 27.

If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary, associate or a joint venture (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect to the Company's investment in a subsidiary, associate or a joint venture.

The entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount at each reporting date.

Any impairment loss recognized is reduced from the carrying amount of the investment and recognized in the profit or loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases but the increase is restricted to the amounts that would arise had no impairment loss been recognized in previous years.

For the year ended March 31, 2019, the Company has adopted the following accounting policies for determination of impairment in the absence of the information make an impairment test of its investments in subsidiaries, associates and joint ventures as more fully discussed in Note 1.10.

- I. Wherever binding bids are available for direct investment, that value should be considered
- II. Companies/entities classified as Red to provide 100% of the investment amount
- III. Companies/entities classified as Amber to provide 100% of the investment amount
- IV. In case of any information such as valuation report / FS being available for Red and Amber Companies then to use that



- V. Where Companies/entities are classified as <u>Green</u> no impairment to be considered; Audit evidence in the form of audited FS / valuation reports / etc. to be available. In case evidence indicates, impairment to provide
- VI. Where Covered Warrant are issued against the investments, no impairment should be considered. This covers the Equity Value and hence no impairment is considered.
- VII. Additionally, if loans from the Group Companies are provided fully then all of the investments also need to be impaired
- VIII. All the above is subject to the overall understanding that there is no Discounted Cash flow information is available and accordingly are not fully in strict compliance with the IND AS accounting standard on impairment- IND AS 36.

## Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

# **Employee Benefits**

# Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of salaries and annual leave in the period, the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by The Company in respect of services provided by employees up to the reporting date.

#### Retirement Benefit costs and Termination Benefits

#### Defined Contribution Plans

Contributions to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees

## Defined Benefit Plans

The Company has subscribed to a Group Gratuity cum Life Assurance Scheme of an insurance Company for gratuity payable to the employees. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods



# **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Also refer Note 1.12 to the financial statements.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current Tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period

# **Deferred Tax**

The Entity's deferred tax is calculated using tax rate that has been substantially enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or tax planning opportunities are available that will create taxable profit in appropriate periods.



Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

# Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company

## Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

## Cash Flow Statement

The statement of cash flows shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as measurement gains or losses, changes in provisions, impairment of property, plant and equipment and intangible assets, as well as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. Interest received or paid is classified as operating cash flows The cash flows from investing and financing activities are determined by using the direct method



## **Operating Leases**

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership over the Leased Assets are classified as an Operating Lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred

## **Earnings Per Equity Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### Standard issued but not effective

The following amendment, which is issued but not yet effective and not being early adopted by the Company.

Appendix C to Ind AS 112 - 'Uncertainty over Income tax treatments':

This Appendix explains how to recognise and measure over a tax treatment. It provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. This Appendix is applicable for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position and results of operation. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

# Ind AS 116 Leases

Leases was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is the in the process of evaluation of the impact.



# 1.5. First-time adoption - mandatory exceptions, optional exemptions:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

# Derecognition of Financial Assets and Financial Liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017.

#### Classification of all Instruments

The Company has determined the classification of all instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria or FVTPL criteria based on the facts and circumstances that existed as of the transition date.

## Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, impairment has been done based on management estimates and past experience.

# Investments in Subsidiaries, Joint Ventures and Associates

The Company has measured investments in subsidiaries, Joint Ventures and Associates at deemed cost i.e. the previous GAAP carrying amount at the date of transition.

## Property, Plant and Equipment

For transition to Ind AS, the Company has measured all property, plant and equipment's as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# **Investment Property**

The Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2017 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## **Intangible Assets**

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# **Business Combinations**

The Company has elected to apply Ind AS 103 Business Combinations prospectively from 1 April 2017. There are no business combinations subsequent to that date.



# 1.6. Order of NCLT for reopening and recasting of accounts

The NCLT, vide order dated January 1, 2019, has allowed a petition filed by the Union of India, for reopening of the books of accounts and recasting the accounts under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18, of Infrastructure Leasing & Financial Services Limited, and its subsidiaries IL&FS Financial Services Limited ("IFIN") and IL&FS Transportation Networks Limited ("ITNL"). The process of such reopening and recasting of accounts is currently in progress, pending which, it is not possible to determine the consequential effects arising therefrom, including their effects on (a) the business transactions in those financial years; (b) the balance sheets as at March 31, 2017 (being the date of transition of the Company to the requirements of Ind-AS), March 31, 2018 (comparative period end date) and the current year ended March 31, 2019; and (c) the Statement of Profit and Loss for the years ended March 31, 2018 and March 31, 2019.

## 1.7. Status of New Board of Directors initiated investigations

As a consequence of the matter described in Note 1.2 above and various other matters discussed in these standalone Ind-AS financial statements, the Board of Directors of the Company, in January 2019, have initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the Board of Directors of the Company. Pending completion of such examination, no adjustments have been recorded in these standalone Ind-AS financial statements for any consequential effects / matters that may arise in this regard.

# 1.8. Claims management and reconciliation of claims received

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 5 June, 2019 (subsequently extended till September 22, 2019) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA have submitted their report on the status of the claims received and its admission status, indicating a total value of claims received of Rs 213,755.69 million in respect of the Company. The report is subject to update based on additional information / clarification that may be received from the creditors in due course.

Management of the Company is in the process of reviewing such claims, and reconciliation of such claims with the corresponding amounts as per the Company's books of account (as at March 31, 2019, the Company has liabilities and provisions aggregating Rs 210,830.69 million). Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present and possible obligations that would need to be recognised by the Company as liabilities. Accordingly, no adjustments have currently been made in this regard to these standalone Ind-AS financial statements, and all such claims received have been disclosed as part of contingent liabilities (refer Note 1.20).



# 1.9. Assessment of various legal cases, suits, etc

As a result of the events up to September 30, 2018, as more fully described in Note 1.2, there have been various legal cases and suits files against the Company following the default of borrowings made by the Company, as described in that note. Further, the Company is undergoing a resolution process (refer Note 1.3) under the order of the National Company Law Tribunal ("NCLT"), pending which the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities, as per Ind-AS 37, *Provisions, Contingent Liabilities and Contingent Assets*. Pending final outcome of such process, no adjustments have been made to the standalone Ind-AS financial statements in this regard. Also refer Note 1.19 for contingent liability disclosures.

## 1.10. Impairment of loans, receivables and investments to / from / in group companies

As a result of the various events during the financial year 2018-19 which are more fully discussed in Note 1.2 to these standalone Ind-AS financial statements, there is significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various loans given to, receivables from, and investments in, group companies. All group companies in India have been classified as "Red", "Amber" or "Green" categories, based on various factors more fully discussed in note 1.3 to these Ind-AS financial statements.

Management has, in consultation with the New Board, assessed and determined that the amounts of investments in and loans to entities classified as "Red" and "Amber" are wholly not recoverable (also refer note 1.3). Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety as the Company does not presently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions for certain aspects of the expected credit loss model in respect of loans and receivables. On this basis, provision has been made in respect of the balance of loans, receivables and investments, aggregating Rs 95,429.01 million, Rs 2,072.35 million and Rs 96,804.75 million respectively, and recorded net loss on fair value changes of Rs 26,692.99 million on financial assets measured at fair value though profit and loss, arising from transactions up to September 30, 2018, except in respect of certain entities where security is available, and management expects realization of those securities. In the view of the Company, the impairment provision made is prudent and represents the economic substance of the amounts recoverable as of March 31, 2019.

# 1.11. Accounting for guarantees to group companies

The Company has issued various financial guarantees to its group companies. Based on information available with management, the total value of such financial guarantees as at March 31, 2019 is Rs.10,740.00 million. Management is in the process of reconciling the completeness and status of various financial guarantees issued, devolved, claimed and recorded / to be recorded in the books of account, including those guarantees respect of which claims have been received as part of the claim management process (refer note 1.8). Pending such reconciliation, management has not accounted for any such guarantees in these financial statements.

# 1.12. Accounting for contractual interest income in respect of loans to group companies and finance costs on borrowings

In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group.

In terms of the Resolution Framework Reports, the proposal made is that all liabilities relating to the relevant IL&FS Group Entity, whether financial (including interest, default interest, indemnity claims and additional charges), operational debt (including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims), whether existing at or relating to a period after October 15, 2018 (the Cut-Off Date, as explained in the previous paragraph) should not continue accruing.



Accordingly, management has:

- a) Recognised interest income for the year on loans made, only for the period up to October 15, 2018. No such income has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs 7,379.80 million on a gross basis.
- b) Recognised finance costs on borrowings (including from third parties) for the year, only for the period up to October 15, 2018. No such finance costs has been recognised for the period from October 16, 2018 to March 31, 2019, which approximates Rs 6,925.85 million.

The amounts above are based on contractually agreed terms, and exclude penal / other interest and charges. Further, the above (a) and (b) are not applied to entities classified as "Green" category (refer Note 1.2), ie, entities which are in a position to honour their respective financial and operational liabilities. The above basis of accounting is on the basis of the proposal made by the Company with NCLT.

# 1.13. Inter-company confirmations and reconciliations

The Company is in the process of performing and completing the confirmation and reconciliation of intercompany balances with its various subsidiaries, associates, joint ventures. Further, audited financial statements of several subsidiaries, associates and joint ventures of the Company for the year ended March 31, 2019, are not available. Pending the foregoing, the Company has not prepared its consolidated Ind AS financial statements as at and for the year ended March 31, 2019. Pending completion such reconciliation and confirmation, the management has not made any adjustments that may be required to these standalone Ind-AS financial statements including the disclosures required by Ind-AS 24 - Related Party Disclosures.

## 1.14. Deposits and bank balance with a Bank

As at March 31, 2019, bank balances included in Note 3 and 4 to these standalone Ind-AS financial statements, aggregating Rs 2,412.80 million, where one counterparty bank has confirmed and aggregate deposit / current account balance of Rs 591.30 million which are in the process of being reconciled with the books of accounts. Management believes the differences have been incorrectly adjusted by the bank against their dues from other IL&FS group companies, without a right of set off. The management has therefore not accepted such adjustments and is in the process of reconciling the same with the bank.

# 1.15. Disclosures required by Schedule III, IND AS and the Reserve Bank of India

Consequent to the matter discussed in Note 1.2, the Company has substantially curtailed its normal business operations, and is currently engaged in the various actions described more fully in that note. As a result, and further to the matter stated in Note 1.13, it is not practically possible for management to obtain the necessary information required for making (i) certain disclosures required by the financial reporting framework applicable to the Company including, but not limited to, certain requirements of Schedule III to the Companies Act, Ind-AS, and certain requirements of the RBI Act and Master Directions; and / or (ii) disclosures of corresponding figures for certain items where current year figures have been disclosed.

# 1.16. Non-compliance with laws and regulations

As a consequence of the matter described in Note 1.2 above and various other matters discussed in these standalone Ind-AS financial statements, the Company is not in compliance with certain provisions / requirements of applicable laws and regulations. These include certain requirements of Companies Act, 2013, listing agreement entered into with the stock exchange, and certain regulations of the Reserve Bank of India as applicable to the Company including the matter discussed in note 1.17 below.

Where the management has identified any non-compliance subsequent to September 30, 2018, these have been reported or are in the process of being reported to the relevant regulator, and the Company intends to comply with the necessary requirements or further directions at the earliest.



Management is in the process of evaluating the financial and other consequences arising from such non-compliance and of making a comprehensive assessment of other non-compliances, to determine their financial, operating or other consequences, pending which, no adjustments have been made to these standalone Ind-AS financial statements.

## 1.17. Reserve Bank of India's inspection of March 31, 2018

The Reserve Bank of India ("RBI") has carried out an inspection of Company under Section 45 IA / 45N of the Reserve Bank of India Act, 1934 with reference to its financial position as on March 31, 2018. The RBI has observed wide divergences in reported net-worth and the net-worth assessed by the RBI. The management is in the process of evaluating the financial and other consequences arising from such observations. However, the Company has made provisions on loans and investments as and indicated in note 1.10 above.

# 1.18. Investigations by SFIO and other regulatory agencies

The MCA, Government of India, has vide its letter dated October 1, 2018 initiated investigation by the SFIO against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the Company on an ongoing basis. The investigation is in progress and the Company is fully cooperating with the investigating agencies. Further, various other regulatory and law enforcement agencies including the Enforcement Directorate (ED) have initiated investigations against the Company and its group companies. The implications if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage.

# 1.19. Going concern assumption used for the preparation of these financial statements

The Company and the IL&FS group in general are undergoing substantial financial stress as at March 31, 2019. The Company has incurred a loss (including other comprehensive income) of Rs 2,25,272.51 million for the year ended March 31, 2019 and has net liabilities of Rs 1,69,351.52 million as at March 31, 2019. The Company has also suffered consistent downgrades in its credit ratings during the year, in September 2018, and was reduced to 'default grade' subsequent to the defaults in repayment of loans taken by the Company details of which are discussed in Note 1.16. Further, the Company has, as at March 31, 2019, breached its conditions for holding a Certificate of Registration as a Core Investment Company, issued by the Reserve Bank of India. As a result of the foregoing, the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed.

As indicated in Note 1.3, there has been a resolution process run by the Company's Board of Directors. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility. The resolution plan of management includes sale of entities / assets wherever possible and the Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is a committed to taking necessary steps to meet its financial commitments to the extent possible.

During the year, the Company has also engaged an independent third party as resolution advisors, to assess the liquidity at the company and at various group companies in India. as a result, the companies in the IL&FS group have been classified into three categories as more fully discussed and disclosed in Note 1.3 to these standalone Ind-AS financial statements. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business, and are subject to periodic assessment and review by the management and the Board and with the results being submitted to the National Company Law Tribunal, the last of which have been submitted on August 9, 2019.

The ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, and restructure / settle its liabilities. In view of actions that are currently underway, the accompanying financial statements have been prepared on going concern basis based on cumulative impact of certain steps taken by the New Board.



# 1.20. Contingent liabilities

#### a. Guarantees/ Letter of Credit and other related matters

The Group Companies have availed third party limits carved out of the Company's limits from Banks for Letter of Credit, Performance Guarantees and other Financial Guarantees facilities (collectively referred to as 'third party guarantees') amounting to Rs.10,740.00 million (Previous Year Rs.13,833.00 million).

These third-party guarantees have been issued by the Company's bankers on behalf of such Group Companies in the normal course of business. The Company has also received Counter Guarantees from respective Group Companies against such third party guarantees

Further, the Group Companies have availed borrowing facilities from Banks and other Lenders and the arrangements include (i) Letter of Comfort/awareness (ii) Parent Support Agreement (iii) Debt Servicing Reserve Arrangements. Also, the Company has given Non-disposal Undertaking (NDU) in respect of certain group companies to lenders of those respective group companies.

At present, the Company has not assessed the impact under Ind AS 37 for such guarantees/arrangements/NDU's extended by it and as stated above, and accordingly, has not recorded the effect of those in the accompanying Financial Statements.

# b. Creditor claim process

As discussed in Note 1.8 to the financial statements, the Company is in the process of reconciling the claims received of Rs 213,755.69 million through the claims management process.

# c. Interest payment by Government of India on Multilateral Loans

The Company has availed of two foreign currency loans which have been guaranteed by the Government of India. The principal portion of instalment due on these loans, aggregating Rs 175.54 million, which fell due in December 2018, were paid by the Government of India, and continue to be shown as payable by the Company.

#### d. Breach of Loan Covenants

The Company has defaulted on its debts to banks, financial institution and others. As a result of the same, there have been breach of various loans covenants.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

# 2. Equity

## 1 Share Capital

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Equity share capital	1,284.03	1,284.03	1,284.03

(a) Share capital of company consists of :

(a) Share capital of company consists of .			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised Capital			
504,500,000 equity shares (March 31, 2018 : 400,000,000; April 01, 2017 : 400,000,000) of Rs. 10 each	5,045.00	4,000.00	4,000.00
1,460,000 Non Convertible Redeemable Cumulative Preference Shares (NCRCPS) of Rs 7,500 each	10,950.00	10,950.00	10,950.00
5,000,000 NCRCPS of Rs 10 each	50.00	50.00	50.00
Issued Capital			THE STATE OF THE SECOND
131,177,210 equity shares of Rs. 10 each	1,311.77	1,311.77	1,311.77
1,133,000 NCRCPS of Rs 7,500 each	8,497.50	8,497.50	8,497.50
5,000,000 NCRCPS of Rs 10 each	50.00	50.00	50.00
Subscribed and Paid up Capital			
128,403,276 equity shares of Rs. 10 each	1,284.03	1,284.03	1,284.03
1,133,000 NCRCPS of Rs 7,500 each	8,497.50	8,497.50	8,497.50
5,000,000 NCRCPS of Rs 10 each	50.00	50.00	50.00

(b) The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Equity: Balance at the beginning of the year & at the end of the year	128,403,276	128,403,276	128,403,276
Peference: Balance at the beginning of the year & at the end of the year	6,133,000	6,133,000	6,133,000

(d) There is no holding or ultimate holding company.

(e) Detail of shareholders holding 5 percent or more of equity share

Particulars	As at March	31, 2019	As at March	As at April 01, 2017		
Name of the holding/subsidiaries/associates Company	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	32,541,123	25.34%	32,541,123	25.34%	32,541,123	25.34%
ORIX Corporation, Japan	30,227,509	23.54%	30,227,509	23.54%	30,227,509	23.54%
Abu Dhabi Investment Authority, Abu Dhabi	16,129,252	12.56%	16,129,252	12.56%	16,129,252	12.56%
IL&FS Employees' Welfare Trust	15,410,382	12.00%	15,407,658	12.00%	15,406,092	12.00%
Housing Development Finance Corporation Limited	11,587,194	9.02%	11,587,194	9.02%	11,587,194	9.02%
Central Bank of India	9,843,386	7.67%	9,843,386	7.67%	9,843,386	7.67%
State Bank of India	8,237,967	6.42%	8,237,967	6.42%	8,237,967	6.42%
			Second management of the second		l constant	Acres and the

List of shareholders holding more than 5% NCRCPS:

Particulars	As at March 31, 2019		As at March	As at April 01, 2017		
Name of the holding/subsidiaries/associates Company	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ORIX Corporation, Japan	5,000,000	81.53	5,000,000	81.53	5,000,000	81.53



(f) The terms of issue of Non Convertible Redeemable Cumulative Preference Shares (NCRCPS) are as under:

Issued & Paid- up Capital (Rs mn)	No of NCRCPS	Dividend (per amum cumulative)	Allotment Date	Tenure (Years)	Redemption Date	Redemption V	alue
50	5,000,000	2.00%	05-Jul-12	20	05-Jul-32	Face Value of 10 per NCRCPS	Re
50	5,000,000						
1,800.00	240,000	16.38%	Mar 14, 2014*	7	14-Mar-21	Face value	0:
2,662.62	355,016	16.06%	Mar 25, 2014*	7	25-Mar-21	Rs 7,500/- NCRCPS Redemption	per
152.7	20,360	16.06%	Mar 28, 2014*	7	28-Mar-21		plus
1,384.68	184,624	15.99%	May 16, 2014*	7	16-May-21		
764.13	101,884	16.46%	Sep 24, 2015#	7	24-Sep-22	Face value	0
115.2	15,360	16.46%	Sep 29, 2015#	7	29-Sep-22	Rs 7,500/-	pe
435.71	58,095	16.46%	Sep 30, 2015#	7	30-Sep-22	NCRCPS	plus
250	33,334	16.46%	Oct 05, 2015#	7	05-Oct-22	Redemption	1.77
571.13	76,151	16.46%	Oct 15, 2015#	7	15-Oct-22	Premium	0
106.13	14,150	16.46%	Oct 19, 2015#	7	19-Oct-22	Rs 7,500/-	pe
255.2	34,026	16.46%	Oct 30, 2015#	7	30-Oct-22	NCRCPS	
8,497.50	1,133,000						

<sup>\*</sup> Issued at a premium of Rs 5,000/- per NCRCPS # Issued at a premium of Rs 7,500/- per NCRCPS

- (g) There are not any calls unpaid (showing aggregate value of calls unpaid by directors and officers)
- (h) There is no forfeitement of shares (amount originally paid up)
- (i) The amount of equity dividend proposed for the year ended 31st March 2019 is Rs. Nil.

<sup>(</sup>i) <u>Voting Rights</u>: Right to vote only on resolutions placed before the Company which directly affect the rights attached to the Preference Shares, as per the provisions of the Companies Act, 2013 and Articles of Association. If the Company fails to pay the dividend for a period of two years or more, preference shareholders have the right to vote on all resolutions placed before the Company

<sup>(</sup>ii) 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



24.54

54,636.48

(Re in million)

51,847.73

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Other Equity			(105, III IIIIIIIIIIIIII
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
General reserve	3,702.13	3,702.13	3,702.13
Securities premium	10,835.44	10,835.44	11,454.27
Equity component of compound financial instrument	33.48	33.48	33.48
Retained earnings	(199,074.35)	26,365.86	25,348.68
Capital redemption reserve	520.00	520.00	520.00
Special Reserve	9,949.31	9,949.31	8,780.67
Special Reserve-II	827.00	827.00	805.00
Preference Share Premium Redemption Reserve	2,364.25	2,364.25	1,182.12
Cash flow hedging reserve	167.34	14.47	21.38

39.80

(170,635.60)

- Special Reserve represent reserve created pursuant to the RBI (Amendment) Ordinance, 1997 under Section 45-IC of the RBI Act, 1934.
- (ii) Special Reserve-II represent reserve created as per terms of Section 36(I)(viii) of the Income-tax Act, 1961 out of the distributable profits of the Company. In view of the Management, it is expected that utilisation of the reserve is not likely to happen and accordingly deferred tax liability is not created on the reserve.
- (iii) Debit balance of Statement of Profit and Loss account shall be shown as a negative figure under the head 'Retained Earnings'.
- (iv) In case the sum of "Other Equity" in the Statement of Changes in Equity is negative, it shall continue to be presented as a negative amount under "Other Equity".
- (v) General Reserve is created from profit and loss account.

Defined Benefit plan adjustment

2A Other Fauity

Total

- (vi) Securities Premium Reserve represent premium on issue of share.
- (vii) Capital Redemption Reserve is created as per statutory requirement
- (viii) Cashflow Hedge is a hedge of the exposure to variability of the hedge item.
- (ix) Preference Share Premium Redemption Reserve: The premium on redemption of Preference Shares is applied out of the Preference Share remium Redemption Reserve that is carved out of the Securities Premium account as well as out of the Profit and Loss



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

# 3. Cash and Cash Equivalents

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	Cash on hand	0.61	0.68	0.22
	Cheques		5.74	965.51
	Subtotal	0.61	6.42	965.73
	Balances with Banks (of the nature of			
II.	cash and cash quivalents);			
	(a) In Current Accounts	537.85	3,115.01	453.57
	(b) In Other Accounts	-	2,585.00	1,751.44
	Subtotal (a and b)	537.85	5,700.01	2,205.01
	Total (I and II )	538.46	5,706.43	3,170.74

# 4. Bank Balance other than (a) above

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	Fixed deposits with maturity period more than 3 months	2,145.29	19,207.82	11,076.88
	Total	2,145.29	19,207.82	11,076.88

<sup>(</sup>a) In Current Accounts: Includes Rs. 12.06 mn (2017-18 Rs. 13.35 mn, 2016-17 Rs. 116.58 million). in Dividend accounts on accounts of unclaimed dividend and will be transferred to Investor Education Protection Fund (IEPF) on expiry of time limit to claim.

<sup>(</sup>b) Deposits includes lien created in favour of terms loans from banks amounting to Rs. 3.73 mn (2017-18 Rs. 19,112.95 mn, 2016-17 Rs. 11,050 million).



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

# 5. Derivative Financial Instruments

(Rs. in million)

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Notional		Fair Value -	Notional	Fair Value -		Notional	Fair Value -	
(A) Currency derivatives Forwards	amounts	Assets	Liabilities	amounts	Assets	Liabilities	amounts EUR 8.35	Assets	Liabilities 22.56
Currency Futures		_					USD 4.11		14.14
Currency swaps	USD 22.9 EUR 8.77	247.40 90.38	-	USD 27.16 EUR 11.13			USD 26.41 EUR 6.04	503.60 4.12	
Total (A)		337.79		-	161.27			507.72	36.70
(B) Interest rate derivatives Interest Rate Swaps					_		INR 250	0.07	
Total	-	-	-					0.07	
Total derivatives (A)+(B)		337.79		-	161.27	-		507.79	36.70
Included in above are derivatives held for hedging and risk management purposes as follows: (A) Fair value hedging:									
- Interest rate derivative							INR 250	0.07	
Subtotal (A)	-	-	-					0.07	
(B) Cash flow hedging: - Currency derivative	USD 22.9 EUR 8.77	247.40 90.38	1	USD 29 USD 11	79.27 82.00		EUR 8.35 USD 4.11 USD 26.41	503.60	
Subtotal (B)	-	337.79	-		161.27		EUR 6.85	4.12 507.72	
Total (A+B)	-	337.79	-		161.27	-		507.79	



# 6.Trade Receivables

(Rs. in million)

713-000	TO SET S. T. A.A.A. M. S.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
	Trade Receivables	(1) - (1) -		
(a)	Secured, considered good	-	12.14	21.34
(b)	Unsecured considered good	247.43	1,936.09	1,104.04
(c)	Doubtful	1,784.88	-	
Less:	Credit impaired assets	(1,784.88)		
	Total	247.43	1,948.23	1,125.38

All trade receivable are at amortised cost



### 7. Loans

(Rs. in million)

	As at March 2019	As at March 2018	As at April 2017
Secured			
(i) Term Loans	48,297.32	37,544.54	39,228.99
Total	48,297.32	37,544.54	39,228.99
Unsecured			
(i) Term Loans	61,883.68	25,637.43	3,947.36
(ii) Loans and advances to employees *	4.91	5.64	7.62
Total	61,888.59	25,643.07	3,954.98

Gross Total	110,185.91	63,187.60	43,183.97
Less: Impairment loss allowance	97,730.24	2,301.23	2,225.36
Net total	12,455.67	60,886.37	40,958.61

All loans are at amortised cost

All loans are within India to related parties

Terms loans includes Rs 24,048 million to IL&FS Transportation Networks Ltd and Rs 12,078 million to IL&FS Energy Development Company Ltd given during FY 2018-19. Refer note 44 for Related party disclosure

<sup>\*</sup> Above balance include due from erstwhile directors and officers of the Company Rs. 0.17 million (2018- Rs. 0.24 million, 2017-Rs. 0.30 million).



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 8. Investments

8. Investments						(	Rs. in million)
Particulars	Notes		As at 31st March, 2019		As at 31st March, 2018		As at 1st
A. Investments in Subsidiaries Equity Instruments (At Cost)			Waterly 2013		March, 2018		April, 2017
Quoted Investments			sames, and A		2183705550		
IL&FS Investment Managers Ltd			682.94		682.94		682.94
IL&FS Transportation Networks Ltd	(i)	13,632.41			13,632.41		13,632.41
Less : Impairment		(13,632.41)	- 1				
IL&FS Engineering and Construction Company Ltd	(i)	2,429.48		2,429.48	AUD 00 AUG 10 AUG	2,429.48	5 000 MM CONTRACTOR
Less : Impairment	1.7	(2,429.48)		(813.00)	1,616.48	(353.00)	2,076.48
Unquoted			## no		<b>~</b>		
Chattisgarh Highway Development Company Ltd	18 (i)		74.00		74.00		74.00
Chhotagovindpur and Bagbera Drinking Water Supply Projects Ltd			0.25		0.05		
IIDC Ltd	6.0		0.25		0.25		0.25
IL&FS Academy of Applied Development	(v)	45.50			45.50		200.00 45.50
Less : Impairment		(45.50)			45.50		45.50
IL&FS Airports Ltd		728.30			728.30		728.30
Less : Impairment		(728.30)	221		720.30		720.30
IL&FS Education & Technology Services Ltd	(i) (vii)	1,175.64			1,175.64		1,175.64
Less : Impairment	(1) (+11)	(1,130.64)	45.00		1/1/0.01		1,170.04
IL&FS Energy Development Company Ltd	(i)	46,740.00	20.00		46,740.00		46,740.00
Less : Impairment	1.7	(46,740.00)	-		20,7 20,00		10,7 10.00
IL&FS Environmental Infrastructure and Services Ltd	(i)	2,925.52			2,925.52		1,942.52
Less : Impairment		(2,925.52)	-				1,7,12,02
IL&FS Financial Services Ltd		11,424.76			11,424.76		11,424.76
Less : Impairment		(11,424.76)	-				
IL&FS Global Pte Ltd	(iv)	286.10	1		286.10		286.10
Less : Impairment	201-201	(286.10)					777-535
IL&FS Maritime Infrastructure Company Ltd	(i)	5,646.45	1		5,646.45		5,646.45
Less : Impairment	1,3-3	(5,646.45)			5,00,00,00,00		
IL&FS Paradip Refinery Water Ltd	(i)		969.70		969.70		969.70
IL&FS Portfolio Management Services Ltd		23.75			23.75		23.75
Less : Impairment		(23.75)	-				
IL&FS Securities Services Ltd		675.00	-		675.00		675.00
Less: Impairment	) No. 24	(675.00)			100 000 000 000 000		
IL&FS Technologies Ltd	(i)		1,493.13		1,493.13		1,493.13
IL&FS Township & Urban Assets Ltd	(i) (v)	702.40			702.40		502.40
Less : Impairment		(702.40)	-		05.00		
IL&FS Water Ltd ISSL CPG BPO Pvt Ltd			95.00		95.00		95.00
Hill County Properties Ltd		0.23	66.87		66.87		0.22
Less : Impairment		127576000			0.23		0.23
ISSL Settlement & Transaction Services Ltd		(0.23)	154.00		308.00		
Less : Impairment		(154.00)	134.00		300.00		
Jharkhand Accelerated Road Development Company Ltd	18 (i)	(134.00)	74.00		74.00		74.00
Jharkhand Road Projects Implementation Company Ltd	18 (i)		170.50		170.50		170.50
Khambhat Port Ltd	10 (1)	19.66	27 0.00		19.66		19.66
Less : Impairment		(19.66)			27.00		12.00
MP Toll Roads Ltd		28.00		28.00		28.00	
Less : Impairment		(28.00)	123 (	(28.00)	(0.00)	(28.00)	(0.00
North Karnataka Expressway Ltd	(i) (iii)	(20.00)	38.60	(20,50)	38.60	(==:0)	38.60
Sealand Ports Pvt Ltd	5-7 (7	862.37	ಇನಂದೆ ನ		862.37		862.37
Less : Impairment		(862.37)	-				
Tamil Nadu Water Investment Company Ltd	(vi)		598.65		598.65		598.65
West Gujarat Expressway Ltd	(i)		52.00		52.00		52.00
TOTAL (A)	107		4,514.64	-1.2-1.1	91,128.20		90,230.33
B. Investment in associates equity instrument (at cost)						10-10-14-	
607 - 31 FB					,		
Unquoted							
Dighi Port Ltd	(viii)	2,974.58	3	2,974.58		2,974.58	
Less : Impairment		(2,974.58)	-	(744.00)	2,230.58	(744.00)	
Dighi Project Development Company Ltd		42.87			42.87		42.87
Less : Impairment	144	(42.87)	-		10000000		10,500
Mangalore SEZ Ltd	(i)		250.00		250.00		250.00
New Tirupur Area Development Corporation Ltd		892.45	446.23		892.45		892.45
Less: Impairment		(446.23)	707.55				
TOTAL (B)	-		696.23		3,415.90		3,415.90



Particulars	Notes		As at 31st March, 2019		As at 31st March, 2018		As at 1st April, 2017
C. Investment in joint venture equity instrument (at cost)					1,100,000		11pm, 2017
Unquoted		0.50	1		0.50		0.50
Bihar e-Governance Services & Technologies Ltd Less : Impairment		(0.50)	- 1		0.50		0.30
Gujarat International Finance Tec-City Company Ltd		(0.00)	327.09		327.09	i	327.09
Haldia Integrated Development Agency Ltd			15.10		15.10		15.10
harkhand E-Governance Solutions & Services Ltd		0.50		0.50		0.50	
Less : Impairment		(0.50)	-	(0.50)	-	(0.50)	#
Karnataka Enterprises Solutions Ltd					-	0.50	
Less : Impairment		222				(0.50)	
Odisha e-Governance Services Ltd		0.50			0.50		0.50
Less : Impairment	40.75	(0.50)	1 (25.00		1.625.00		1 (25 00
Road Infrastructure Development Company of Rajasthan Ltd TOTAL (C)	18 (i)		1,625.00 1,967.19		1,625.00 1,968.19		1,625.00 1,968.19
D. Investment in Units - FVTPL			1,507.15		1,500.15		1,700.17
L&FS Infrastructure Incubation Trust - Class A	(ix)	10.55	_		10.55		10.55
Less: Impairment	(1//)	(10.55)		į.	10.00		10.55
L&FS Infrastructure Incubation Trust - Class B-1 Scheme Railway		5,103.59			5,103.59		5,103.59
Metro		0,100.07	- 1				0,200.07
Less : Impairment		(5,103.59)					
TOTAL (D)			-		5,114.14		5,114.14
E. Investment in Debentures - Cost							
Non Convertible Debentures							
Subsidiaries					0.00000000		
West Gujarat Expressway Ltd			63.00		72.00		108.00
Others			9.57		2000		
ridium India Telecom Ltd	(i) (ii)		0.00		0.00		0.00
TOTAL (E)			63.00		72.00		108.00
F. Investment in Debentures - Cost		2,470.00	2		2,470.00		2,470.00
L&FS Energy Development Company Ltd ess:Impairment		(2,470.00)	- 1		2,470.00		2,470.00
L&FS Tamil Nadu Power Company Ltd		5,000.00	_		5,000.00		5,000.00
ess:Impairment		(5,000.00)	73		5,000.00		0,000.00
TOTAL (F)		(0,000,00)	-		7,470.00		7,470.00
G. Investment in Debentures - FVTPL							1,721,0100
Fully Convertible Debentures		1					
Subsidiaries							
L&FS Paradip Refinery Water Ltd			800,00		800.00		1,000.00
L&FS Township & Urban Assets Ltd		7,650.00	=		4,770.00		4,770.00
ess:Impairment		(7,650.00)					10.1
Porto Novo Maritime Limited		1,200.00	-		1,200.00		1,900.00
ess:Impairment		(1,200.00)			FOR 100 MINE		
L&FS Maritime Infrastructure Company Ltd		5,850.00	*		3,850.00		25
ess:Impairment		(5,850.00)					
Optionally Convertible Debenture			(				
Optionally Convertible Debenture Subsidiaries							
L&FS Township & Urban Assets Ltd		1,500.00	_		1,500.00		1,500.00
Less:Impairment		(1,500.00)			1,000.00		2,555.00
Others		,_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
ridium India Telecom Ltd			2		0.01		0.01
AND THE STATE OF T					74 PS (14		
Redeemable Cumulative Preference share (Cost)							
L&FS Technologies Ltd				71			100.00
		1					
							The second secon
TOTAL (G)			800.00		12,120.01		9,270.01
TOTAL (G) Total Investments (A+B+C+D+E+F+G)			800.00 8,041.06		12,120.01 121,288.44		9,270.01 117,576.57



- I All Investment are in India except IL&FS Global Pte Limited
- II Other notes
- (i) Non-Disposal Undertaking (NDU) provided by the Company to the third party lenders / investors
- (ii) Represents cost at Re. 1
- (iii) The Company had entered into Call Option Agreements for sale of entire equity shares to a Trust for which it has received 95% of option premium in the previous year, which has been shown under "Other Financial Liabilities"
- (iv) The Company has made investment in foreign currency. Given the size of investment and level of operations, the Company has not entered into hedging of the said investments
- (v) The Company has received 20,000,000 equity shares of IL&FS Township & Urban Assets Ltd of Rs 10 each against its investment in IIDCL Ltd as per the Scheme of Merger approved by, Hon'ble Bombay High Court and Hon'ble Delhi High Court
- (vi) Includes 34,999,991 shares pledged with Senior Lenders of New Tirupur Area Development Corporation Limited
- (vii) IL&FS Education & Technology Services Ltd is held for sale, however disclosure required by IndAS 105 are not available with company.



9. Other Financial Assets

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance towards Investments	-	4,880.00	983.00
Deposits.	125.43	132.96	140.46
Interest and Dividend Accrued	5.87	6,017.42	4,048.85
Receivable from Sale of Securities	-	-	369.90
Deferred Receivables	35.00	707.17	672.17
Other Financial Assets	220.09	86.61	152.22
Total	386.39	11,824.16	6,366.60

Other financial assets for the current year is net of impairement losses amounting to Rs. 287 million (FY 2018:Nil, FY 2017:Nil)



As at March 31,

2019

7,746.95

7,746.95

As at M

20

41.38

41.38

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

# 10.1 Current tax assets and liabilities

	(Rs. in million)
Iarch 31, )18	As at April 01, 2017
7,571.78	4,268.96 335.90
7,571.78	4,604.86

544.74

544.74

### 10.2 Deferred tax balances

MAT Credit Entitlement

Current tax liabilities

Income tax payable

Advance Tax

Total

Total

Current tax assets(Net of Provision)

The following is the analysis of deferred tax assets/(liabilities) presented in the standalone balance sheet:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred tax assets	-	617.39	1,074.24
Deferred tax liabilities			482.78
Net Deferred Tax (Liability)/ Asset		617.39	591.46

Since the Company has incurred a huge operating loss in the year, there is no taxable income for the Company for the year. Further, on the same premise, the Company has not recognised deferred tax asset, since there is no certainty that there would be future taxable profit against which losses can be utilised. The amount of deferred tax assets has been restricted to amount of deferred tax liability. Components of deferred taxes have not been presented as per schedule III in view of deferred tax assets being fully written off in the year ended march 2019.

### 10.3 Tax relating to earlier years:

- (a) The Holding Company had created provision for tax in earlier years for disallowances of expenses under section 14A of Income Tax Act, 1961 based on the conservative estimates. Considering subsequent judicial pronouncements and orders of the appellate authorities in the Company's own case in the matter, the Management has reassessed the requirements of tax provisions of earlier years in respect of Section 14A disallowance. Based on such assessment, the Holding Company has written back provision for tax of earlier years amounting to Rs. 1,858.40 mn through the Statement of Profit and Loss in the Previous year.
- b) During the earlier financial years, the Holding Company had not considered deduction of lease equalization adjustment on lease transactions in view of uncertainty and litigation. Pursuant to the favourable decision by the Hon'ble Supreme Court of India for allowability of Lease Equalisation adjustments debited to the Statement of Profit & Loss and also based on the legal view obtained for the applicability of the said Supreme Court decision to the facts of the Holding Company, it has reviewed the position and has written back the provision for tax amounting to Rs. 1,750.00 mn in the Previous year



## 10.3 Income Tax Disclosure

The major components of income tax expense for the years ended 31st March, 2019 and 31st March, 2018 are:

## Income Tax Recognition

(Rs. in million)

Particulars	Year ended 31st	Year ended 31st
	March, 2019	March, 2018
Current Tax		
In respect of the current year	~	1,259.00
In respect of prior years		(3,608.40)
Deferred Tax	-	
In respect of the current year	617.39	(25.93)
Tax recognised in OCI		(3.85)
Total Income tax expense recognised in the current year relating to	617.39	(2,379.18)
continuing operations		



11. Investment Property							
Break up of investment property	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017				
Let Out to others:							
Corporate Office	5,069.71	5,197.10	5,332.37				
Others	839.66	852.04	864.81				
Let Out to group companies:	2,381.25	2,433.74	2,497.32				
Total	8,290.62	8,482.88	8,694.50				

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cost or deemed cost			
Balance at beginning of year Additions Disposals	8,694.50 - -	8,694.50 - -	8,694.50 - -
Balance at end of year	8,694.50	8,694.50	8,694.50
Accumulated depreciation and impairment			
Balance at beginning of year Additions Disposals	211.63 192.24 -	211.63 -	- - -
Balance at end of year	403.87	211.63	-
Carrying amount			
Balance at beginning of year Additions Disposals	8,482.87	8,694.50	8,694.50
Depreciation expense Balance at end of year	8,290.63	211.63 8,482.87	8,694.50



## 12. Property, Plant and Equipment

Rs in million

	GROSS	BLO	CK (at cost / re	evalued)	ACCU		DEPRECIAT	ION/	NET BLOCK
74	As at	Additions			As at	For	Deductions For the	As at 31-Mar-19	As at
Item	01-Apr-18	For the Year	For the Year	31-Mar-19	01-Apr-18	the Year	Year	31-War-19	31-Mar-19
Leasehold Land	45.32	111100		45.32	0.43	0.80	-	1.23	44.09
Premises (Refer foot note 1,2 &3)	366.15			366.15	11.05	8.64	-	19.69	346.46
Plant & Machinery	64.73	4.29	0.04	68.98	6.72	6.13	0.04	12.81	56.17
Furniture and Fixtures	36.00	0.13	8.81	27.32	10.90	6.51	4.46	12.95	14.37
Vehicles	60.63	-	7.09	53.54	13.89	16.88	3.03	27.74	25.80
Office Equipments	14.16	3.51	5.51	12.16	4.61	4.95	5.43	4.13	8.03
Data Processing Equipments	16.66	1.66	2.40	15.92	8.05	6.59	2.39	12.25	3.67
Electricals Installation	28.20	0.42	2.69	25.92	0.09	6.96	2.43	4.62	21.30
Improvement to Leased Property	54.99	0.10	10.04	45.05	23.04	11.74	2.55	32.23	12.82
TOTAL	686.84	10.10	36.58	660.36	78.78	69.20	20.33	127.65	532.71

	GROSS	BLOG	CK (at cost / re	valued)	ACCU		DEPRECIAT ISATION	ION/	NET BLOCK
	As at	Additions	Deductions	As at	As at	For	Deductions	As at	As at
Item	01-Apr-17	For the	For the	31-Mar-18	01-Apr-17	the	For the	31-Mar-18	31-Mar-18
		Year	Year			Year	Year		
Leasehold Land	45.32	-	-	45.32	-	0.43	-	0.43	44.89
Premises (Refer foot note 1,2 &3)	366.15	-	-	366.15	-	11.05	-	11.05	355.10
Plant & Machinery	61.50	3.23	-	64.73	-	6.72	-	6.72	58.01
Furniture and Fixtures	39.25	0.02	3.27	36.00	-	14.12	3.22	10.90	25.10
Vehicles	0.04	61.60	1.01	60.63	-	14.90	1.01	13.89	46.74
Office Equipments	14.05	0.78	0.67	14.16	-	5.27	0.66	4.61	9.55
Data Processing Equipments	15.59	2.06	0.99	16.66	-	8.95	0.90	8.05	8.61
Electricals Installation	40.00	0.89	12.69	28.20	-	12.56	12.47	0.09	28.11
Improvement to Leased	54.69	0.30		54.99		23.04		23.04	31.95
TOTAL	636.59	68.88	18.63	686.84	-	97.04	18.26	78.78	608.06

## Foot notes:

- (1) Includes Premises given on Operating Lease
- (2) In respect of one leased premise taken on lease from a Government Authority, though the lease agreement is pending, the asset has been capitalised based on "area allocation letter" issued by the Government Authority
- (3) Refer Note 15(a) for pledge as securities for liabilities

## Capital Work in Progress

Rs in million

Particulars	March 31, 2019	March 31, 2018	April 1, 2017	
Capital Work in Progress	0.63	3.15	2 33	



13. Other Intangible assets (Rs. in million)

Software	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At cost, beginning of the year	25.65	19.60	19.60
Additions	0.24	5.96	<u>=</u>
Acquisitions	_	y <b></b> 1	
Disposals	-	-	<u> </u>
Total cost	25.89	25.56	19.60
Accumulated amortization and impairment: At beginning of the year	10.61	-	-
Amortization	7.63	10.61	
Disposals			-
Total amortization and impairment	18.24	10.61	
Net carrying amount	7.65	14.95	19.60

#### 14. Other Non-financial Assets (Rs. in million) As at April 01, As at March 31, 2019 As at March 31, 2018 2017 Prepaid expenses 620.70 286.75 346.23 Balances with Government authorities 33.77 2.31 Other Non Financial Assets 127.84 42.78 Total 748.54 363.30 348.54



15. Debt Securities			(Rs. in million)
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured			
Debentures	100,441.72	101,979.47	84,473.82
Total	100,441.72	101,979.47	84,473.82
Debt securities in India	100,441.72	101,979.47	84,473.82
Debt securities outside India			
Total	100,441.72	101,979.47	84,473.82

16. Borrowings (Rs. in				
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Secured				
(a)Term loans		1	6	
(i)from banks	24,973.91	20,934.08	22,720.20	
(ii)from Other parties	5,940.45	2,187.65	2,439.56	
(b)Loans repayable on demand				
(i)from banks	2,430.37	38.33	288.29	
	33,344.73	23,160.06	25,448.05	
Unsecured	×			
(a)Term loans				
(i)from banks	22,893.17	1,601.81	1,600.00	
(ii)from other parties	770.34	848.52	1,002.57	
(b)Term Deposits From Corporate				
(i)From Other parties	14,337.90	14,503.37	5,623.21	
(c)Commercial Papers	19,090.18	20,072.90	4,992.58	
	57,091.59	37,026.60	13,218.36	
Total	90,436.32	60,186.66	38,666.41	
Borrowings in India	87,488.97	57,165.24	35,241.28	
Borrowings outside India	2,947.36		3,425.13	
Total	90,436.32		38,666.41	

Refer note 44 for borrowings from related parties.

- a) All secured borrowings obtained by the Company are covered under pari-passu charge on all the assets, excluding specified immovable property, moveable assets within the property, specific investments, capital work-in-progress, prepaid and deferred expenses, advance taxes (net) and deposit with banks on which lien is created in favour of bank for term loans taken by the Company.
- b) During the current year aggregate amount of Rs 21.13 mn was debited by the Banks from cash credit account maintained by it inspite of moratorium granted by the Hon'ble NCLT.



(c) The details of Secured Non-Convertible Debentures (NCDs) issued on a private placement basis as at March 31, 2019

Series of NCDs	Number of NCDs Issued	Number of NCDs as a March	t	Face Value of NCD (₹)	Rate of Interest (% p.a)	Earliest Date of Redemption
	1	2019	2018	(<)	(% p.a)	Redemption
2012 Series IV	500,000	500,000	500,000	1,000	9.30	24-Jan-38
2010 Series VI	1,500,000	1,500,000	1,500,000	1,000	9.35	17-Aug-35
2017 Series I-Q	250,000	250,000	250,000	1,000	8.65	27-Mar-28
2017 Series I-D	2,000,000	2,000,000	2,000,000	1,000	7.85	20-Sep-27
2015 Series I-E	500,000	500,000	500,000	1,000	8.80	09-Mar-26
2014 Series I-V	1,000,000	1,000,000	1,000,000	1,000	8.69	25-Aug-25
2014 Series I-U	1,000,000	1,000,000	1,000,000	1,000	8.69	24-Aug-25
2010 Series V	3,500,000	3,500,000	3,500,000	1,000	8.96	20-May-25
2017 Series I-P	430,000	430,000	430,000	1,000	8.55-8.65	22-Mar-25
2017 Series I-N	1,330,000	1,330,000	1,330,000	1,000	8.55-8.65	09-Mar-25
2014 Series I-C	500,000	500,000	500,000	1,000	8.75	23-Jan-25
2014 Series I-B	2.000,000	2,000,000	2,000,000	1,000	8.72	21-Jan-25
2014 Series I-A	2,000,000	2,000,000	2,000,000	1,000	9.00	29-Dec-24
2013 Series II-D	2,000,000	2,000,000	2,000,000	1,000	9.55	13-Aug-24
2013 Series II-C	3,000,000	3,000,000	3,000,000	1,000	9.50	28-Jul-24
2017 Series I-M	840,000	840,000	840,000	1,000	8.30-8.40	06-Apr-23
2017 Series I-O	250,000			1,000	8.45	13-Mar-23
2017 Series I-L	800,000	250,000	250,000	1,000	8.30	24-Jan-23
		800,000	800,000			
2017 Series I-K	500,000	500,000	500,000	1,000	8.30	19-Jan-23
2017 Series I-J	2,500,000	2,500,000	2,500,000	1,000	8.30-8.40	15-Jan-23
2017 Series I-I	1,000,000	1,000,000	1,000,000	1,000	8.30	11-Jan-23
2017 Series I-G	2,250,000	2,250,000	2,250,000	1,000	7.85-7.88	30-Dec-22
2012 Series II	1,000,000	1,000,000	1,000,000	1,000	9.40	19-Dec-22
2015 Series I-R	1,450,000	1,450,000	1,450,000	1,000	7.65-7.70	02-Aug-22
2015 Series I-Q	1,800,000	1,800,000	1,800,000	1,000	7.65-7.70	26-Jul-22
2012 Series I	3,900,000	3,900,000	3,900,000	1,000	9.80	30-May-22
2011 Series IX	2,100,000	2,100,000	2,100,000	1,000	9.85	12-Mar-22
2015 Series I-L	500,000	500,000	500,000	1,000	8.25	01-Mar-22
2011 Series VIII	2,900,000	2,900,000	2,900,000	1,000	9.82	24-Jan-22
2011 Series I	1,500,000	1,500,000	1,500,000	1,000	9.68	25-Jul-21
2005 Series VI	750,000	800	800	1,000	7.80	01-Mar-21
2010 Series IX	3,250,000	3,250,000	3,250,000	1,000	9.70	22-Feb-21
2013 Series II-B	1,000,000	1,000,000	1,000,000	1,000	9.90	13-Feb-21
2017 Series I-B	1,500,000	1,500,000	1,500,000	1,000	7.73	28-Dec-20
2010 Series VII	1,500,000	250,000	250,000	1,000	9.20	24-Dec-20
2015 Series I-B	500,000	250,000	250,000	1,000	8.65	22-Dec-20
2014 Series I-Z	900,000	900,000	900,000	1,000	8.50	28-Oct-20
2017 Series I-F	500,000	500,000	500,000	1,000	7.60	29-Sep-20
2017 Series I-E	500,000	500,000	500,000	1,000	7.65	26-Sep-20
2014 Series I-X	830,000	830,000	830,000	1,000	8.80	22-Sep-20
2014 Series I-W	2,500,000	2,500,000	2,500,000	1,000	8.75-8.80	21-Sep-20
2017 Series I-C	1,000,000	1,000,000	1,000,000	1,000	7.60-7.70	07-Sep-20
2017 Series I-A	500,000	500,000	500,000		7.60	18-Aug-20
2015 Series I-T	500,000	500,000	500,000	1,000	7.50	04-Aug-20
2014 Series I-R	1,000,000	1,000,000	1,000,000	1,000	8.75	31-Jul-20
2014 Series I-Q	1,000,000			1,000	8.75	29-Jul-20
2014 Series I-P		1,000,000	1,000,000		8.78	
2014 Series I-P	1,000,000	1,000,000	1,000,000			23-Jul-20
	1,500,000	1,500,000	1,500,000	1,000	8.00-8.09	06-Jun-20
2014 Series I-O	500,000	400,000	500,000		8.75	20-May-20
2015 Series I-N	3,000,000	3,000,000	3,000,000		8.09	15-May-20
2015 Series I-O	1,500,000	1,500,000	1,500,000		8.00-8.09	11-May-20_
2009 Series VI-B	500,000	500,000	500,000		9.20	22-Mar-20
2009 Series XVI	3,000,000	3,000,000	3,000,000		9.20	05-Mar-20
2009 Series VI-A	500,000	500,000	500,000		9.15	02-Mar-20
2012 Series III	465,000	465,000	465,000		9.10	21-Jan-20
2017 Series I-H	1,220,000	1,220,000	1,220,000		7.75-7.80	14-Nov-19
2015 Series I-K	750,000	750,000	750,000		7.85-7.90	24-Oct-19
2015 Series I-I	1,600,000	1,600,000	1,600,000		8.05-8.12	23-Sep-19
2015 Series I-H	1,700,000	1,700,000	1,700,000		9.00-9.20	18-Sep-19
2011 Series IV	750,000	750,000	750,000		9.78	16-Sep-19
2015 Series I-D	250,000	250,000	250,000		8.70	25-Jul-19
2015 Series I-G	500,000	450,000	450,000		8.90	17-Mar-19
2015 Series I-F	570,000	520,000	520,000		8.90	15-Mar-19
2015 Series I-M	350,000	350,000	350,000		8.00-8.25	03-Mar-19
2013 Series II-A	2,000,000	2,000,000	2,000,000		9.90-9.95	04-Feb-19
2008 Series IX	1,400,000	1,400,000	1,400,000		12.20	15-Dec-18
2011 Series VII	3,000,000	3,000,000	3,000,000		9.98	05-Dec-18
2015 Series I-A	700,000	700,000	700,000	1,000	8.58	01-Dec-18
2013 Series I-D	1,600,000	-	690,000	1,000	10.50	26-Aug-18
2013 Series I-C	2,000,000		2,000,000		11.00	23-Aug-18
2011 Series II	1,500,000	-	1,500,000		9.75	11-Aug-18
2014 Series I-T	1,000,000	-	1,000,000		8.74	11-Aug-18
2014 Series I-S	2,300,000	-	800,000		8.74	10-Aug-18
2015 Series I-S	500,000		500,000		7.20	06-Aug-18
2001 Series IX A	100,000		1,800		7.20	17-Jun-18
2014 Series I-F	800,000		800,000		8.78	15-Jun-18
2002 Series XI	250,000		28,250		7.20	16-May-18
		86,835,800	94,255,850			



	F		Number of NCDs Outstanding as at March 31,		(% p.a)	Redemption
		2019	2018			
2018 Series I-D	750	750	-	1,000,000	9.90	27-Aug-25
2018 Series I-C	2,000	2,000	-	1,000,000	9.05-9.15	27-Jun-23
2018 Series I-B	2,000	2,000	-	1,000,000	9.00-9.10	09-Jun-23
2018 Series I-A	2,600	2,600	-	1,000,000	8.90-9.00	23-May-23
Total (B)		7,350	-			

(d) The details of Secured Zero Coupon Non-Convertible Debentures (ZCNCD), to be redeemed at premium, issued on a private placement basis as at March 31, 2019

Series of ZCNCDs	Number of ZCNCDs Issued	Number of ZCNC as Marc	at	Face Value of ZCNCD (₹)	Redemptio n Value of (₹)	Earliest Date of Redemption
		2019	2018			
2015 Series I-J	1,000,000	1,000,000	1,000,000	1,000	1260.13	28-Sep-19
2014 Series I-N	550,000	-	550,000	1,000	1,291.66	21-May-18
2014 Series I-K	500,000	-	500,000	1,000	1,296.74	26-Apr-18
2014 Series I-L	500,000		500,000	1,000	1,291.37	12-Apr-18
2014 Series I-M	500,000	-	500,000	1,000	1,279.97	10-Apr-18
Total		1,000,000	3,050,000			

(e) The Company has issued the following subordinated debt in the form of Unsecured Non-Convertible Debentures on a private placement basis

Series of NCDs	Number of NCDs Issued	Number of NCDs at Mar		Face Value of NCD	Rate of Interest	Earliest Date of
		2019	2018	( )	(% p.a)	Redemption
2001 Series V	780,000	68,540	68,540	1,000	7.5	30-Apr-20
Total		68,540	68,540			



### 17. Subordinated Liabilities

(Rs. in million)

(No. III IIII)					
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017		
Preference Shares other than those that qualify as Equity	15,958.81	15,958.24	14,592.90		
Debt Instruments	266.81	256.39	238.50		
Total	16,225.62	16,214.63	14,831.40		
Subordinated Liabilities in India	16,225.62	16,214.63	14,831.40		
Total	16,225.62	16,214.63	14,831.40		

## 18. Other Financial Liabilities

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not Due.	132.77	109.36	68.28
Unpaid dividends	12.60	13.34	116.58
Covered Warrants	1,943.00	1,943.00	1,943.00
(Refer note (i))			
Payable to employees	15.78	-	0.03
Payable to related parties	-	12.77	9.20
Security Deposits	525.81	999.74	356.94
Option price received in advance	36.67	36.67	36.67
Letter of Credit Devolvement	287.47	-	-
Others	20.13	22.21	21.74
Total	2,974.23	3,137.09	2,552.44

# i) Above covered warrant taken against investment which is given in note-8

Covered Warrants are issued to a Subsidiary Company and entitles the Subsidiary Company to the underlying economic benefits arising from specified investments held by the Company

## 19. Provisions

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provisions for employee benefits	127.53	369.82 0.01	520.06
Other Provisions Total	127.53	369.83	520.06

## 20. Other Non Financial Liabilities

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Income received in advance	100.39	364.04	511.59
Statutory dues	249.14	176.15	41.46
Advances	13.11	10.08	10.27
Total	362.64	550.27	563.32



# 21. Interest income

(Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
On Financial Assets measured at		
Amortised Cost		
Interest on Loans (Refer Note-1.12)	5,033.71	9,016.37
Interest income from investments	140.31	1,011.88
Other interest income	24.49	165.71
Total	5,198.51	10,193.96

# 22. Fees & Commission Income

(Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018	
	2019	2010	
Consultancy Fees	15.26	513.35	
Guarantee Fee Income	232.60	405.84	
Project Fees	-	660.62	
Other Fees	149.50	544.98	
Total	397.36	2,124,79	



23.A Net gain/ (loss) on fair value changes

(Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
- Investments	(26,643.87)	1,872.41
- Derivatives	(49.12)	(72.22)
Total Net gain/(loss) on fair value changes	(26,692.99)	1,800.19
Fair Value changes:		
-Realised	-	_
-Unrealised	(26,692.99)	1,800.19
Total Net gain/(loss) on fair value changes(D) to tally with (C)	(26,692.99)	1,800.19

## 23.B Net gain/(loss) on derecognition of financial instruments under amortised cost category

(Rs. in million)

Particulars	Year Ended March	Year Ended March
	31, 2019	31, 2018
-Financial assets measured at amortised cost	72.24	112.53
-Financial liabilities measured at amortised cost	-	
Total Net gain on derecognition of financial instruments under amortised cost category	72.24	112.53

24. Other income (Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Recoveries	1,285.14	26.88
Total	1,285.14	26.88

25. Finance cost (Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Interest Costs (Refer Note-1.12)		
Interest on deposits	809.92	778.93
Interest on borrowings	3,104.77	3,484.94
Interest on debt securities	4,769.36	8,208.73
Other Finance expense	483.14	91.50
(b) Dividend on Redeemable Preference Shares	1,399.13	1,363.41
Total	10.566.32	13,927,51



26. Impairment on Financial Assets and Investment (Net) (Refer Note 1.10) (Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
On Loans	95,429.01	75.87
On investments	96,804.75	460.00
On other Financial assets	287.47	-
On Trade Receivables	1,784.88	-
Total	194,306.11	535.87

27. Employee benefits (Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and wages including bonus	362.40	631.41
Contribution to provident and other funds	34.97	44.33
Staff welfare expenses	11.33	33.81
Total	408.70	709.55

28. Depreciation and Amortisation Expense (Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation of property, plant and equipment (Note 12)	69.20	97.05
Depreciation of investment property (Note 11)	192.24	211.63
Amortisation of intangible assets (Note 13)	7.63	10.61
Total Depreciation and Amortisation Expense	269.07	319.29

29. Other Expenses (Rs. in million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rent, taxes and energy costs	218.47	235.45
Repairs and maintenance	164.49	156.89
Communication Costs	8.83	6.66
Printing and stationery	3.32	4.20
Advertisement and publicity	11.55	22.32
Director's fees, allowances and expenses	18.85	5.54
Auditor's fees and expenses	11.87	24.19
Legal and Professional charges	145.34	125.94
Insurance	3.53	2.66
Travelling & Conveyance	1.23	28.90
Other expenditure	29.78	59.69
Total	617.26	672.44

## Amounts paid/payable to Statutory Auditors:

(Rs. in million)

Particulars	FY 2019	FY 2018
Audit Fees	10	23
Other Services	-	0.11
Out of Pocket Expenses		0.25

GST / Service Tax of Rs 0.01 mn (Previous Year : Rs 0.01mn) has been accounted and Input credit taken under GST / Service Tax Rules. The reversal of 50% input credit has been included under Other Services in current year and under Rates & Taxes in previous year



# 30 Dividend paid and proposed during the year

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Declared and paid during the year</b> Dividends on ordinary shares: Final dividend for 2019: INR Nil per share (2018: INR 4.25 per share)	Nil	545.71
Total Dividends paid		545.71

# 31 Earnings per share (EPS)

The basic earnings per share has been calculated based on the following:

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018
Nominal Value per share (Rs.)	10.00	10.00
Net (loss)/profit after tax available for equity shareholders (Rs in million)	(225,440.22)	3,317.27
Weighted average number of equity shares (Nos.)	128,403,276	128,403,276
Basic / Diluted EPS (Rs.)	(1,755.72)	25.83



32. Contingent liabilities and commitments

1 18	2	111	7771	н	1011	ı
/ ±	ν.	A.A. B.	ALLE	u	lion)	,

Particulars	As at March 31,	As at March 31,	As at April 01,
Particulars	2019	2018	2017
Sales Tax liability that may arise in respect of matters in appeal-	0.05	0.05	0.05
Gujarat Commercial Tax (excluding interest and penalty)			
Service Tax liability that may arise in respect of matters in appeal	29.51	29.51	29.51
(excluding interest and penalty)			
Employee State Insurance	0.11	0.11	0.11
Income Tax Demand	50.00	50.00	50.00
Guarantees	10740.20	13,833.00	13348.56
Estimated amount of contracts remaining to be executed on	0.65	2.54	0.65
capital account and not provided for			
Non-Disposal undertakings to lenders and/or equity investors of	Refer note 1.20	47,852	49,521
Subsidiary Associate/JVs Letter of Comfort, Parent Support			
Agreement, Debt Servicing Reserve Arrangements			
(DSRA), Shortfall Undertaking and Sponsor Support Undertaking			
Total	10,820.52	61,767.70	62,950.23



#### 33 Employee benefit obligations

### a) Defined contribution plans

Contributions to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company has subscribed to a Group Gratuity cum Life Assurance Scheme of an insurance company for gratuity payable to the employees. The incremental liability based on actuarial valuation as per the Projected Unit Credit Method as at the reporting date, is charged to the Statement of Profit and Loss. Actuarial gain or loss is recognised in the Statement of Profit and Loss.

Leave balances are classified as short-term and long-term based on the best estimates after considering past trends. The short-term leave encashment liability for the expected leave to be encashed has been measured on actual components eligible for leave encashment and expected short-term leave to be availed is valued based on the total cost to the Company. Long-term leave encashment liability has been valued on actuarial basis as per the Projected Unit Credit Method.

#### b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	31st March,2019	31st March,2018
PVO at beginning of period	509	610
Interest cost	35	36
Current Service Cost	28	32
Past Service Cost- (non vested benefits)	-	9
Past Service Cost -(vested benefits)		
Transfer in Liability	7	
Transfer out Liability	(34)	(2
Benefits Paid	(54)	(147
Contributions by plan participants	-	
Business Combinations	-	
Curtailments	-	
Settlements		
Actuarial (Gain)/Loss on obligation	(14)	(26
PVO at end of period	477	509
II Interest Expenses		
Interest cost	35	36
III Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	554	661
Interest Income	39	39
IV Net Liability		
PVO at beginning of period	509	616
Fair Value of the Assets at beginning report	554	661
Net Liability	(45)	(45)
V Net Interest Interest Expenses Interest Income Net Interest	35 39 (4)	36 39 (3
VI Actual return on plan assets	39	43
Less: Interest income included above	39	39
Return on plan assets excluding interest income	1	4
/II Actuarial (Gain)/loss on obligation		,
Due to Demographic Assumption*	11	0
Due to Financial Assumption	(1)	
Due to Experience	(24)	(17
Total Actuarial (Gain)/Loss	(14)	(26
III Fair Value of Plan Assets		
Opening Fair Value of Plan Asset	554	661
Adjustment to Opening Fair Value of Plan Asset		(2
Return on Plan Assets excl. interest income	1	
Interest Income	39	3
Contributions by Employer		
Transfer out Liability	(6)	il:
Contributions by Employee		
Benefits Paid	(54)	(147
Fair Value of Plan Assets at end	534	554
IX Past Service Cost Recognised		
Past Service Cost- (non vested benefits)	T .	
Past Service Cost - (vested benefits)		
Average remaining future service till vesting of the benefit		
Desagning d Doct complex Cost		
Recognised Past service Cost- non vested benefits Recognised Past service Cost- vested benefits		



x	Amounts to be recognized in the balance sheet and statemen	nt of profit & loss a					
	PVO at end of period	477	509				
	Fair Value of Plan Assets at end of period Funded Status	534 57	554 45				
	Net Asset/(Liability) recognized in the balance sheet	57	45				
XI	Expense recognized in the statement of P & L A/C						
Ai	Current Service Cost	28	32				
	Net Interest	(4)	(3)				
	Past Service Cost- (non vested benefits)	-	-				
2	Past Service Cost -(vested benefits)	1 1	•				
	Curtailment Effect Settlement Effect	1 3	]				
	Unrecognised Past Service Cost- non vested benefits		-				
(1)	Expense recognized in the statement of P & L A/C	24	29				
XII	Other Comprehensive Income (OCI)						
	Actuarial (Gain)/Loss recognized for the period	(14)	(26)				
	Asset limit effect	-	-				
	Return on Plan Assets excluding net interest	(1)	(4)				
	Unrecognized Actuarial (Gain)/Loss from previous period	-					
	Total Actuarial (Gain)/Loss recognized in (OCI)	(15)	(30)				
XIII	Movements in the Liability recognized in Balance Sheet						
	Opening Net Liability	(45)	(45)				
	Adjustment to opening balance Expenses as above	1	2 29				
	Expenses as above Contribution paid	24	29				
	Other Comprenehsive Income(OCI)	(15)	(30)				
	Transfer in Liability	7					
	Transfer out Liability Closing Net Liability	(27)	(2) (45)				
	Closing Net Liability	1(57)	(45)				
XIV	Schedule III of The Companies Act 2013	1 200	104	1			
	Current Liability Non-Current Liability	399 77	196 312				
	Projected Service Cost 31 Mar 2020 Asset Information	11					
		Target	Total Amount				
		Allocation %	Total Amount				
	Cash and Cash Equivalents	0%					
	Gratuity Fund (HDFC Standard Life Insurance Company) Debt Security - Government Bond	100%	534				
	Equity Securities - Corporate debt securities	0%					
	Other Insurance contracts	0%					
	Property	0%					
	Total Itemized Assets	100%	534	ļ			
XVII	Assumptions as at			1			
	Mortality	IALM (2006-08)	IALM (2006-08)				
		Ult.	Ult.				
	Interest / Discount Rate	0.0644					
	Rate of increase in compensation Annual increase in healthcare costs	0.03	0.05				
	Future Changes in maximum state healthcare benefits						
	Expected average remaining service	1.17	5.61				
	Employee Attrition Rate (Past Service (PS) )	PS: 0 to 47 :	PS: 0 to 47 : 9.5%				
	and the second of the second o	1 44.0 %					
XVIII	Sensitivity Analysis	T		ED C	1.00		
			ount Rate	ER: Salary Es			
	PVO	PVO DR +1% 474	PVO DR -1% 479	PVO ER +1% 478	PVO ER -1% 475		
		474	477	4/0]	4/3		
XIX	Expected Payout	Fynactad Outag	Expected Outgo	Expected Outgo	Expected Outeo	Expected Outgo	Expected
	Year	First	Second	Third	Fourth	Fifth	Outgo Six to
	Payouts	3,992	43	23	14	6	Ten years 7
F-12		41272					***************************************
XX	Asset Liability Comparisons Year	31-03-15	31-03-16	31-03-17	31-03-18	31-03-19	
	PVO at end of period	31-03-15	632	616	31-03-18 509	31-03-19 476	
	Plan Assets		647	661	554	534	
	Surplus/(Deficit)	-	14	45	45	57	
	Experience adjustments on plan assets Weighted Average remaining duration of Defined Benefit C	Obligation		42	4	1.12	
	g	Burron				1.12	

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#### 34 Loans

#### a) Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are disclosed in note.

Rs in million

External rating be	nchmark	As	As at March 31, 2019		19 Total		March 31, 20	18	Total	As	at April 1, 201	7	Total
		Stage 1	Stage 2	Stage 3	totax	Stage 1	Stage 2	Stage 3	Hotai	Stage 1	Stage 2	Stage 3	Total
A		-	-	-	-	14,250.84	-	-	14,250.84	5,461.27	-	-	5,461.27
В		-	6,362.06	-	6,362.06	-	37,108.66	- 1	37,108.66	-	23,709.18	-	23,709.18
C		-	5,195.06	-	5,195.06	-	11,822.24	-	11,822.24	-	14,005.48	-	14,005.48
D				98,623.88	98,623.88								
Total		_	11,557.12	98,623.88	110,181.00	14,250.84	48,930.90	-	63,181.74	5,461.27	37,714.66	-	43,175.93

Benchmark	Meaning
Benchmark A	Instruments with this rating are considered to have the highest/high/adequate degree of safety regarding timely servicing of financial obligations. Such
	instruments carry lowest credit risk.
Benchmark B	Instruments with this rating are considered to have moderate degree of safety/moderate/high risk of default regarding timely servicing of financial obligations.
	Such instruments carry moderate credit risk.
Benchmark C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
Benchmark D	Instruments with this rating are in default or are expected to be in default soon

#### b) Analysis of changes in the gross carrying amount of term loans

Rs in million

Particulars	Asa	as March 31, 2	019	Total	As a	Total		
ratticulais	Stage 1	Stage 2	Stage 3	Ittai	Stage 1	Stage 2	Stage 3	10141
Opening balance	14,250.84	48,930.90	-	63,181.74	5,461.27	37,714.66	-	43,175.93
Net of New assets		1						
originated or		1						
derecognised/repaid	-	43,507.42	3,491.84	46,999.26	8,789.57	11,216.24	-	20,005.81
				-				-
Transfers to Stage 1				-	-	-	-	-
Transfers to Stage 2	(9,252.23)	9,252.23		-	-	-	-	-
Transfers to Stage 3	(4,998.61)	(90,133.43)	95,132.04	-	-	-	-	-
Amounts written off	, , , , ,	, , , , ,		-	-	-	-	
Closing balance	-	11,557.12	98,623.88	110,181.00	14,250.84	48,930.90	-	63,181.74

#### c) Reconciliation of ECL balance

Rs in million

Particulars	Asa	as March 31, 2	019	Total	As at	Total		
Particulars	Stage 1	Stage 2	Stage 3	lotai	Stage 1	Stage 2	Stage 3	Total
Opening balance	142.93	2,158.30	-	2,301.23	12.60	2,212.76	-	2,225.36
Net of New assets	1							
originated or	1	1	1					
derecognised/repaid	-	4,368.25	91,060.76	95,429.01	130.33	(54.46)	-	75.87
Transfers to Stage 1	_	_	-		-	-	_	-
Transfers to Stage 2	(132.86)	132.86	- (	- (	-	-	-	-
Transfers to Stage 3	(10.07)	(2,026.71)	2,036.78	-	-	-	-	-
Amounts written off	_	-	-	-			-	
Closing balance	(0.00)	4,632.69	93,097.54	97,730.24	142.93	2,158.30	-	2,301.23



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### 35 Fair value measurement

## a) Fair value hierarchy

The Company has classified its financial instruments into the three levels prescribed under the accounting standard and on the basis of 'Red', 'Amber' and 'Green' as indicated in note 1.3. An explanation of each level follows underneath the table.

As at March 31, 2019			(	Rs. in million
Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets Financial investments at FVTPL - Fully convertible Debentures - Optionally convertible debentures - Units of Trust and incubation trust Derivatives		337.79	800.00	800.00 - 337.79
Total financial assets		337.79	800.00	1,137.79
Financial liabilities				
Derivatives - Interest rate swaps - Futures - Options				5
Total financial liabilities	- 1		-	-

As at March 31, 2018			(1	Rs. in million)
Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL - Fully convertible Debentures - Optionally convertible debentures - Units of Trust and incubation trust		1/1 07	10,620.00 1,500.00 5,114.14	10,620.00 1,500.00 5,114.14
Derivatives		161.27		161.27
Total financial assets		161	17,234.14	17,395.41
Financial liabilities Derivatives - Interest rate swaps - Futures - Options				-
Total financial liabilities	-	-	-	-

As at April 1, 2017				(	Rs. in million)
Assets and liabilities measured at fair value - recurring fair value measurements		Level 1	Level 2	Level 3	Total
Financial assets		3/10/			
Financial investments at FVTPL - Fully convertible Debentures - Optionally convertible debentures - Units of Trust and incubation trust Derivatives			507.79	7,670.00 1,500.00 5,114.14	7,670.00 1,500.00 5,114.14 507.79
Total financial assets			507.79	14,284.14	14,791.93
Financial liabilities					
Derivatives	1			4	
- Interest rate swaps			1		-
- Futures					-
- Options			36.70		-
Total financial liabilities		(#K	36.70		



Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year. For transfers in and out of level 3 measurements see (iii) below.

### b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

Debentures and Units - On assessing the liquidity position of the entities, the Company assessed that several entities were not in a position to discharge all of their payment obligations. In light of the moratorium granted by the NCLAT via order dated 15th October 2018, to determine a course of action for such entities, a solvency construct was developed in consultation with the Legal Advisor and Resolution Advisor, based on the ability of an entity to discharge all operational and financial obligations as and when they fall due, in a 12 month look-ahead period. Further, the entities should not be relying on other IL&FS group companies for any financial support required by that company to service its obligations (financial or operational). The Resolution advisor undertook a solvency test based on 12 month cash flows provided by respective companies. Based on this solvency test, companies were classified as

"Green": Domestic Group Entities which can continue to meet all their payment obligations (both operational and financial) as and when they become due;

"Amber": Domestic Group Entities which are not able to meet all their obligations (financial and operational), but can meet only operational obligations and payment obligations to senior secured financial creditors; and

"Red": Domestic Group Entities which cannot meet their payment obligations towards even senior secured financial creditors, as and when such payment obligations become due

The carrying amount of trade receivable, trade payable, debt securities, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March, 2019, 31st March, 2018 and 1st April, 2017 are considered at cost which is same as fair values, due to their short term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

During the reporting period ending 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

### Reconciliation of level 3 fair value instruments:

Particular	31st March 2019	31st March 2018
Balance at the beginning	17,234.14	14,284.14
Total gains or losses		
in profit or loss	(16,434.14)	-
in OCI	-	-
Purchases/ conversion		3,850.00
Sales		(900.00)
Settlements		
Transfers into Level 3	-	-
Transfers out of Level 3	-	
Balance at the year end	800.00	17,234.14



#### 36 Financial Risk Management

IL&FS Limited is registered with Reserve Bank of India as a Non-Deposit taking, Systemically Important Core Investment Company (CIC-ND-SI). The Company is an Loan and Investment holding company and hence, does not engage in the business of lending funds to third party customers. In compliance of Core Investment Companies (Reserve Bank) Directions, 2016, the Company holds not less than 90% of its net assets in the form of investments in equity shares, preference shares, and loans in the form of bonds, debentures, debt to group companies. Also the Company is supposed to hold atleast 60% in Investments . The Loans given and investments made in Group Companies are majorly in infrastructure business and are long term in nature .

## 36.1 Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter corporate deposits to subsidiaries where no significant impact on credit risk has been identified. The group does not have external exposure and hence concentration risk is not applicable.

#### 36.2 Liquidity risk

'Liquidity risk' is the risk that the Company will encounter difficulty in meeting its day to day financial obligations that are settled by delivering cash or another financial assets.

IL&FS Ltd is registered with RBI as a CIC. The Company is an investment holding company and consequently holds assets in the form of investments in equity shares, preference shares, bonds, debentures, debt or loans to group companies. The Company is exposed to liquidity risk due to borrowings and trade and other payables. The Company used to measures risk by forecasting cashflows. The Board had delegated the responsibility of managing overall liquidity risk and interest rate risk management to a committee of the Board of Directors, in form of Asset and Liability Committee (ALCO). The Credit and Risk Management Department(CRMG) would manage the ALCO based on the RBI norms for Asset Liability Management. The loans given to group companies were repayable by the companies on demand. Thus, IL&FS Ltd could call back a loan from the group companies as and when its liabilities fall due. Additionally, the Company had a practice to maintain a portfolio of highly liquid mutual fund units. Due to the default situation the Company is not been able to meet its liability those that have matured. The maturity analysis for financial liabilities and financial assets has been disclosed in note to the financial statements. These have been worked out based on certain principles which have been mentioned therein.

#### 36.3 Market Risk

The 'Market risk' is the risk that the fair value or future Cashflow of a financial instrument will fluctuate because of changes in market price .Market risk comprises three types of risk, foreign currency risk, interest rates risk, and other price risk like equity price risk . Foreign Currency Risk is the risk that the fair value or future Cashflow of a financial instrument will fluctuate because of change in foreign exchange rates . The Company has not lent in Foreign Currency and also has a small amount of investment in foreign currency. Hence on the Asset side the Foreign Currency Risk is negligent. In case of the Foreign Currency Borrowings the same has been majorily hedged. Interest rate risk is the risk that fair value of future Cashflows of a financial instrument will fluctuate because of changes in market rates . Again the Company lends to Group Companies at fixed rates. The margins for the same are also good. Hence the risk of fluctuating interest rates has minimal impact . Currently the Company borrows from Debentures, Bank Loans , Commercial Paper and Short Inter Corporate Deposits. The interest rates are fixed for Debentures, CP and ICD. The Bank loans are linked to MCLR (Marginal Cost of funds based Lending Rate) and are variable.

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. The Company has major investments in unquoted investments and are infrastructure based. The price risk for such equity are subject to unforeseen downsides.

### 36.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, systems and from external factors other than credit, compliance, reputation, market and liquidity risks.

The Company has also in place critical security created for is data, software and hardware Measures are adopted to effectively protect against phishing, social media threats and rogue mobile.

### 36.5 Capital Management Risk

The Reserve Bank of India (RBI) sets and monitors capital ratio and debt to adjusted ratio for the Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year.

The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year.

In respect of disclosure of risk management in view of the matter described the disclosure currently are not determinable.



#### 37 Analysis of financial assets and liabilities by remaining contractual maturities

In view of the matter described in Note-1, the disclosures required under IndAS 107 are currently not determinable. All Finanacial Liabilities are at amortised cost.

#### 38 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

#### (i) Cash flow and fair value interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

			(Rs. in million)
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate borrowing	56,416.19	25,909.76	28,213.42
Fixed rate borrowing	127,832.29	131,501.09	91,066.05
Total Borrowing	184,248.48	157,410.85	119,279.47

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

As per the Reserve Bank of India (RBI) Core Investment Company (CIC) framework, the core business of the Company is borrowing and invests in and provides loans to its group companies, exposing it to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new assets and liabilities.

Since, going forward there will be no new borrowing and no new investment or lending will take place. Interest earned on lending and accrued on borrowing considered upto the period October 15, 2018 for the current financial year as of March 31, 2019. Hence the Company has not demonstrated the sensitivity of possible change in interest rates of the Company's statement of profit and loss

### 39 Maturity analysis of assets and liabilities

In view of the matter described in Note-1, the disclosures required under IndAS 101 are currently not determinable.



### 40 Capital Risk Management

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The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital ratio requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

In respect of the period subsequent to October 1st, 2018 the company has managed its capital in accordance with framework discussed in note-1.2.

Core Investment Company (CIC) Compliance Ratios

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investments in group companies as a proportion of Net Assets (%)	20.90%	61.77%	66.45%
Investment & Loans to group companies as a proportion of Net Assets (%)	65.52%	95.27%	94.11%
Capital Ratio (%) [Adjusted Net worth / Risk Weighted Assets]	-583.74%	32.66%	33.50%
Leverage Ratio (Times) [Outside liabilities / Adjusted Networth]	(1.24) times	2.30 times	2.23 times

The Company has transitioned to Ind AS w.e.f. April 1, 2018. The CIC Compliance Ratios as at March 31, 2019 have been calculated on the basis of financial statements prepared under Ind AS. The above ratios do not consider off balance sheet item while calculating leverage ratio and Capital ratio. the Compliance Ratios as at March 31, 2018 and as at April 1, 2017 have been calculated on the basis of financial statements prepared under IGAAP.

The computations are subject to the possible effect of the matters stated in note 1



## 41 Operating lease commitments - Company as lessee

The Company has entered into commercial leases for premises and equipment. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases (e.g., such as those concerning dividends, additional debt and further leasing).

Future minimum lease payments under non-cancellable operating leases as at 31 March are, as follows:

		(Rs. in million)
· ·	31 March 2019	31 March 2018
Within one year	-	3.01
After one year but not more than five years	-	2.37
More than five years		
	-	5.38

## Operating leases - Company as lessor

The Company acts as lessor of office equipment. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases (e.g., such as those concerning dividends, additional debt and further leasing).

Future minimum lease receipt under non-cancellable operating leases as at 31 March are, as follows:

(Rs. in million)

	31 March 2019	31 March 2018
Within one year	382.08	642.22
After one year but not more than five years	1,333.58	566.45
More than five years	724.11	-
	2,439.77	1,208.67



# 42 Reconciliation of Total Equity

(Rs. in million)

	Particulars	As at 1 April 2017	As at 31 March 2018
1 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -	Equity as per Indian GAAP	64,212.89	69,502.00
1 2	Ind AS Reclassification and corresponding Interest: Preference shares now considered as Liabilities (Including security premium) EIR and day one gain and loss impact	(14,995.00) 402.10	(14,995.00) (963.24)
	Sub Total	(14,592.90)	(15,958.24)
3 4 5	ECL Expected credit Losses on loans and advances Reversal of provision for contingencies Reversal of provision on loans and advances -contingencies against standard assets	(2,225.36) 8,000.00 183.81	(2,301.23) 8,540.00 330.49
	Sub total	5,958.45	6,569.27
,	Other Ind AS Adjustment	2.60	1.01
6 7	Derivatives CVA/DVA Reversal of Interest accrued	(2,661.71)	(4,245.82)
8	Deferred tax on Other adjustments	(74.91)	(125.66)
9	Deferred tax on ECL provision	770.15	804.05
10	Reversal of Deferred tax asset on provision for contingencies	(482.78)	(609.00)
	Sub total	(2,446.65)	(4,192.48)
	Total Ind AS adjustments	(11,081.09)	(13,581.46)
	Total equity as per Ind AS	53,131.79	55,920.54

# Reconciliation of total profit for the year ended March 2018:

(Rs. in million)

	(NS. III IIIIIIIOII)
Particulars	As at 31 March 2018
Net profit as per Indian GAAP	5,843.21
Ind AS Adjustments:	
Preference share reclassification, EIR and day one gain and loss impact	(1,365.34)
Reversal of provision on loans and advances	146.68
Expected credit Losses on loans and advances	464.13
Derivatives CVA/DVA	(1.59)
Interest on convertible debentures	(1,584.11)
Remeasurement gains and losses	(29.90)
Others	(12.75)
Deferred tax on above adjustments	(143.07)
Net profit as per Ind AS	3,317.26



#### Preference Shares

## Classified as liability

Under previous GAAP preference shares are considered as equity based on the legal form. However Ind AS determines preference shares as liability of there is obligation to settle them in cash or any other financial assets. For convertible preference shares the test is to see if they meet the fixed for fixed conversion criteria to be considered as equity. The Company has considered the preference shares as liability along with premium on the preference shared.

#### Investment

Under the previous GAAP, investments in fully convertible debentures, Optionally convertible debentures, units of Trust and Incubation trust were classified as long-term investments or current investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are carried at fair value.

#### Others

#### Fair value of premises

By using the optional exemption under Ind AS 101 "First Time Adoption" the financial instruments are considered at fair value on transition date which is the deemed cost post transition. Gains on fair value is considered in retained earnings.

#### Derivative CVA/ DVA adjustments

Fair value under Ind AS considered CVA/ DVA adjustment hence the same is considered under Ind AS.

### Deferred tax on Adjustments

Deferred tax have been recognised on the adjustments made on transition to Ind AS. Deferred tax assets is recognized only when there is probable certainty of recovery of the same.

### Security Deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent

## 43 Disclosure related to Para 19 of the Core Investment Companies (Reserve Bank) Directions, 2016

(a)	Exposure to Real Estate		Rs Crore
	Category	As at March	As at March
		31, 2019	31, 2018
a)	Direct Exposure		
i)	Residential Mortgage		
	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, multi-purpose commercial		
	premises, multi-family residential buildings, multi-tenanted	553.13	1,842.92
	commercial premises, industrial or warehouse space, hotels,	333.13	1,042.92
	land acquisition, development and construction, etc.).		
	Exposure shall also include non-fund based limits		
iii)	()		
	securitised exposures -		
	a) Residential	-	-
<u></u>	b) Commercial Real Estate	_	-
(b)	Indirect Exposure		
	Fund Based and non fund based exposure on National Housing	_	_
	Bank( NHB) and Housing Finance Companies (HFCs)	-	-

The exposure disclosed in point (ii) is net of impairment and Expected Credit Loss

(b) Assest Liabilities Management Maturity pattern	of certiain items of asset a	nd liabilities							(Rs Crore)
Particulars	Upto 30/31	Over 1	Over 2 month	Over 3	Over 6	Over 1	Over 3	Over 5	Total
	days	month to 2 months	to 3 months	month to 6 months	month to 1	year to 3 year	year to 5 year	years	
Liabilities									
Borrowings from Banks ^									5,029.74
Market Borrowings^									14,058.06
Assets									
Loans / Advances*									1,245.57
Investments**									1,012.08

In view of matter described in Note 1, the disclosure required above are currently not determinable



<sup>^</sup> Borrowings includes interest accrued thereon

<sup>\*</sup> Loans & Advances includes interest accrued and net of Expected Credit Loss

<sup>\*\*</sup> Investments includes investment in Equity, Debt Instruments (net of impairment) and Fixed Deposits (net of impairment)



# 44 Related Party Transactions

- 44.1 As per Ind AS 24 on 'Related party disclosures' the related parties of the Company are as follows:
- (A) A person or a close member of that person's family is related to a reporting entity if that person
  - (i) has control or joint control over the reporting entity; NIL
  - (ii) has significant influence over the reporting entity; or NIL
  - (iii) is a member of the key management personnel of the reporting entity

4 >	
(a)	Mr Uday Kotak -
	appointed as Director wef from October 1, 2018 pursuant to the NCLT Order
	appointed as Non-Executive Chairman wef October 4, 2018
(b)	Mr Vineet Nayyar -
	appointed as Director wef from October 1, 2018 pursuant to the NCLT Order
	appointed as Vice Chairman & Managing Director wef October 4, 2018
(c)	Mr Chandra Shekhar Rajan, Director (wef October 3, 2018)
(d)	Mr Bijay Kumar
	appointed as Director wef from December 21, 2018 pursuant to the NCLT Order
	appointed as Deputy Managing Director wef December 24, 2018
(e)	Mr Girish Chaturvedi, Director (wef October 1, 2018)
(f)	Ms Malini Shankar, Director (wef October 1, 2018)
(g)	Mr Nand Kishore, Director (wef October 1, 2018)
(h)	Mr Ghyanendra N Bajpai ((wef October 1, 2018 upto October 29, 2018)
(i)	Mr Natarajan Srinivasan, Director (wef December 21, 2018)
(j)	Mr Ravi Parthasarathy, Chairman (upto July 20, 2018)
(k)	Mr Hemant Bhargava, Chairman (wef July 21, 2018 upto September 15, 2018 and
	Director upto September 27, 2018)
(1)	Mr Sunil Behari Mathur, Chairman (wef September 15, 2018 upto September 30, 2018)
(m)	Mr Hari Sankaran, Vice Chairman & Managing Director (upto September 30, 2018)
(n)	Mr Arun K Saha, Joint Managing Director & CEO (upto September 30, 2018)
(o)	Mr Praveen Kumar Molri, Director (upto September 30, 2018)
(p)	Mr Sanjeev Doshi, Director (upto September 30, 2018)
(q)	Mr BK Singal (upto September 30, 2018)
(r)	Mr C Venkat Nageswar (upto September 30, 2018)
(s)	Mr Ravindra Chandra Bhargava, Director (upto September 30, 2018)
(t)	Mr Michael Pinto, Director (upto September 30, 2018)
(u)	Mr Jaithirth Rao, Director (upto September 30, 2018)
(v)	Ms Rina Kamath, Director (upto September 30, 2018)
(w)	Mr Yoshihiko Miyauchi, Director (upto May 29, 2018)
(x)	Mr Harukazu Yamaguchi, Director (upto September 30, 2018)
(y)	Mr Kiyoshi Fushitani, Director (wef May 30, 2018 and upto September 30, 2018)
(z)	Mr Kiyokazu Ishinabe, Alternate Director (upto September 30, 2018)
(aa)	Mr Ikuo Nakamura, Alternate Director (upto September 30, 2018)
(ab)	Mr MM Wagle, Group Chief Financial Officer
(ac)	Ms Varsha Sawant, Company Secretary (upto March 10, 2019)
(ad)	Mr Shekhar Prabhudesai, Company Secretary (wef March 11, 2019)



The Hon'ble National Company Law Tribunal (NCLT) vide its Order dated October 1, 2018 has superseded the Board of the Company by constituting the new Board of Directors w.e.f. October 1, 2018

A list of close members and Relatives as provided by the KMP, is enclosed separately to this list

- (B) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)-
  - (a) PARENT COMPANY/ ENTITIES THAT HAVE SIGNIFICANT INFLUENCE OVER THE REPORTING ENTITY NIL

# (b) SUBSIDIARIES – DIRECT

1	Chhattisgarh Highway Development Company Limited
2	Chhotagovindpur & Bagbera Drinking Water Supply Project Limited
3	IL&FS Academy of Applied Development
4	IL&FS Airports Limited
5	IL&FS Education & Technology Services Limited
6	IL&FS Energy Development Company Limited
7	IL&FS Environmental Infrastructure & Service Limited
8	IL&FS Financial Services Limited
9	IL&FS Global Pte Limited
10	IL&FS Investment Managers Limited
11	IL&FS Maritime Infrastructure Company Limited
12	IL&FS Paradip Refinery Water Limited
13	IL&FS Portfolio Management Services Limited
14	IL&FS Securities Services Limited
15	IL&FS Technologies Limited
16	IL&FS Township & Urban Assets Limited
17	IL&FS Transportation Networks Limited
18	IL&FS Water Limited
19	CPG BPM Services Private Limited (formarly known as ISSL CPG BPO Private
	Limited wef October 09, 2018)
20	ISSL Settlement & Transaction Services Limited
21	Jharkhand Accelerated Road Development Company Limited
22	Khambhat Port Limited
23	MP Toll Roads Limited
24	Tamil Nadu Water Investment Company Limited



# (c) SUBSIDIARIES - INDIRECT

1	Alcantarilla Fotovltanica SLU
2	Amravati Chikhli Expressway Limited
3	Andhra Pradesh Urban Infrastructure Asset Management Limited
4	Angeerasa Greenfields Private Limited*
5	Area De Servicio Coiros SLU
6	Area de Servicio Punta Umbria SLU
7	Atenea Seguridad Y Medio Ambiente SAU
8	Avash Logistic Park Pvt Limited
9	Badarpur Tollway Operations Management Limited #
10	Baleshwar Kharagpur Expressway Limited
11	Barwa Adda Expressway Limited
12	Beasolarta, SLU
13	Bhopal e-Governance Limited
14	Capacity Swap Linkage Limited
15	Charminar Robopark Limited
16	Chenani Nashri Tunnelway Limited
17	CIESM INTEVIA SAU
18	Conservacion de Infraestructuras De Mexico SD DE CV
19	Control 7, SAU
20	Cuddalore Solar Power Pvt Limited
21	Dakshin Dilli Swatch Initiative Limited
22	Dehradun Integrated Arena Limited (from May 23, 2018)
23	Downtown Recreations Private Limited*
24	East Delhi Waste Processing Company Pvt Limited
25	East Hyderabad Expressway Limited
26	Ekadanta Greenfields Private Limited*
27	Elsamex Colombia SAS
28	Elsamex Construcao e Manutentcao LTDA (Brazil)
29	Elsamex India Private Limited
30	Elsamex International, SLU
31	Elsamex Maintenance Services Limited
32	Elsamex Portugal - Engheneria e Sistemas de Gestao SA
33	Elsamex SA
34	Elsamex Vietnam Joint Stock Company
35	ESM Mantenimiento Integral SA DE CV
36	Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)
37	Fagne Songadh Expressway Limited
38	Futureage Infrastructure India Limited
39	GRICL RAIL Bridge Development Co Limited
40	Grusamar Albania SHPK



41	Grusamar India Limited
42	Grusamar Ingenieria y Consulting Colombia SAS
43	Grusamar Ingenieria y Consulting, SLU
44	Grusumar Engenharia & Consultoria Brasil LTDA
45	Gujarat Integrated Maritime Complex Pvt Limited
46	Hazaribagh Ranchi Expressway Limited
47	Hill County Properties Limited
48	Hill County SEZ Private Limited*
49	IIML Asset Advisors Limited
. 50	IIML Fund Managers (Singapore) Pte Limited
51	IIPL Laos Pte Ltd
52	IIPL USA LLC
53	IL&FS Africa Infrastructure Development Company
54	IL&FS AMC Trustee Limited
55	IL&FS Asian Infrastructure Managers Limited
56	IL&FS Broking Services Pvt Limited
57	IL&FS Capital Advisors Limited #
58	IL&FS Cluster Development Initiative Limited
59	IL&FS Engineering & Construction Company Limited
60	IL&FS Global Financial Services (HK) Limited
61	IL&FS Global Financial Services (ME) Limited
62	IL&FS Global Financial Services (UK) Limited
63	IL&FS Global Financial Services Pte Limited
64	IL&FS Infra Asset Management Limited
65	IL&FS Investment Advisors LLC
66	IL&FS Maritime International FZE
67	IL&FS Offshore Natural Resources Pte Limited
68	IL&FS Prime Terminals FZC
69	IL&FS Rail Limited
70	IL&FS Renewable Energy Limited (Merged with IEDCL on April 20, 2018)
71	IL&FS Skills Development Corporation Limited
72	IL&FS Solar Power Limited
73	IL&FS Tamil Nadu Power Company Limited
74	IL&FS Technologies Philippines Inc
75	IL&FS Urban Infrastructure Managers Limited
76	IL&FS Wind Energy Limited (formely Mandvi LNG Terminal Ltd)
77	IL&FS Wind Power Services Limited
78	ILFS Maritime Offshore Pte Limited
79	IMICL Dighi Maritime Limited
80	India Tourist & Heritage Village Private Limited
81	Integrated Trans Log Development Company Limited
82	Intevial-Gestao Integral Rodoviaria S.A
83	ITNL Africa Projects Limited



84	ITNL Infrastructure Developer LLC
85	ITNL International DMCC
86	ITNL International Pte Limited *
87	ITNL Offshore Pte Limited *
88	ITNL Offshore Three Pte Limited *
89	ITNL Offshore Two Pte Limited *
90	ITNL Road Infrastructure Development Company Limited
91	Jeedimetla Residential Homes Private Limited*
92	Jharkhand Infrastructure Implementation Company Limited
93	Jharkhand Road Projects Implementation Company Limited
93	Jogihali Wind Energy Private Limited
95	
	Jorabat Shillong Expressway Limited (from August 16, 2018)
96	Kanak Resources Management Limited
97	Karyavattom Sports Facilities Limited
98	Kaze Energy Limited
99	Khandke Wind Energy Private Limited
100	Khed Sinnar Expressway Limited
101	Kiratpur Ner Chowk Expressway Limited
102	Lalpur Wind Energy Private Limited
103	Land Registration Systems Inc, (Philippines)
104	LIVIA India Limited
105	Mahidad Wind Energy Private Limited
106	Mantenimiento y Conservacion de Vialidades SA DE CV
107	Maritime International Offshore Pte Limited
108	Maytas Infra Assets Limited*
109	Maytas Infra Saudi Arabia Company (Foreign Subsidiary) *
110	Maytas Logiparks (Isnapur) Private Limited*
111	Maytas Logiparks (Malkapur) Private Limited*
112	Maytas Metro Limited*
113	Maytas Vasishta Varadhi Limited*
114	Moradabad Bareily Expressway Limited
115	Mota Layja Gas Power Company Limited
116	MP Border Checkpost Development Company Limited
117	Nana Layja Power Company Limited
118	North Karnataka Expressway Limited
119	Park Line LLC
120	Patiala Bio Power Company Limited
121	Porto Novo Maritime Limited
122	Pt Bangun Asia Persada
123	Pt Mantimin Coal Mining
124	Pune Sholapur Road Development Company Limited
125	Ramagiri Renewable Energy Limited
126	Ranchi Muri Road Development Limited



127	Rapid MetroRail Gurgaon Limited
128	Rapid MetroRail Gurgaon South Limited
129	Ratedi Wind Power Private Limited
130	RDF Power Projects Limited
131	Rohtas Bio Energy Limited
132	Sabarmati Capital One Limited
133	Sabarmati Capital Two Limited
134	Saptaswara Agro-Farms Private Limited*
135	Se7en Factor Corporation
136	Sealand Ports Private Limited
137	Sealand Warehousing Private Limited
138	Senalizacion, Viales e Imagen SAU
139	Sharjah General Services LLC (upto August 9, 2018)
140	Shendra Green Energy Limited
141	Sikar Bikaner Highway Limited
142	Sipla Wind Energy Limited
143	Skill Training Assessment Management Partners Limited
144	Srinagar Sonamarg Tunnelway Limited
145	Swayam Swachhta Initiative Limited
146	Tadas Wind Energy Private Limited
147	Tierra Enviro Limited
148	Unique Waste Processing Company Limited
149	Vansh Nimay Infraprojects Limited
150	Vejas Power Projects Limited (formerly IL&FS Wind Projects Development Ltd)
151	West Gujarat Expressway Limited
152	Wind Urja India Private Limited
153	Yala Construction Company Private Limited
No.	

# (d) JOINT VENTURES – DIRECT

1	Bihar e-Governance Services & Technologies Limited
2	Gujarat International Finance Tec-City Company Limited
3	Haldia Integrated Development Agency Limited
4	Jharkhand e-Governance Solutions & Services Limited @
5	Karnataka Enterprise Solutions Limited (upto July 10, 2018)
6	Odisha e-Governance Services Limited
7	Road Infrastructure Deve. Company of Rajasthan Limited
8	IKG Associates *
9	IL&FS DoC Project Development Fund *

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# (e) JOINT VENTURES – INDIRECT

1	Assam Power Project Development Company Limited
2	Bengal Integrated Infrastructure Development Limited
3	Bengal Urban Infrastructure Development Limited
4	Bihar Power Infrastructure Company Private Limited
5	Chennai Industrial Water Utility Company Limited
6	Chongqing Yuhe Expressway Co. Limited
7	Consorcio de Obras Civilies Conciviles. SRL
8	Cross Border Power Transmission Limited
9	Damodar Valley Tourism Development Private Limited
10	Free Trade Warehousing Private Limited
11	Future Retail Destination Limited
12	
13	Geotecnia y Control De Qualitat SA
14	Gujarat Industrial Infrastructure Project Limited
	Gujarat Tourism Opportunity Limited
15	Hubbali Dharwad Water Supply Project Ltd
16	IL&FS Milestone Realty Advisors Private Limited
17	Indraprastha Energy & Waste Mgmt Company Limited
18	Infrastructure Development Company of Nagaland Private Limited
19	Infrastructure Development Corporation of Assam Limited*
20	Jharkhand Infrastructure Development Corporation Limited*
- 21	Jorabat Shillong Expressway Limited (upto August 15, 2018)
22	KSIIDC-IL&FS Project Development Company Limited
23	Kukuza Project Development Company
24	NAM Expressway Limited (upto August 15, 2018)
25	Noida Toll Bridge Company Limited
26	ONGC Tripura Power Company Limited
27	Orissa Project Development Company Limited
28	PDCOR Limited
29	Saurya Urja Company of Rajasthan Limited
30	South Coast Infrastructure Development Company of Andhra Pradesh Limited
31	Standard Chartered IL&FS Management (Singapore) Pte Limited*
32	Syniverse Technologies (India) Private Limited
33	Uttarakhand Infrastructure Projects Company Limited
34	Vias y Construcciones, Viacon SRL
	L



# (f) ASSOCIATES - DIRECT

1	Dighi Port Limited
2	Dighi Project Development Company Limited
3	Mangalore SEZ Limited

# (g) ASSOCIATES - INDIRECT

1	Canopy Housing & Infrastructure Limited
2	ITNL Toll Management Services Limited
3	KSIDC IL&FS IDC Infrastructure Limited
4	New Tirupur Area Development Corporation Limited
5	Punjab Biomass Power Limited
6	Srinagar Sonamarg Tunnelway Limited (upto August 15, 2018)
7	Thiruvananthapuram Road Development Company Limited
8	Urban Mass Transit Company Limited
9	Urjankur Shree Tatyasaheb Kore Warna Power Company Limited
10	Vizag Agriport Private Limited
11	Warora Chandrapur Ballarpur Toll Road Limited *
12	CGI-8, S.A
13	Sociedad Concessionaria Autovía A-4 Madrid
14	Ramky Elsamex Hyderabad Ring Road Limited
15	Elsamex Road Technology Company Limited
16	Elsamex Roads & Infrastructure WLL
17	Pario Developers Private Limited *

# (h) OTHER ENTERPRISES OVER WHICH IL&FS DIRECTLY OR INDIRECT HAS CONTROL

1	IFIN Realty Trust
2	IL&FS Employees Welfare Trust
3	IL&FS IIDC Fund
4	IL&FS Infrastructure Equity Fund
5	IL&FS Infrastructure Equity Fund I
6	IL&FS Investment Trust – I
7	IL&FS Investment Trust – IV
8	IL&FS ORIX Trust
9	ITNL Road Investment Trust
10	Saffron Investment Trust

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(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)

# (a) SUBSIDIARY OF INDIRECT ASSOCIATE

1	Rajasthan Land Holdings Limited	
1	Rajastiiaii Land Holdings Limited	

# (b) SUBSIDIARY OF DIRECT JOINT VENTURE

1	GIFT Collective Investment Management Company Limited
2	GIFT SEZ Limited
3	GIFT District Cooling Systems Limited
4	GIFT ICT Services Limited
5	GIFT Power Company Limited
6	GIFT Waste Management Services Limited
7	GIFT Water Infrastructure Limited
8	RIDCOR Infra Projects Limited

# (c) SUBSIDIARY OF INDIRECT JOINT VENTURE

1	Mussoorie Sky Car Co Pvt Ltd*
2	Birthi Power Co. Pvt Ltd*
3	Seraghat Power Co Pvt Ltd*
4	Haldia Free Trade Warehousing Private Limited*
5	Kandla Free Trade Warehousing Private Limited*

- (iii) Both entities are joint ventures of the same third party NIL
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity- NIL
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity NIL
- (vi) The entity is controlled or jointly controlled by a person identified in (a)- NIL



- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)- **NIL**
- (viii) The entity, or any member of group of which it is part, provided key management personnel services to the reporting entity or to the parent of the reporting entity- NIL
- \* The Shareholding Patterns of these Companies have not been received for March 31, 2019, and these Companies have been considered based on the last available information
- @ The Companies have filed an application for stick off of name with MCA under Fast Track Exit scheme
- # These Companies have filed an application for Voluntary Liquidation

	SUBSID		related parties		CIATES		JOINT VI	ENTURES		OTHRE EN	TERPRISES		K	ИP		Gran	d Total	Rs in Million
									JOINT			OTHRE					I	
	01-04-18 to	01-10-18 to	SUBSIDIARIES	01-04-18 to	01-10-18 to	ASSOCIATES	01-04-18 to	01-10-18 to	VENTURES	01-04-18 to	01-10-18 to	ENTERPRISES	01-04-18 to	01-10-18 to		01-04-18 to	01-10-18 to	
Nature of Transactions	30-09-2018	31-03-19	Total	30-09-2018	31-03-19	Total	30-09-2018	31-03-19	Total	30-09-2018	31-03-19	Total	30-09-2018	31-03-19	KMP Total	30-09-2018	31-03-19	Total for FY 201
Income																		
Consultancy Fees	7.85	-	7.85	2.02	-	2.02	-	5.40	5.40	-	-	-	-	-	-	9.86	5.40	15.20
Dividend Income	102.38	-	102.38	-	-	-	-	-	-	-	-	-	-	-	-	102.38	-	102.38
Guarantee Fee Income	232.60		232.60	-	-	-	-	-	-	-	-	-	-	-	-	232.60	-	232.60
Interest income from investments	1,902.73	-	1,902.73	-	-	-	-	-	-	-	-	-	-	-	-	1,902.73	-	1,902.73
Interest on Loans	6,631.89	644.12	7,276.02	129.22	52.52	181.74	138.35	11.34	149.69	2.03	0.17	2.20	-	-		6,901.50	708.15	7,609.65
Other Fees	164.09	0.10	164.19	-	-	-	-	-	-	0.50	-	0.50	-	-	-	164.59	0.10	164.69
Other Income	17.15	0.30	17.45	2.45	-1.78	0.67	1,30	0.29	1.59	-	-	-	0.01	0.00	0.01	20.91	-1.19	19.72
Rental Income	202.04	166.91	368.95	1.34	1.35	2.69	1.84	1.80	3.64	-	-	-	0.01	0.01	0.03	205.23	170.07	375.31
Total Income	9,260.73	811.43	10,072.16	135.02	52.09	187.12	141.49	18.83	160.32	2.53	0.17	2.70	0.02	0.02	0.04	9,539.80	882.53	
Expenses																1		
Communication Costs	-	-	-	-	-	-		-	-	-	-	-	0.04	-	0.04	0.04	-	0.04
Director's fees, allowances and expenses	-	-	-	-		-	-	-	-	-	_	-	2.44	0.80	3.23	2.44	0.80	
Deputation Cost Recovery	-112.86	-64.68	-177.54	-2.70	-3.77	-6.47	-6.02	-3.24	-9.25	-	-		-	-	-	-121.58	-71.69	
Interest on borrowings	161.55	35.92	197.48	0.21	-	0.21	20.05	54.20	74.25	-	-		-	-	-	181.81	90.13	
Interest on debt securities	10.43	-	10.43	-	-	-	-	-	-	-	-	-	-	-	-	10.43	-	10.43
Legal and Professional charges	-	-	-	-		-	_	-	-	-	-	-	15.00	-	15.00	15.00	-	15.00
Other Cost Recovery	-74.09	-1.61	-75.70	-0.08	-0.12	-0.19	-0.27	-0.12	-0.39	-0.02	-0.12	-0.14	-		-	-74.46	-1.96	
Other expenditure	2.43	4.86	7.29	-	-	-	-		-	-	-			-		2,43	4.86	7.29
Other Finance expense	22,36	-	22.36	-		-	-		-	-	-		-	-		22.36	-	22.36
Rent, taxes and energy costs	-		-	-	-	-	-	_	-	-	-	-	0.21	-	0.21	0.21	-	0.21
Salaries and wages including bonus	<del></del>	-	-	-	-	-	-	-	-	-	-	-	153.69	10.32	164.01	153.69	10.32	164.01
Staff welfare expenses	-	-	-	-	-	-	_	-	-	-	-	-	0.55	0.05	0.60	0.55	0.05	0.60
Total Expenses	9.81	-25.51	-15.70	-2.56	-3.89	-6.45	13.76	50.85	64.61	-0.02	-0.12	-0.14	171.92	11.16	183.08	192.90	32.50	225.40
Assets																		
Loans and Advances (Net of Repayments) **	49,708,72	-208,88	49,499.85	-8.12	-7.64	-15.76	89.74	-	89.74	2.20	-	2,20	-	_	-	49.792.54	-216.52	49,576.02
Loans and advances to employees	-		-	-	-	-	-	-	-	-	-	-	-0.03	-0.03	-0.06	-0.03	-0.03	-0.06
Advance towards Investments	-4.880.00	-	-4,880.00	-		-	-	-	-	-	-	-	-	-		-4.880.00		-4,880.00
Deferred Receivables	-672.17	-	-672.17	-	-	-	_	-	-	-	-	-	-	-	-	-672.17	-	-672.17
Trade Receivables	552.42	-166.61	385.81	-4.64	1.18	-3.46	20,41	7.00	27.41	0.31	-0.09	0.23	-	-	-	568.51	-158.51	410.00
Interest Accrued (Including unpaid) on investment in Debentures	-0.96	0.75	-0.21	-	-	-	-	-	-	-	-	-	-	-	-	-0.96	0.75	-0.21
Interest and Dividend Accrued	1,108.58	-1,043,44	65.14	-	1.81	1.81	-	2.04	2.04	-	0.01	0.01	-	-5,00	-5.00	1,108.58	-1,044.58	64.00
Other Financial Assets	711.74	-443.97	267.78	-1.18	-0,08	-1.26	-1.06	-0.09	-1.15	-	-14.23	-14.23	-0.00	-	-0.00	709.50	-458.37	251.14
Investment in Debentures (Net of Redemption)	4,871.00	-	4,871.00	-	-	-	-	-	-	-	-	-	-	-		4,871.00	-	4,871.00
Total Assets	51,399.33	-1,862.14	49,537.19	-13.94	-4.72	-18.67	109.09	8.95	118.04	2.51	-14.31	-11.80	-0.03	-5.03	-5.06	51,496.96	-1,877.26	49,619.70
Liabilities	1																	
Trade Payables	6,78	3.85	10.64	-		-	-	-	-	-	-	-	0,67	0.47	1.13	7.45	4.32	11.77
Term Deposits From Corporate	1,392.50	-	1,392.50	-	-	-	586.84	-	586.84	-	-	-	-	-		1,979.33	-	1,979.33
Advances	1.68	1.12	2.79	-		-		-	-	-	-	-	-	-	-	1.68	1.12	2.79
Income received in advance	-	0.06	0.06	_		- 1	-		-	-	-	-	0.01	0.04	0.06	0.01	0.10	0.12
Interest accrued but not Due.	_	6.34	6.34	-	-	-		-	-	-	-	-	-	-		-	6.34	6.34
Interest and Dividend Accrued	10,43	-0.00	10.43	-	-0.00	-0.00	-	-0.00	-0.00	-	-0.00	-0.00	-	-	-	10.43	-0.00	
Other Provisions	-0.54	-	-0.54	-	-0.00		-		-	-	-	-	-	-	-	-0.54	-	-0.54
Security Deposits	-490.87	-	-490.87	-	-	-	-		-	-	-	-	-		-	-490.87	-	-490.87
Total Liabilities	919.97	11.38	931.35	-	-0.00	-0.00	586.84	-0.00	586.84	-	-0.00	-0.00	0.68	0.51	1.19	1,507,49	11.89	

Note (1) Term Loans \*\* includes Rs 24,048/- mn to IL&FS Transportation Networks Limited and Rs 12,078/- mn to IL&FS Energy Development Company Limited during FY 2019

Note (2): The following information has not been presented above, as the Company is in the process of compiling this information:

(a) The Related Party list does not include Jointly Controlled Operations that form part of IL&FS Group

(b) The Comparative information for the year ended March 31, 2018 under Ind AS

(c) The Statement of the significant transaction, compnay wise, during the year ended March 31, 2019

(d) The Balance shown above are the gross values. It does not include adjustments carried towards ECL and impairments for Ind AS adjustments.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

44.3 Balances as at March 31, 2019						(Rs. In Million)
Nature of Transactions	Subsidiaries	Associates	Joint Ventures	Enterprises Over Which ILFS Has Control	Key Management Personnel	Grand Total
Assets						
Loans and advances	108,731.95	2,046.97	1,919.74	28.07	-	112,726.72
Loans and advances to employees	-	-		-	0.17	0.17
Trade Receivables	2,136.72	2.07	145.22	0.22	-	2,284.23
Interest and Dividend Accrued	0.75	-	-	-	-	0.75
Other Financial Assets	10,599.17	1.89	6.05	-14.18	-0.00	10,592.93
Investment in Debentures	24,533.00	-	-	-	-	24,533.00
Assets Total	146,001.59	2,050.93	2,071.01	14.10	0.17	150,137.81
Liabilities						
Trade Payables	14.03	14.39	-	-	1.35	29.77
Term Deposits From Corporates	1,392.50	-	1,829.05	-	-	3,221.55
Advances	2.81	0.28	-	-	-	3.09
Income received in advance	0.06	-	-	-	0.06	0.12
Interest accrued but not Due.	13.95	-	-	64.80	-	78.74
Interest and Dividend Accrued	273.20	-	0.00	36.67	-	309.87
Covered Warrants	1,943.00	-	-		-	1,943.00
Security Deposits	132.93	-	-	-	-	132.93
Liabilities Total	3,772.46	14.68	1,829.05	101.47	1.41	5,719.07

Note: The following information has not been presented above, as the Company is in the process of compiling this information:

- (1) The Related Party list does not include Jointly Controlled Operations that form part of IL&FS Group
- (2) The Comparative information for the year ended March 31, 2018 under Ind AS
- (3) The Statement of the significant transaction, compnay wise, during the year ended March 31, 2019
- (4) The Balance shown above are the gross values. It does not include adjustments carried towards ECL and impairments for Ind AS adjustments.





44.4 Summary of Related Party Disclosure for the year ended March 31, 2018 Rs in million Other Enterprises over which IL&FS Nature of Transactions Associates Joint Ventures KMP MARCH 31,2018 Investing Parties Subsidiaries has control / infulance Income Consultancy Fees 65,65 65.65 2,002.98 0.10 2,003.08 Dividend Income Guarantee Fee Income 405.81 405.81 Interest income from investments 3.869.53 3.869.53 186 38 275.95 1.22 0.01 Interest on Loans 8.537.62 9.001.18 1.00 548.66 Other Fees 547.66 (0.51) (0.51) Other Income Other interest income 162.69 1.13 0.59 0.01 164.42 Project Fees 947.01 154.55 1,101.56 Rental Income 426.98 5.67 0.03 0.03 432.71 Expenses Communication Costs (0.00)(0.00) (0.51) Contribution to provident and other funds 0.23 (0.28)11.53 11.53 Interest on borrowings 546.29 17.89 564.18 Interest on debt securities 31.80 Legal and Professional charges 31,80 53.88 53.88 Other expenditure Other Finance expense 8.45 16.21 24.66 5.01 Rent, taxes and energy costs (3.73)1.29 Repairs and maintenance (0.01) (10.59) 388.03 (273.76) (0.03) 103.66 Salaries and wages including bonus (0.31) (20.31) Staff welfare expenses (20.00)Tranbsactions During the year : \* Investments made / purchase (including advances) 10,340.52 10,340.52 Investments matured / sold 1 335 40 1.335.40 1,000.00 Long-term / Short-term Loans given (Assets) 1.07.115.83 15.00 1.08.130.83 Long-term / Short-term Loans repaid (Assets) 89.545.96 94.32 15.00 89,655,28 6.00 Long-term / Short-term Loans repaid (Liabilities) 6.00 1,192.00 1,192.00 Long-term / Short-term Loans taken (Liabilities) 266.77 0.82 267.59 Divident paid on equity shares Guarantees / Letter of Credit 13,847.38 13,847.38 Balances as at March 31, 2018 Assets 63,125.07 59.232.10 2.062.73 1.830.00 0.24 Loans and advances Loans and advances to employees 4,880.00 4,880.00 Advance towards Investments 672.17 672.17 Deferred Receivables Interest Accrued (Including unpaid) on investment in Debentures 41.28 41.28 Interest and Dividend Accrued 10.253.98 0.10 0.03 5.00 10.259.11 Other Financial Assets 39.66 6.34 4,95 0.02 0.00 50.95 1,572.00 Investments in debentures 1.572.00 18,090.00 Investments in debentures. 18.090.00 5.53 174.14 (0.01)1,904.77 Trade Receivables 1,725,11 Liabilities Trade Payables 0.01 3.39 14.39 0.22 18.01 Term Deposits From Corporates 1,196.35 1,196.35 Advances 0.01 0.28 0.29 3 54 0.00 Income received in advance 128.80 2.62 134.96 72.40 Interest accrued but not Due 7.60 64.80 5,525.88 7,781.06 2.217.79 0.02 0.68 Interest and Dividend Accrued 36.67 Other Provisions 0.54 0.54 623.79 Security Deposits 623.79

Trade Payables.

\* Transactions during the year excludes reimbursements with the related party



#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

#### 45.1 Segment

The Company is in the business of providing financial services relating to the commercialisation of infrastructure including loans and investments in Group Companies. As such, all activities undertaken by the Company are incidental to the main business. There are no separate reportable business segments as per IndAS 108 on "Segment Reporting"

#### 45.2 Foreign currency risk management:

The Company is also exposed to foreign currency risk and floating interest rate risk as it undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. These exposures are managed within approved policy parameters utilizing forward foreign exchange contracts, currency swaps and coupon swaps by ensuring application of appropriate strategies

- 45.3 On the basis of the information available with the Company and intimations received from suppliers (Trade Payable and Other Payables), Rs 0.28 mn is payable as on March 31, 2019 (Previous Year: Rs 0.72 mn) to Micro, Small and Medium Enterprises as per the disclosure requirement under the Micro, Small and Medium Enterprise Development Act, 2006
- 45.4 The amount of Rs 0.07 mn (P.Y. Rs 0.07 mn, as on April 1, 2017 Rs 0.07 mn) payable towards maturity of NCDs (along with the interest component) is pending to be settled on account of clearance of probate of deceased person to be submitted in the High Court. The said amount is included in Trade payable and has not been transferred to Investor Education and Protection Fund (IEPF) since matter is sub-judice.

#### 45.5 Events after the reporting dates

There has been no events after the reporting date which require disclosure other than those already disclosured in these financial statements.

#### 46 Approval of financial statements

The financial statements were approved by the board of directors of the Company on December 4, 2019.

For and behalf of the Board

In terms of our report attached.

For SRBC & Co LLP

Chartered Accountants ICAI Firm Registration Number: 324982E/E300003 Uday Kotak Chairman

(DIN: 00007467)

Vineet Nayyar

Vice Chairman (DIN: 00018243) CS Rajan

Managing Director (DIN:00126063)

Bharath N.S.

Partner

Membership No:210934

Bijay Kumar

Deputy Managing Director

(DIN: 07262627)

Nand Kishore

Director

(DIN: 08267502)

Dr Malini Shankar

Director

(DIN:01602529)

Mumbai,

December 4, 2019

N Srinivasan

Director

(DIN:00123338)

G C Chaturvedi

Director (DIN: 00110996)

Maharudra Wagle Chief Financial Officer Shekhar Prabhudesai Company Secretary

Mumbai

December 4, 2019





Disclosure related to Schedule to the balance sheet of the Company, as required by Annex I of the Core Investment Companies (Reserve Bank) Directions, 2016

Liabilities Side :		(Rs in Lakh)	
	As at Marc	As at March 31, 2019	
Particulars	Amount Outstanding	Amount	
(1) Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:  a) Debentures i) Secured (Inclusive of Interest accrued but not due) ii) Unsecured (Inclusive of Interest accrued but not due) (Other than falling within the meaning of public deposits) b) Deferred Credits	925,674	78,743	
c) Term Loans	370,550	175,228	
d) Inter-corporate Loans and Borrowing	24,894	118,485	
e) Commercial Paper	5,669	185,233	
f) Other Loans Cash Credit/ Loan repayable on Demand - Subordinated Liabilities (Including Redeemable Cummulative Preference Shares	24,304 162,256	•	
- Covered Warrants	19,430		
Total Borrowings	1,532,777	557,689	

10.30	Particulars	(Rs in Lakhs Amount
	Particulars	Outstanding
a)	Break up of loans and advances including bills receivable other than those included in (3) below (Gross Amount)(Refer Note (b) below) Secured* Unsecured*	63,655 60,902
-	Break up of leased assets and stock on hire and other assets counting	
(i)	towards AFC activities:  Lease assets including lease rentals under sundry debtors: a) Financial lease b) Operating lease	
ii)	Stock on hire including higher charges under sundry debtors a) Assets on Hire b) Repossessed Assets	
ii)	Other loans counting towards AFC activities a) Loans where assets have been repossessed b) Loans other than (a) above	
4)	Break up of investments:	
a)	Current investments	
1)	Quoted	
i)	Shares	
	a) Equity (stock-in trade)	
	b) Preference	
	ii)Debentures and bonds	
	iii)Units of Mutual fund	
	iii) Government securities	
	v)Others	
	2) Unquoted	
	i) Shares	
	a) Equity	
	b) Preference	
	The state of the s	630
	ii)Debentures and bonds **	630
	iii)Units of Mutual fund	
	iv)GOI securities	
- 1	v)Others	
b)	Long term investments #	
	1) Quoted	
	i) Shares	
	a) Equity***	6,829
	b) Preference	1/6
	ii)Debentures and bonds	
	iii)Units of Mutual fund	
	iv)GO! securities	
	v)Others	
	Unit of AIF	
	2) Unquoted	
	i) Shares	
	a) Equity ***	64,951
	U. 75% 733 \$ 737 \$ 1000 1000 1000 1000 1000 1000 1000 1	04,931
	b) Preference	0.000
	ii) Debentures and bonds	8,000
	iii) Units of Mutual fund	
	iv) GOI securities	
	v) Others	
	Investment in Units of Trust	

- Notes

  \* Including Interest accrued and net of Expected Credit Loss

  \*\* Represent current portion of long term investments

  \*\* After provision for impairment



5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Particulars	Secured	Unsecured	Total
a) Related parties^			
1) Subsidiaries^	1,005	6.515	7,520
2) Companies in the same group^	62,650	54,114	116,764
3) Other related parties			
A 200 III III III III III III III III III		0.2356	273
b) Other than related parties	4)	273	273
5-70 S-70 S-70 S-70 S-70 S-70 S-70 S-70 S	63,655	60,902	124,557

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted excluding stock in trade) after net off provision /impariment

(Rs in Lakhs)

Particulars	Market value	Book
a) Related parties^		
1) Subsidiaries^	54,468	53,776
2) Companies in the same group ^	26,634	26,634
3) Other related parties		
b) Other than related parties	0	(
Total	81,102	80,41

#### 7) Other information

		(Rs in Lakhs)
	Particulars	Amount
a)	Gross Non Performing Assets	
	1) Related Parties	1,063,677
	2) Other than Related Parties	
b)	Net Non Performing Assets	
	1) Related Parties	61,660
	2) Other than Related Parties (net of provision)	

Notes:

- ^ As defined in the Core Investment Companies (Reserve Bank) Directions, 2016
- # Quoted shares are considered at Market value, whereas unquoted shares are considered at book value and net of impairment / Ecpected Credit Loss, if any

Net Non Performing Assets shown above are after considering interest the Expected Credit Loss provision