

**THIRD ANNUAL TRUSTEE REPORT TO THE UNIT HOLDERS OF
IL&FS MUTUAL FUND (IDF)**

Dear Unitholders,

We have pleasure in presenting the Third Annual Report of the Schemes of IL&FS Mutual Fund (IDF) for the year ended March 31, 2016, along with the Audited Financial Statements of the Schemes

The Mutual Fund received registration from Securities & Exchange Board of India (SEBI) on February 1, 2013, with IL&FS Infra Asset Management Limited ("the AMC") as the Investment Manager, and commenced its operations

(1) BRIEF BACKGROUND OF TRUST, SPONSOR, TRUSTEE COMPANY AND ASSET MANAGEMENT COMPANY

(a) IL&FS INFRASTRUCTURE DEBT FUND (IDF):

IL&FS Mutual Fund (IDF) ("the Mutual Fund" or "the Infrastructure Debt Fund") has been constituted as a Trust on January 21, 2013 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with IL&FS Financial Services Limited, as the Sponsor and IL&FS AMC Trustee Limited as the Trustee. The Trust Deed was amended and restated on September 5, 2013. The Trust Deed has been registered under the Indian Registration Act, 1908. SEBI on February 1, 2013 registered IL&FS Mutual Fund (IDF) under Registration No. MF/072/13/02

(b) SPONSOR:

IL&FS Infrastructure Debt Fund is sponsored by IL&FS Financial Services Limited, a wholly owned subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS). IL&FS Financial Services Limited (IFIN), started operations from July, 2006. IFIN is one of India's leading Non-Banking Finance Companies providing a wide range of financial and advisory services under one umbrella

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IFIN is classified as a Non-deposit taking systemically important NBFC (ND-SI-NBFC) and enjoys AAA credit rating for long term borrowings from CARE and India Ratings. The Company has been awarded highest ratings for its short term borrowing programme viz. A1+ from CARE, ICRA and India Ratings & Research. The business mandate of the IFIN is to provide specialized financial services to its corporate clients with primary focus on Infrastructure initiatives. The business activities of the Company comprise of Asset and Structured Finance including infrastructure financing, Project Debt Syndication and Corporate Advisory Services

(c) THE TRUSTEE:

IL&FS AMC Trustee Limited, the Trustee Company is a Public Limited Company incorporated under the Companies Act, 1956 on December 4, 2012 and at present having its registered office at The IL&FS Financial Centre, 7th Floor, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051, India. The Amended and Restated Trust Deed dated September 5, 2013 has been entered into between IL&FS AMC Trustee Limited and IL&FS Infra Asset Management Limited. The original Trust Deed was registered on January 21, 2013. The Trustee, through its Board of Directors, shall discharge its obligations as Trustee of the IL&FS Mutual Fund (IDF). The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. IL&FS AMC Trustee Limited is a wholly owned subsidiary of IL&FS Financial Services Limited. IL&FS Financial Services Limited holds 100% of the share capital of IL&FS AMC Trustee Limited along with 6 nominee shareholders

DIRECTORS OF IL&FS AMC TRUSTEE LIMITED

Mr Arun K Saha	Associate Director
Mr Chitranjan Kahlon	Independent Director
Mr Balasubramanian Narasimhan	Independent Director
Mr Sunil Mehta	Independent Director

(d) ASSET MANAGEMENT COMPANY (AMC):

IL&FS Infra Asset Management Limited (IIAML) is a Public Limited Company incorporated under the Companies Act, 1956 on January 8, 2013 and at present having its Registered Office at "The IL&FS Financial Center, 7th Floor, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051". IL&FS AMC Trustee Limited (Trustee Company) and IL&FS Infra Asset Management Limited (IIAML) have executed the Investment Management Agreement (IMA) on January 21, 2013 whereby the Trustee Company appointed IIAML as the Asset Management Company of the IL&FS Mutual Fund (IDF)

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This IMA was Amended and Restated on September 5, 2013 between the Trustee Company and IIAML. IIAML is a subsidiary of IL&FS Financial Services Limited. IL&FS Financial Services Limited along with 6 nominee shareholders holds 86.61% and LIC of India holds 7.72% of IIAML's share capital. Whereas, General Insurance Corporation of India, United India Insurance Company Limited and National Insurance Co Ltd holds 1.89% each of IIAML's share capital

DIRECTORS OF IL&FS INFRA ASSET MANAGEMENT LIMITED

Mr Ramesh Chander Bawa	Associate Director
Mr R. S. Reddy	Independent Director
Mr Pradip Roy	Independent Director
Mr Milind Patel	Associate Director
Mr Rajesh Kotian	Associate Director
Mr Kartik Ganapathy	Independent Director
Mr V Chandrasekaran*	Associate Director
Mr K N Prithviraj	Independent Director

*Nominee Director from Life Insurance Corporation of India

(2) Investment Objectives of the Schemes:

In June 2013, the First Scheme, IL&FS Infrastructure Debt Fund - Series 1-A, 1-B and 1-C, having specified maturity of 5, 7 and 10 years was launched and the Private Placement Offer closed in December 2013 with a total corpus of ₹ 750 crore

In March 2014, the Second Scheme, IL&FS Infrastructure Debt Fund - Series 2-A, 2-B and 2-C having specified maturity of 5, 8 and 12 years was launched and the Private Placement Offer closed in April 2015 with a total corpus of ₹ 575 crores

The third Scheme, IL&FS Infrastructure Debt Fund - Series 3-A, 3-B and 3-C having specified maturity of 5, 7 and 10 years has been launched and currently fund raising of the same is in progress

The investment objective of the above three Scheme/s is to generate income and capital appreciation by investing primarily in infrastructure debt instruments as permitted by SEBI from time to time. There is no assurance or guarantee that the objective of the Scheme will be realised

(3) Basis and Policy of Investment Underlying the Scheme:

Pursuant to SEBI Circular No. MSD/ Cir-6/73/2000 dated July 27, 2000, the Asset Management Company has set up an Investment Committee with two Directors, Chief Executive Officer (CEO), Chief Investment Officer (CIO) and IL&FS Group - Chief Credit and Risk Management Officer as its members. The Investment Committee meets at suitable intervals to consider, review and approve the Investment proposals. A comprehensive investment policy to identify, select and invest in infrastructure policy has been laid down by the AMC

The price and redemption value of the units, and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments

(4) Scheme Performance, Future Outlook, Operations of the Schemes and Investor Services:

Till date, IL&FS IDF has launched and closed the Offer for two Schemes as mentioned below:

- (a) **IL&FS Infrastructure Debt Fund – Series 1A, 1B and 1C** - with minimum tenure of 5, 7 and 10 years respectively. These schemes got the highest rating of IND AAAidf-mf by India Ratings and CARE AAA (MF-IDF) by CARE. The total corpus raised was ₹ ₹750 crore and as on March 31, 2016 with earnings from investment, the corpus has risen to ₹ 961.86 crore. The performance of these schemes since inception is given below:

Scheme Name	Returns From 16/12/13 to 31/03/16	Bench mark *	Returns From 01/04/15 to 31/03/16	Bench mark*	Returns From 01/04/15 to 31/03/16	Bench mark*
IIDF Series -1A	10.67%	11.44%	10.56%	8.19%	10.51%	7.57%
IIDF Series -1B	11.13%	11.44%	10.72%	8.19%	10.71%	7.57%
IIDF Series -1C	10.94%	11.44%	10.77%	8.19%	10.47%	7.57%

***Benchmark** – Crisil Composite Bond Fund Index

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- (b) **IL&FS Infrastructure Debt Fund – Series 2-A, 2-B and 2-C** - with minimum tenure of 5, 8 and 12 years respectively. The schemes have been rated IND AAAidf-mf by India Ratings. These schemes were closed on April 17, 2015 for aggregate amount of ₹575 crore and has called 70% of the commitment amount as of March 31, 2016

(c) **Future Outlook:**

Investment in Infrastructure development is a key enabler for sustaining the growth momentum of the emerging economies like India. The strong growth of the Indian economy over the past two decades has been possible primarily because of growth in Infrastructure linked investment. The Infrastructure investment target for the Twelfth Five Year Plan period (2012-2017) is INR 30.94 trillion, which is an increase of 13.4% over the Eleventh Five Year Plan period and is projected at 5.71% of the GDP over the this period. Along with the increase in Infrastructure investment, the share of private investment in total Infrastructure spend which stood at 36.9% in the Eleventh Five Year Plan is also projected to increase to 39.2% during the Twelfth Five Year Plan period

In line with the usual funding pattern for Infrastructure projects, about 2/3rd of the investment by the private sector is estimated to be debt funded, which would significantly increase the demand for long term Infrastructure debt in the coming years. Historically, a major portion of debt funding for Infrastructure projects has been through commercial banks and specialised Non-Banking Finance Companies (NBFCs focussed on infrastructure finance. The NBFCs in turn primarily depend on bank funding for meeting their funding requirements

Given the importance of the Infrastructure sector in the economic growth of the country and the constraints in meeting the financing requirements from the traditional sources such as banks and NBFCs, it is imperative that effective steps are taken for channelling long term pools of capital from alternative sources such as provident and pension funds, insurance companies, etc. into Infrastructure sector

It has been observed globally, especially in the mature economies, that Infrastructure has emerged as an attractive asset class for investment by long term institutional investors seeking low risk, stable annuity like returns over a longer tenure. The long investment horizon and inflation-hedging characteristics of Infrastructure assets are well suited to large institutional investors with long term liabilities, such as endowment and pension funds, insurance companies, etc

Banks are facing huge asset liability mismatch due to funding of long term finance through short term deposits. Concerns have also been expressed about banks due diligence and credit appraisal of infrastructure projects. The Non-Performing Assets (NPAs) and the restructured assets in this segment have increased quite substantially of late



Given the specialized nature of infrastructure PPP project structuring, due diligence and monitoring there is a need for specialized financial intermediaries/asset managers having the necessary skills and experience of making investments in Infrastructure assets

The Infrastructure Debt Funds (IDF's) provide an alternative financial intermediation mechanism for infrastructure financing and investment. IDF's makes debt investments in Infrastructure projects and companies. IDF's also take out/re finance banks' exposure to the infrastructure projects

Till the pension and insurance sector develop the expertise to finance domestic infrastructure debt they will need to be supported by intermediation vehicle like IDFs, who have the required expertise to invest in infrastructure sector

While there is huge opportunity as mentioned above, there is also need for caution in selection of assets to be funded since in this sector a number of projects are facing viability related issues on account of various reasons including delay in regulatory approvals, aggressive bidding etc.

(d) Investor Services:

As stipulated under SEBI circular no. Cir/IMD/DF/2/2010 dated May 13, 2010, there were no investor complaints received during the period April 2015 to March 2016. The report as stipulated by SEBI is provided **under Annexure 1**

(5) Significant Accounting Policies:

The Significant Accounting Policies form part of the Notes to the Accounts annexed to the Balance Sheet of the Schemes. The Accounting policies are in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996

(6) Unclaimed Dividends & Redemptions as on March 31, 2016:

The Scheme/s launched are close ended Scheme with investors having a minimum investment horizon of 5 years and has not yet declared any dividend till date. Hence, there are no instances of unclaimed Dividends and Redemptions as on March 31, 2016

(7) Statutory Information:

IL&FS Financial Services Limited (IFIN), the Sponsor, has made an initial contribution of ₹ 5,00,000/- for setting up the Fund

Full Annual Report shall be available for inspection at the Head Office of the Fund. On written request, present and prospective unitholder/investors can obtain copy of the trust deed, the annual report and the text of the relevant scheme

Redressal of Complaints received during		2015-2016															
Name of the Mutual Fund		IL&FS Mutual Fund (IDF)															
Total Number of Folios		24															
Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)				Non Actionable*				Pending					
				Within 30 days*	30-60 days	60-180 days	Beyond 180 days	0-3 months	3-6 months	6-9 months	9-12 months	0-3 months	3-6 months	6-9 months	9-12 months		
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

including against its authorized persons/ distributors/ employees, etc.

* Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

** If others include a type of complaint which is more than 10% of overall complaint, provide that reason separately

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (N) along with all other parameters

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
IL&FS AMC TRUSTEE LIMITED**

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

Report on the Financial Statements

We have audited the accompanying financial statements of the under mentioned **IL&FS MUTUAL FUND (IDF) – CLOSED ENDED DEBT SCHEMES** (the "Schemes") which comprise the Balance Sheet as at March 31, 2016, the Revenue Account and Cash Flow Statement for the year ended as on that date and a summary of the significant accounting policies and other explanatory information.

Name of the Scheme
IL&FS Infrastructure Debt Fund Series 1A
IL&FS Infrastructure Debt Fund Series 1B
IL&FS Infrastructure Debt Fund Series 1C

Management's Responsibility for the Financial Statements

The Managements of IL&FS AMC Trustee Limited (the "Trustee") and IL&FS Infra Asset Management Limited (the "AMC") are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemes in accordance with accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("the SEBI Regulations") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the SEBI Regulations and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Schemes as at March 31, 2016
- (b) in the case of the Revenue Account, of the Surplus of the Schemes for the year ended March 31, 2016 and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Schemes for the year ended March 31, 2016.

Report on Regulatory Requirements

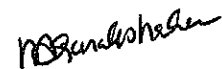
- 1. As required by paragraph 55 of the Regulations, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Schemes.
 - (c) The financial statements have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of the SEBI Regulations.
- 2. As required by clause 2 (ii) of Eighth Schedule of the SEBI Regulations, we report that, Non - traded securities have been valued following the "Principles of Fair Valuation" approved by the Board of Directors of the Trustee and the AMC, at the effective yield as determined



**Deloitte
Haskins & Sells LLP**

appropriate by the Investment Manager. In our opinion, these valuations are fair and reasonable.

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



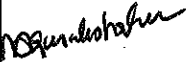

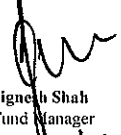
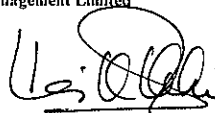

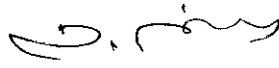
Pallavi A. Gorakshakar
Partner
(Membership No. 105035)

MUMBAI, April 29, 2016
PG/JK

IL&FS Mutual Fund (IDF)							
Balance Sheet as at March 31, 2016							
							Amount ₹
	Notes	IL&FS Infrastructure Debt Fund Series 1A		IL&FS Infrastructure Debt Fund Series 1B		IL&FS Infrastructure Debt Fund Series 1C	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Liabilities							
Unit capital	3	2,381,600,000	2,381,600,000	2,359,100,000	2,359,100,000	2,759,300,000	2,759,300,000
Reserves and surplus	4	574,821,781	291,797,312	595,290,753	308,396,092	683,520,746	348,009,399
Current liabilities and provisions	5	4,432,809	6,430,286	4,383,297	6,415,190	5,086,691	7,441,684
Total		2,960,854,590	2,679,827,598	2,958,774,050	2,673,911,282	3,447,907,437	3,114,751,083
Assets							
Investments	6	2,557,372,941	2,502,994,430	2,850,239,713	2,536,883,911	3,318,459,000	3,015,124,410
Other Current assets	7	403,481,649	176,833,168	108,534,337	137,027,371	129,448,437	99,626,673
Total		2,960,854,590	2,679,827,598	2,958,774,050	2,673,911,282	3,447,907,437	3,114,751,083

Notes 1 to 26 annexed hereto integrated part of Financial Statements

In terms of our report attached

<p>For Deloitte Haskins & Sells LLP Chartered Accountants</p>  <p>Pallavi A. Gorakshakar Partner Mumbai, April 29, 2016</p>	<p>For IL&FS Infra Asset Management Limited</p>  <p>Ramesh C Bawa Director DIN: 00040523</p>  <p>Jignesh Shah Fund Manager</p>	<p>For IL&FS AMC Trustee Limited</p>  <p>Rajesh Kotian Director DIN: 02283475</p>	 <p>Arun K Salta Director DIN: 00002377</p>  <p>B Narasimhan Director DIN: 06360390</p>
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IL&FS Mutual Fund (IDF)							
Revenue Account							
							Amount ₹
	Notes	IL&FS Infrastructure Debt Fund Series IA		IL&FS Infrastructure Debt Fund Series 1B		IL&FS Infrastructure Debt Fund Series 1C	
		For the Year From Apr 1, 2015 to March 31, 2016	For the Year From Apr 1, 2014 to March 31, 2015	For the Year From Apr 1, 2015 to March 31, 2016	For the Year From Apr 1, 2014 to March 31, 2015	For the Year From Apr 1, 2015 to March 31, 2016	For the Year From Apr 1, 2014 to March 31, 2015
Income and gains							
Interest income	8	277,393,865	241,725,408	279,266,408	247,659,264	374,741,208	322,475,126
Other income	9	2,247,977	7,467,760	1,505,520	5,432,355	7,278,515	8,148,235
Profit on sale/redemption of Investments		717,228	177,444	814,600	-	814,600	-
Total		280,359,070	249,370,612	281,586,528	253,091,619	382,834,323	330,623,361
Expenses and losses							
Investment Management fees		34,076,871	30,217,923	33,989,370	30,098,326	39,689,131	35,116,884
Service tax on Investment Management fees		4,748,049	3,734,935	4,735,728	3,720,153	5,530,127	4,340,447
Trusteeship fees		281,208	261,181	280,486	260,159	327,520	303,847
Investor Education and Awareness Expenses (Refer Note 2(h))		562,417	499,316	560,972	497,341	655,043	580,277
Custody Charges		158,979	296,506	158,979	296,506	158,979	296,505
Other Operating expenses		221,477	312,601	221,433	306,583	228,024	318,510
Audit Fees		223,630	205,993	223,630	205,993	223,630	205,992
Total		40,272,631	35,528,455	40,170,598	35,385,061	46,812,454	41,162,462
Expenses recoverable from the Asset Management Company		(322,877)	(574,930)	(323,555)	(571,897)	(283,111)	(543,578)
Total		39,949,754	34,953,525	39,847,043	34,813,164	46,529,343	40,618,884
Surplus Before Provision		240,409,316	214,417,087	241,739,485	218,278,455	336,304,980	290,004,477
Reversal of excess provision for diminution in value of investments for previous year		(26,316)	(61,305)	(6,648)	(87,455)	(20,967)	(32,922)
Surplus for the year		240,435,632	214,478,392	241,746,133	218,365,910	336,325,947	290,037,399
Increase / (Decrease) in unrealised gain in the value of the Investments		42,588,837	36,134,754	45,148,528	49,464,235	(814,600)	3,590,993
Net Surplus transferred to the Revenue Reserve		283,024,469	250,613,146	286,894,661	267,830,145	335,511,347	293,628,392

Notes 1 to 26 annexed hereto forms part of Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For IL&FS Infra Asset Management Limited

For IL&FS AMC Trustee Limited

Pallavi A. Gorakshakar
Pallavi A. Gorakshakar
Partner
Mumbai, April 29, 2016

Ramesh C Bawa
Ramesh C Bawa
Director
DIN: 00040523

Rajesh Kotian
Rajesh Kotian
Director
DIN: 02283475


Arun K Saha
Arun K Saha
Director
DIN: 00002377

B Narasimhan
B Narasimhan
Director
DIN: 06360390


Jignesh Shah
Jignesh Shah
Fund Manager

IL&FS Mutual Fund (IDF)				
Cash flow statement				
Particulars	Series I A			Series I C
	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2015 to March 31, 2016
A. Cashflow from Operating Activities				
Surplus for the year	283,024,469	250,613,146	286,894,661	335,511,347
Adjustment for:-				
Provision for diminution in value of Investment / reversal of excess provision for previous period	(26,316)	(61,305)	(6,648)	(20,967)
Unrealised gain on Investments	(42,588,837)	(36,134,754)	(45,148,528)	814,600
Operating profit before working capital changes				
Adjustments for:-				
Increase in current liabilities and provisions	(2,209,689)	1,127,771	(2,244,201)	(2,587,453)
Increase in investments	(11,763,357)	(89,191,561)	(268,200,626)	(304,128,223)
Increase in other current assets	(215,381,724)	(2,805,249)	36,721,976	(19,922,178)
Net cash used in operating activities	11,054,546	(596,451,952)	8,016,634	9,667,126
	(A)			(686,666,428)
B. Cashflow from financing activities				
Units issued / Call Made	-	595,400,000	-	689,825,000
Net cash generated from financing activities	-	595,400,000	-	689,825,000
	(B)			
Net increase / (Decrease) in cash and cash equivalents	11,054,546	(1,051,952)	8,016,634	9,667,126
Cash and cash equivalents at the beginning of the year	1,192,243	2,244,195	3,211,746	3,794,064
Cash and cash equivalents at the end of the year	12,246,789	1,192,243	11,228,380	13,461,190
(Refer Note below)				
Note				
Cash and bank balance as per Note No 7	12,806,151	1,539,393	11,785,315	14,134,126
Less:- Cash and bank balance earmarked for Investor Education and Awareness	559,362	347,150	556,935	672,936
Cash & Cash Equivalent as per Cash flow	12,246,789	1,192,243	11,228,380	13,461,190
In terms of our report attached				

For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner
Mumbai, April 29, 2016

For IL&FS Infra Asset Management Limited



Ramesh C Bawa
Director
DIN: 00040523


Rajesh Kotian
Director
DIN: 02283475

For IL&FS AMC Trustee Limited


Arun K Saha
Director
DIN: 00002377


B Narasimhan
Director
DIN: 06360390


Jigish Shah
Fund Manager

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**(1) Background**

IL&FS Mutual Fund (IDF) ('the Fund') has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 with IL&FS Financial Services Limited as the Sponsor, IL&FS Infra Asset Management Limited as the Investment Manager and IL&FS AMC Trust Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908 on January 21, 2013 and amended through Deed of amendment on September 5, 2013. The Investment Management Agreement between IL&FS Infra Asset Management Limited (the AMC), IL&FS AMC Trustee Limited (the Trustee) and the trust was executed on January 21, 2013 and amended on September 5, 2013. The Fund has been registered with SEBI on February 1, 2013 under Registration Code MF/072/13/02.

IL&FS Infrastructure Debt Fund Series 1A, 1B and 1C is a closed ended Scheme for 5 Years, 7 Years and 10 Years respectively. The scheme was launched on June 18, 2013 and units were allotted on December 16, 2013 being first draw down of the commitments. Units are having face value of ₹ 1,000,000 and are fully paid-up as on March 31, 2016. The units are listed on the National Stock Exchange of India on May 7, 2014

The Investment objective of the scheme is to generate income and capital appreciation by investing primarily in infrastructure debt instruments as permitted by SEBI from time to time

(2) Significant accounting policies**a) Basis of preparation of financial statements**

The financial statements are prepared and presented under the historical cost convention, as modified for investments which are stated at fair value at the balance sheet date, on accrual basis of accounting and in accordance with the accounting policies and standards specified in the Ninth Schedule of the Regulations

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP), which requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Any revision to accounting estimates is recognized prospectively in current and future periods.

*Asst*

c) **Investments**

(i) Basis of accounting

- Transactions for purchase and sale of investments are recorded on trade date. The cost of investments includes all costs incurred in acquiring the investments and incidental to acquisition of investments. Any front end-discount on privately placed investments is reduced from the cost of such investments.
- Broken period interest paid/received is not included in the cost of purchase of investments.

(ii) Valuation

- Investments for the purpose of valuation are classified as traded and non-traded in accordance with the provisions of the Regulations.
- The Schemes have fairly valued its investments in accordance with the Regulations, and the valuation policy approved by the trustee and the AMC by using the below mentioned methodology / principles. All investments are stated in the balance sheet at their fair value. Investments are stated at fair value as follows:

i. Traded Debt Securities and related instruments (Other than Government Securities and Treasury Bills, Reverse Repo, Fixed Deposit) - maturity upto sixty days

Weighted average yield to maturity at which they are traded / reported on public platform. Order of preference for the public platform for consideration are as follows:

1. FIMMDA
2. NSE WDM
3. BSE WDM

A security will qualify as traded security if:

- For securities with residual maturity > 1 Year: There are at least two trades and aggregate volume of Rs. 25 Crores face value or more on a public platform.
- For securities with residual maturity <= 1 Year: There are at least three trades and aggregate volume of Rs. 100 Crores face value or more on a public platform.

Note: The qualifying criteria are to be observed at the exchange / platform level (as the same trades may be reported on multiple platforms).

If the security does not qualify as above, own traded price (including inter-scheme) for buy / sell transaction may be considered; provided that there is at least one trade of not less than Rs.5 Crore.



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ii. Non Traded / Thinly Traded Debt Securities and related instruments (Other than Government Securities and Treasury Bills) - maturity upto sixty days

As per best practice guidelines issued by AMFI vide circular dated November 19, 2013 and adopted by the Board of the AMC and the Trustee, Non-Traded / Thinly Traded Debt and related instruments (Money Market Securities and Floating Rate Debt Securities (with put/call options, Interest reset, floor and caps on coupon rate)) with residual maturity of up to sixty days are valued on a straight line amortisation basis to maturity from cost or last valuation price whichever is most recent subject to the price computed being within $\pm 0.10\%$ band of reference price derived from the aggregate of matrix of spread over the risk free benchmark yield curves obtained from approved agencies. In case the price of a particular security falls outside the band, valuation price of the security shall be brought within $\pm 0.10\%$ of reference price so as to reflect fair value.

The spread being the difference between the purchase yield and the benchmark yield, fixed at the time of first purchase, would be changed by the AMC only if there is a trade in the security. Fund Manager would provide justification for change in the spread due to any event other than trade in the security, viz., change in credit rating / credit profile and approved by the valuation committee.

In the case of floating rate securities with floor and caps on coupon rate and residual maturity of up to sixty days, the valuation on an amortisation basis is determined taking the coupon rate as floor.

iii. Traded/Non Traded Debt Securities and related instruments (Other than Government Securities and Treasury Bills) - maturity greater than sixty days

All money market and debt securities, including floating rate securities, with residual maturity of over 60 days are valued at weighted average price at which they are traded on the particular valuation day.

All such Traded/Non Traded Debt Securities and Related Instruments (Money Market Securities and Floating Rate Debt Securities (with put/call options, Interest reset, floor and caps on coupon rate)) are valued following the "Principles of Fair Valuation" approved by the Trustees and AMC.

As per best practice guidelines issued by AMFI vide circular dated, November 19, 2013, and adopted by the Board of AMC and Trustee Company, Debt Securities and Related Instruments (Money Market Securities and Floating Rate Debt Securities (with put/call options, Interest reset, floor and caps on coupon rate)) having maturity greater than sixty days are valued at the average of prices provided for individual security by CRISIL and ICRA (without any discretionary spread). In case CRISIL & ICRA are unable to provide Scrip level valuations for investments of the IDF due to unavailability of market inputs such as - trades, polls and primary issuances for securities where IDFs have an exposure to or



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otherwise, the securities will be valued at face value or at their effective yield, as determined appropriate by the Investment Manager.

To value an un-rated security, the fund manager assigns an internal credit rating to the securities. The internal credit rating is mapped to external credit rating matrix. The internal credit rating assigned is used for determining spreads to be used for valuation. Since un-rated instruments tend to be more illiquid than rated securities, the yields is marked up by adding discretionary spread.

If there is a deviation of more than ± 75 bps in the spread being used by the Fund Manager for the valuation purpose vis-a-vis the spread derived from the matrix of spread over risk free benchmark yield obtained from approved agencies, then the spread to be used for valuation purposes over the benchmark rate is approved by the Investment Committee.

iv. Government Securities and Treasury Bills (with residual maturity upto sixty days) :

Consequent to best practice guidelines issued by AMFI vide circular dated September 19, 2013 effective September 26, 2013, Government Securities are valued on a straight line amortisation basis from the last valued price subject to the price computed as per straight line amortisation being within + / - 0.10% band of reference price as provided by CRISIL and ICRA. In case the price of a particular security falls outside the band, valuation price of the security shall be brought within + / - 0.10% of reference price so as to reflect fair value.

Consequent to best practice guidelines issued by AMFI vide circular dated September 19, 2013 effective September 19, 2013, Treasury Bills with residual maturity of upto sixty days are valued on a straight line amortisation basis to maturity from cost or last valuation price whichever is most recent subject to the price computed being within + / - 0.10% band of reference price derived from the aggregate of matrix of spread over the risk free benchmark yield curves obtained from both CRISIL and ICRA. In case the price of a particular security falls outside the band, valuation price of the security shall be brought within + / - 0.10% of reference price so as to reflect fair value.

v. Government Securities and Treasury Bills (maturity greater than sixty days) :

Government Securities and Treasury bills are valued at the average of the prices released by AMFI approved agencies (currently CRISIL and ICRA)

vi. Investment in Reverse Repo, Collateralised Borrowings and Lending Obligations (CBLO) and Bills Rediscounting (BRDS):

Investment in Reverse Repo's, CBLO's and BRDS are valued at cost plus accrued interest.



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d) Revenue recognition

Interest income is recorded on a period proportionate basis

Profit or loss on sale / redemption of investments represents sale proceeds less weighted average cost and is recognised on a trade date basis

e) Unrealised appreciation/depreciation on investments

Net - unrealized appreciation/depreciation in value of investments is determined for each category of investments, wherein the cost is compared with the fair value and the resultant appreciation is disclosed under appropriation account and any depreciation is charged to the revenue account

f) Expenses

The total expense ratio charged to scheme are within the limits prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996

All expenses identifiable with any particular scheme are accounted on an accrual basis. Expenses not identifiable with any particular scheme are generally allocated to the schemes in proportion to the number of folios in the schemes.

g) Computation of Net Asset Value (NAV)

The NAV of a scheme is computed separately for units issued under the various options of the relevant plans of the IL&FS Infrastructure Debt Fund Series 1A, 1B and 1C, although the corresponding scheme's investments and other net assets are managed as a single portfolio. For computing the NAV for various plans/options, daily income earned, including realized and unrealized gains or losses in the value of investments and expenses incurred by the corresponding scheme are allocated to the plans/options in proportion to the net assets of each plan/option.

h) Investor Education and Awareness Expenses

In compliance with SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012; the scheme has charged 0.02 % of daily net assets within the maximum limit of total expense ratio as per the Regulations for investor education and awareness initiatives. The amounts are utilized towards investor education and awareness initiative taken by the Mutual Fund/AMC. Movement for the financial year ended March 31, 2016 is as follows:-

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year April 1, 2015 to March 31, 2016			
	Opening balance	Additions	Utilisation	Closing balance
Series 1A	347,150	562,417	(350,205)	559,362
Series 1B	344,627	560,972	(348,664)	556,935
Series 1C	440,477	655,043	(422,584)	672,936



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Movement during the Year April 1, 2014 to March 31, 2015 is as follows:-

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year April 1, 2014 to March 31, 2015			
	Opening balance	Additions	Utilisation	Closing balance
Series 1A	75,271	499,316	(227,437)	347,150
Series 1B	74,723	497,341	(227,437)	344,627
Series 1C	87,637	580,277	(227,437)	440,477

*The closing balance is earmarked with designated bank account in name of Fund.
(Refer Note 5 and Note 7)

i) Load

Pursuant to SEBI circular no SEBI/IMD/CIR NO .4/168230/09 dated June 30, 2009, no entry load is charged

j) New Fund Offer

New fund offer expenses for IL&FS Infrastructure Debt Fund Series 1A, 1B and 1C have been borne by the AMC

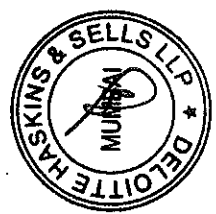


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3 Unit Capital

Particulars	Series 1A				Series 1B				Series 1C			
	As at March 31, 2016		As at March 31, 2015		As at March 31, 2016		As at March 31, 2015		As at March 31, 2016		As at March 31, 2015	
	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹
Initial Capital Issued and subscribed:												
Units of ₹ 1,000,000	2,256.60	2,256,600,000	2,256.60	2,256,600,000	2,171.60	2,171,600,000	2,171.60	2,171,600,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Direct Plan - Growth	125.00	125,000,000	125.00	125,000,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000
Direct Plan - Dividend												
Paid-Up:												
Direct Plan - Growth Face Value ₹ 1,000,000	2,256.60	2,256,600,000	2,256.60	1,692,450,000	2,171.60	2,171,600,000	2,171.60	1,628,700,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Units at beginning of year (Paid-up ₹ 1,000,000 (previous year paid up ₹ 750,000) each)				564,150,000				542,900,000				642,950,000
Money called during the year												
Units outstanding at end of the year-paid up ₹ 1,000,000 each	2,256.60	2,256,600,000	2,256.60	2,256,600,000	2,171.60	2,171,600,000	2,171.60	2,171,600,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Direct Plan - Dividend Face Value ₹ 1,000,000												
Units at beginning of year (Paid-up ₹ 1,000,000 (previous year paid up ₹ 750,000) each)	125.00	125,000,000	125.00	93,750,000	187.50	187,500,000	187.50	140,625,000	187.50	187,500,000	187.50	187,500,000
Money called during the year				31,250,000				46,875,000				46,875,000
Units outstanding at end of the year-paid up ₹ 1,000,000 each	125.00	125,000,000	125.00	125,000,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000
Unit Capital at the end of the year	2,381.60	2,381,600,000	2,381.60	2,381,600,000	2,359.10	2,359,100,000	2,359.10	2,359,100,000	2,759.30	2,759,300,000	2,759.30	2,759,300,000

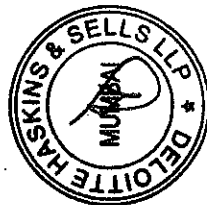
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4 Reserves and surplus

IL&FS Infrastructure Debt Fund	Series IA		Series IB		Series IC	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Amount ₹					
Particulars						
Revenue Reserve						
Opening balance	291,797,312	41,184,166	308,396,092	40,565,947	348,009,399	54,381,007
Additions during the year	283,024,469	250,613,146	286,894,661	267,830,145	335,511,347	293,628,392
Total	574,821,781	291,797,312	595,290,753	308,396,092	683,520,746	348,009,399
Reserves and surplus for each option:-						
Direct Plan - Growth	544,651,844	276,482,119	547,977,364	283,884,936	637,074,133	324,361,459
Direct Plan - Dividend Option	30,169,937	15,315,193	47,313,389	24,511,156	46,446,613	23,647,940
Total	574,821,781	291,797,312	595,290,753	308,396,092	683,520,746	348,009,399

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5 Current liabilities and provisions

Particulars	Amount ₹					
	Series 1A		Series 1B		Series 1C	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Creditors for						
-Investment Mangement fee payable	3,163,597	5,311,549	3,151,995	5,299,734	3,684,259	6,173,990
-Trustee fee payable	22,445	66,656	22,362	66,508	26,137	77,480
-Custodian Fees payable	-	99,517	-	99,517	-	99,517
-Other payable	248,187	290,020	248,186	290,019	248,186	290,019
-Income received in advance	109,075	-	74,795	-	74,795	-
Investor Education and Awareness (Refer Note 2(h))	559,362	347,150	556,935	344,627	672,936	440,477
Statutory dues	330,143	315,394	329,024	314,785	380,378	360,201
Total	4,432,809	6,430,286	4,383,297	6,415,190	5,086,691	7,441,684

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6 Investments

Particulars	Series 1A		Series 1B		Series 1C		Amount ₹
	As at March 31, 2016		As at March 31, 2016		As at March 31, 2016		
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	
Certificate of deposits	-	-	302,863,708	303,607,326	-	-	534,518,322
Non Convertible Debentures Listed On	1,859,187,650	1,942,170,941	1,488,908,670	1,539,069,585	2,477,754,720	2,483,824,000	535,205,410
Recognised Stock Exchange	-	-	1,488,908,670	1,539,069,585	-	-	2,469,399,127
Non Convertible Debentures-Privately	614,000,000	615,202,080	1,266,595,000	1,266,595,000	830,999,008	834,635,000	1,995,284,000
Placed	-	-	689,000,000	694,207,000	-	-	480,999,008
Total	2,473,187,650	2,557,372,941	2,480,772,378	2,536,883,911	3,308,753,728	3,318,459,000	3,015,124,410

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Amount ₹

Particulars	Series IA		Series IB		Series IC	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Balances with a bank in current account* (Refer Note 2(h))	12,806,151	1,539,393	11,785,315	3,556,373	14,134,126
Interest accrued but not due on Debenture	-	4,135,602	-	3,008,371	3,597,541	4,512,458
Interest accrued and due on Debenture	4,757,743	-	2,928,424	-	3,660,469	-
Recoverable from the AMC	270,729	436,677	271,036	438,355	255,364	431,437
Collateralised Borrowing and Lending Obligations (CBLO)**	383,765,026	170,264,496	93,057,562	129,452,272	107,069,937	88,827,237
CBLO margin	1,882,000	457,000	492,000	572,000	731,000	1,621,000
Total	403,481,649	176,833,168	108,534,337	137,027,371	129,448,437	99,626,673

* Certain bank accounts of the Scheme are held in the name of the Fund.

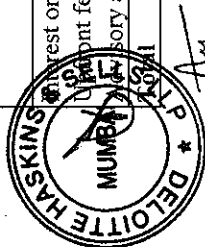
** CBLO is registered in the name of the Fund.

8 Interest Income

Particulars	Series IA		Series IB		Series IC	
	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015
	On Debentures	254,862,486	168,837,098	272,666,960	202,402,408	363,049,654
On Commercial Paper	-	11,222,500	252,928	3,736,375	1,080,822	6,397,325
On Certificate of Deposits	752,498	53,200,224	386,026	35,451,303	2,344,583	55,921,905
On Reverse Repo/CBLO	21,778,881	8,465,586	5,960,494	6,069,178	8,266,149	10,199,467
Total	277,393,865	241,725,408	279,266,408	247,659,264	374,741,208	322,475,126

9 Other Income

Particulars	Series IA		Series IB		Series IC	
	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015	For the Year From April 1, 2015 to March 31, 2016	For the Year From April 1, 2014 to March 31, 2015
	Interest on CBLO Margin	57,157	100	34,107	135	43,987
Stamp duty	437,500	-	300,000	-	5,655,000	-
Brokerage and Other Fees	1,753,320	7,467,660	1,171,413	5,432,220	1,579,528	8,148,096
Total	2,247,977	7,467,760	1,505,520	5,432,355	7,278,515	8,148,235



(10) Investment Management fees

The Scheme has paid or provided for investment management fees in accordance with the agreement with the AMC as amended from time to time and the Scheme Information Documents read with Statement Additional Information. For the current period, the Scheme has accrued Investment Management Fees at the rate of 1.21% of average daily net assets as follows:

(Amount in ₹)

Infrastructure Debt Fund Series	Average Net Assets for the Year April 1, 2015 to March 31, 2016	Management Fees for the Year April 1, 2015 to March 31, 2016	Average Net Assets for the Year April 1, 2014 to March 31, 2015	Management Fees for the Year April 1, 2014 to March 31, 2015
1A	2,811,978,893	34,076,871	2,498,002,789	30,217,923
1B	2,804,762,179	33,989,370	2,489,257,676	30,098,326
1C	3,275,094,752	39,689,131	2,904,268,881	35,116,884

(11) Trusteeship fees

The schemes have paid or provided for trustee fees in accordance with the agreement with the Trustee as amended from time to time and the Scheme Information Documents read with Statement of Additional Information. The Trustee is entitled to receive such fee up to an annual rate of 0.01% of the scheme's average daily net assets.

(12) Custodian fees

HDFC Bank Limited provides custodian services to the schemes for which it receives custodian fees as per the terms of the custodian agreement.

(13) Other Expenses

Other expenses consist of internal audit fees, bank charges and CCIL charges.

(14) Income/Expenditure

The total income and expenditure as a percentage of the Average daily net assets are as follows:-

During the Year April 1, 2015 to March 31, 2016:-

Infrastructure Debt Fund	Income		Expense Ratio	
	(Amount ₹)	(%)	(Amount ₹)	(%)
Series 1A – Direct Plan	280,359,070	09.97%	39,949,754	1.42%
Series 1B – Direct Plan	281,586,528	10.04%	39,847,043	1.42%
Series 1C – Direct Plan	382,834,323	11.69%	46,529,343	1.42%



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During the period April 1, 2014 to March 31, 2015:-

Infrastructure Debt Fund	Income		Expense Ratio	
	(Amount ₹)	(% Annualised)	(Amount ₹)	(% Annualised)
Series 1A	249,370,612	10.85%	34,953,525	1.40%
Series 1B	253,091,619	11.57%	34,813,164	1.40%
Series 1C	330,623,361	11.17%	40,618,884	1.40%

(15) Income tax

No income tax provision has been made as the schemes qualify as a recognized Mutual Fund under section 10 (23D) of the Income-tax Act, 1961 and the Direct Tax Laws (Amendment) Act, 1988.

(16) Net Asset Value per unit

(Amount ₹)

Infrastructure Debt Fund	Plan	Face Value	As at March 31, 2016	As at March 31, 2015
Series 1A-Direct Plan	Dividend	1,000,000	1,241,359.4980	1,122,521.5449
	Growth	1,000,000	1,241,359.4980	1,122,521.5449
Series 1B-Direct Plan	Dividend	1,000,000	1,252,338.0750	1,130,726.1630
	Growth	1,000,000	1,252,338.0750	1,130,726.1630
Series 1C-Direct Plan	Dividend	1,000,000	1,247,715.2700	1,126,122.3490
	Growth	1,000,000	1,247,715.2700	1,126,122.3490

(17) Portfolio holding as on year end are as follows:

As on March 31, 2016

IL&FS Infrastructure Debt Fund	Series 1A			Series 1B			Series 1C		
	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
Non Convertible Debentures Listed On Recognised Stock Exchange									
Brahmani River Pellets Ltd	488,760,013	16.53%	25.17%	325,868,000	11.03%	20.58%	407,328,000	11.83%	16.40%
Bhilangana Hydro Power Ltd	282,000,000	9.54%	14.52%	180,000,000	6.09%	11.37%	708,000,000	20.56%	28.50%
Bhilwara Green Energy Ltd	443,609,063	15.00%	22.84%	337,143,000	11.41%	21.29%	798,496,000	23.19%	32.15%
Sadbhav Infrastructure Project Ltd	727,801,865	24.62%	37.47%	740,633,713	25.07%	46.76%	-	-	-
Velankani Information Systems Ltd	-	-	-	-	-	-	570,000,000	16.56%	22.95%
A	1,942,170,941	65.69%	100.00%	1,583,644,713	53.60%	100.00%	2,483,824,000	72.14%	100.00%
Non Convertible Debentures Privately Placed									
Ad Hydro Power Ltd	130,982,000	4.43%	21.29%	694,207,000	23.50%	54.81%	484,635,000	14.08%	58.06%
Bhilangana Hydro Power Ltd	265,000,000	8.96%	43.07%	175,000,000	5.92%	13.82%	230,000,000	6.68%	27.56%
Bhilwara Green Energy Ltd	44,220,000	1.50%	7.19%	277,388,000	9.39%	21.90%	-	-	-
AMRI Hospitals Ltd	175,000,000	5.92%	28.45%	120,000,000	4.06%	9.47%	120,000,000	3.49%	14.38%
B	615,202,000	20.81%	100.00%	1,266,595,000	42.87%	100.00%	834,635,000	24.25%	100.00%
Total Investment	2,557,372,941	86.50%		2,850,239,713	96.47%		3,318,459,000	96.39%	
Net Current Assets	399,048,840	13.50%		104,151,040	3.53%		124,361,746	3.61%	
Net Assets	2,956,421,781	100.00%		2,954,390,753	100.00%		3,442,820,746	100.00%	



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As on March 31, 2015

IL&FS Infrastructure Debt Fund	Series 1A			Series 1B			Series 1C		
	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
Certificate of Deposit									
Central Bank Of India	199,716,920	7.47%	55.55%	49,929,230	1.87%	16.45%	249,646,150	8.03%	46.64%
Punjab National Bank	159,790,106	5.98%	44.45%	53,929,161	2.02%	17.76%	35,952,774	1.16%	6.72%
Andhra Bank	-	-	-	199,748,935	7.49%	65.79%	-	-	0.00%
Bank Of Baroda	-	-	-	-	-	-	249,606,486	8.03%	46.64%
A	359,507,026	13.45%	100.00%	303,607,326	11.38%	100.00%	535,205,410	17.22%	100.00%
Non Convertible Debentures Listed On Recognised Stock Exchange									
Brahmani River Pellets Ltd	447,970,000	16.76%	22.26%	325,868,000	12.22%	21.17%	488,788,000	15.73%	24.50%
Bhilangana Hydro Power Ltd	312,000,000	11.67%	15.50%	180,000,000	6.75%	11.70%	708,000,000	22.78%	35.48%
Sadbhav Infrastructure Project Ltd	684,715,841	25.61%	34.03%	696,058,585	26.09%	45.22%	-	-	-
Bhilwara Green Energy LTD	567,819,563	21.24%	28.21%	337,143,000	12.64%	21.91%	798,496,000	25.70%	40.02%
B	2,012,505,404	75.28%	100.00%	1,539,069,585	57.70%	100.00%	1,995,284,000	64.21%	100.00%
Non Convertible Debentures Privately Placed									
Ad Hydro Power Ltd	130,982,000	4.90%	100.00%	694,207,000	26.02%	100.00%	484,635,000	15.60%	100.00%
C	130,982,000	4.90%	100.00%	694,207,000	26.02%	100.00%	484,635,000	15.60%	100.00%
Total Investments (A+B+C)	2,502,994,430	93.63%		2,536,883,911	95.10%		3,015,124,410	97.03%	
Net Current Assets	170,402,882	6.37%	100.00%	130,612,181	4.90%	100.00%	92,184,989	2.97%	100.00%
Net Assets	2,673,397,312	100.00%		2,667,496,092	100.00%		3,107,309,399	100.00%	

(18) Aggregate value of purchases and sales

The aggregate value of investments purchased and sold (including redeemed) during the period and expressed as percentage of daily average net assets are as follows:

During the Year April 1, 2015 to March 31, 2016

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year April 1, 2015 to March 31, 2016			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales (Amount ₹)	Percentage of Average Net Assets
Series 1A	925,174,160	32.90%	554,880,521	19.73%
Series 1B	956,207,072	34.09%	385,460,000	13.74%
Series 1C	2,703,348,218	82.54%	617,460,000	18.85%

During the year April 1, 2014 to March 31, 2015

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year April 1, 2014 to March 31, 2015			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales (Amount ₹)	Percentage of Average Net Assets
Series 1A	26,619,192,564	1065.62%	24,945,000,000	998.60%
Series 1B	15,264,267,295	613.21%	13,557,400,000	544.64%
Series 1C	23,927,541,609	823.87%	21,973,000,000	756.58%



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(19) Appreciation / Depreciation on Investments

The aggregate appreciation and depreciation in the value of investments are as follows:

(Amount ₹)

Scheme Name	As at March 31, 2016		As at March 31, 2015	
	Appreciation	Depreciation	Appreciation	Depreciation
IL&FS Infrastructure Debt Fund Series 1A				
Non Convertible Debentures	84,185,291	-	41,596,454	-
Certificate Of Deposit	-	-	-	(26,316)
IL&FS Infrastructure Debt Fund Series 1B				
Non Convertible Debentures	100,516,443	-	55,367,915	-
Certificate Of Deposit	-	-	-	(6,648)
IL&FS Infrastructure Debt Fund Series 1C				
Non Convertible Debentures	9,705,272	-	10,519,873	-
Certificate Of Deposit	-	-	-	(20,967)

(20) Aggregate Fair value of Non-Traded Investments

The aggregate fair value of non-traded investments, valued in 'good faith' by the Investment Manager on the basis of the valuation principles laid down by SEBI as follows:-

Infrastructure Debt Fund	As at March 31, 2016	As at March 31, 2015
Series 1A	2,557,372,941	2,143,487,404
Series 1B	2,850,239,713	2,233,276,585
Series 1C	3,318,459,000	2,479,919,000

(21) Investment in the Securities of the Sponsors and Group Companies of the Sponsors

During the year, the Company has not made any investment in the securities of sponsors and group companies of the sponsors

(22) There are no unpaid redemption and unclaimed dividend as at March 31, 2016.

(23) There are no unit holders holding over 50% of the net assets in the Schemes as at the Balance Sheet dates.

(24) Segment reporting

The Mutual fund is engaged in business of investing amounts received from investors as unit capital, in accordance with their investment objectives to generate returns. The Investment objective of the scheme is to generate income and capital appreciation by investing primarily in infrastructure debt. Since there is only one business segment and no geographical segments, the segmental reporting disclosures as required by Accounting Standard - 17 "Segment Reporting" have not been made.



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(25) Related party disclosure and disclosure under regulation 25(8) of SEBI Regulations

Related party disclosures pursuant to Accounting Standard 18 “Related Party disclosure” issued by the ICAI and disclosure under regulation 25(8) of SEBI Regulations are made as under:

- a) The following are the related parties by control with whom transaction have been entered during the year:
- Investment Manager:- IL&FS Infra Asset Management Limited
 - Trustee:- IL&FS AMC Trustee Limited
 - Sponsor:- IL&FS Financial Services Limited

b) Details of transactions during the period:-

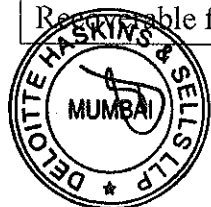
(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1A		1B		1C	
	For the Period From April 1, 2015 to March 31, 2016	For the Period From April 1, 2014 to March 31, 2015	For the Period From April 1, 2015 to March 31, 2016	For the Period From April 1, 2015 to March 31, 2015	For the Period From April 1, 2015 to March 31, 2016	For the Period From April 1, 2014 to March 31, 2015
Investment by Sponsor	-	62,500,000	-	62,500,000	-	187,500,000
Management fees	34,076,871	30,217,923	33,989,370	30,098,326	39,689,131	35,116,884
Trusteeship fees	281,208	261,181	280,486	260,159	327,520	303,847
Expenses recoverable from AMC	322,877	574,930	323,555	571,897	283,111	543,578

c) Year-end payables/Receivables:

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1A		1B		1C	
	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
Units capital held by Sponsor	250,000,000	250,000,000	250,000,000	250,000,000	750,000,000	750,000,000
Payable						
Management fees payable	3,163,597	5,311,549	3,151,995	5,299,734	3,684,259	6,173,990
Trusteeship fees payable	22,445	66,656	22,362	66,508	26,137	77,480
Receivable						
Receivable from AMC	270,729	436,677	271,036	438,355	255,364	431,437

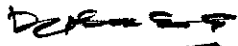


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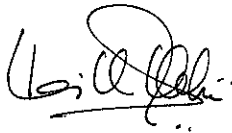
(26) Previous year figures have been regrouped and / or rearranged wherever necessary, to correspond to figures of the current year

For IL&FS Infra Asset Management Limited

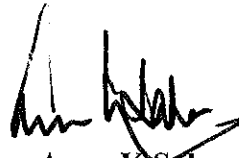
For IL&FS AMC Trustee Limited



Ramesh C Bawa
Director
DIN: 00040523



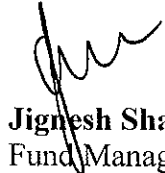
Rajesh Kotian
Director
DIN: 02283475



Arun K Saha
Director
DIN: 00002377



B Narasimhan
Director
DIN: 06360390



Jignesh Shah
Fund Manager

Mumbai, April 29, 2016

