

Corporate Information

BOARD OF DIRECTORS	
Name of Director	Designation
Mr. Nand Kishore	Chairman & Non-Executive Director
Mr. Jignesh Ramesh Shah	Managing Director & Chief Executive Officer
Mr. Manish Ishwarlal Panchal	Independent Director
Mr. Viswanath Giriraj	Independent Director

Key Management Personnel	
Name	Designation
Mr. Jignesh Ramesh Shah	Managing Director & Chief Executive Officer and Chief Financial Officer
Mr. Neelesh Vernekar	Chief Investment Officer
Ms. Jyoti Pandey	Compliance Officer
Ms. Payal Bhimrajka*	Company Secretary

*Resigned with effect from April 30, 2021

Statutory Auditors	M/s N.M Raiji & Co, Chartered Accountants
Secretarial Auditors	Ms. Nupur Mimani
Bankers	Axis Bank Limited

Registered Office of the Company:

The IL&FS Financial Centre, 8th Floor, Plot C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

CIN: U65191MH2013PLC239438

Website: www.ilfsinfrafund.com

DIRECTOR'S REPORT

To the Members
IL&FS Infra Asset Management Limited

Your Directors are pleased to present the 8th (Eighth) Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2021.

I. BACKGROUND

IL&FS Infra Asset Management Limited (IIAML), the Company was incorporated under the Companies Act, 1956 on January 8, 2013 by the erstwhile Holding Company, IL&FS Financial Services Limited (IFIN). IFIN (erstwhile Sponsor) as a Sponsor & Settlor and IL&FS AMC Trustee Limited ('the Trustee Company') (IATL), as a Trustee had set up a registered Trust named IL&FS Mutual Fund (IDF) ('the Fund') on January 21, 2013 by contributing an amount of ₹ 5 Lakh towards the corpus. This Trust Deed was restated, amended and registered on September 5, 2013.

The Trustee Company vide an Investment Management Agreement ('IMA') dated January 21, 2013 appointed the Company to be the 'Asset Management Company' of the Fund for management of day to day operations of the Fund. The IMA was amended and restated on September 5, 2013. SEBI registered the Fund vide registration number MF/072/13/02 dated February 1, 2013 and permitted the Company to be the Asset Management Company of the Fund.

IL&FS Investment Managers Limited (IIML) acquired controlling stake in IIAML and IATL with effect from January 1, 2017. Accordingly, IIML is the Sponsor of IL&FS Mutual Fund (IDF) and IMA / Trust Deed were amended on January 16, 2017 so as to incorporate such change in sponsor.

II. FINANCIAL SUMMARY/ HIGHLIGHTS

	(₹ in million)	
	As at March 31, 2021	As at March 31, 2020
Particulars		
Total Income	191.28	197.19
Total Expenditure	73.59	64.65
(Loss) / Profit before Tax	117.69	132.53
Less: (Provision for tax)	28.76	20.85
Net (Loss) / Profit for the year	88.93	111.68
Other comprehensive income	0.20	(0.03)
Total comprehensive income for the year	89.13	111.65

The net worth of the Company as at the close of the current Financial Year 2020-21 is ₹ 517.07 million in comparison to ₹ 427.94 million as at the close of the previous Financial Year 2019-20.

III. DIVIDEND

The Company has earned profits of ₹ 89.13 million during the Financial Year under review. In order to conserve resources, your Directors do not recommend any dividend for the said Financial Year.

The Company does not propose to transfer any amount to any reserves of the Company.

IV. OPERATIONS

(1) Business Plan:

The Company is the Asset Management Company of IL&FS Mutual Fund (IDF), which has been established as one of the first Infrastructure Debt Fund under SEBI (Mutual Funds) Regulations, 1996 in India. Since its launch the Company has already achieved 4 (Four) successful rounds of Fund raise for IDF.

SEBI has vide its letter number OW/30649/2014 dated October 29, 2014 granted a no objection under sub regulation (b) of Regulation 24 of SEBI (Mutual Funds) Regulations, 1996 for providing non-binding advisory services in the 'Infrastructure sector'.

The Company has received Registration from SEBI vide letters dated October 14, 2015 and October 23, 2015, under SEBI (Alternative Investment Funds) Regulations, 2012 to launch Category – I Infrastructure Fund. The Company has got approval for 2 (two) AIF schemes viz. IL&FS Infrastructure Debt Fund and IL&FS Infrastructure Mezzanine Debt Fund. However, no funds have been raised in the said schemes.

(2) Schemes of IDF:

The Company launched the first Scheme IL&FS Infrastructure Debt Fund - Series 1-A, 1-B and 1-C having a maturity of 5 years, 7 years and 10 years respectively in June 2013. The Scheme was closed in December 2013 with a committed amount of ₹ 7.50 billion from 8 investors.

Maturity of Scheme 1A: – Series 1A was launched with a total corpus of ₹ 238.16 crore. The Scheme got matured on April 29, 2020.

Maturity of Scheme 1B: – IL&FS Infrastructure Debt Fund Series 1B was successfully redeemed on its maturity date i.e. on April 29, 2021.

The Company launched its Second Scheme, IL&FS Infrastructure Debt Fund - Series 2-A, 2-B and 2-C with a maturity of 5 years, 8 years and 12 years respectively in March, 2014. The scheme was closed in April, 2015 with a committed amount of ₹ 5.75 billion.

The Company launched its Third Scheme, IL&FS Infrastructure Debt Fund - Series 3-A in January 2018 with a maturity of 5 years and Series 3-B in May 2018 with a

maturity of 7 years. Series 3-A closed in January 2018 with a committed amount of 1.4 billion. Series 3-B closed in May 2018 with a commitment amount of ₹ 1.53 billion.

(3) Service Providers:

The Company has appointed the following agencies for the management of the Fund:

- (a) KFin Technologies Private Limited as the Registrar and Transfer Agent (RTA) of the Company
- (b) Computer Age Management Services Pvt. Ltd. (CAMS) as the Registrar and Transfer Agent (RTA) of the IL&FS Mutual Fund (IDF)
- (c) HDFC Bank Ltd as the Custodian
- (d) HDFC Bank Limited as the Fund Accountant.

V. MATERIAL CHANGES AND COMMITMENTS

There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Further in the Financial Year 2020-21, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock downs of all economic activity. However, the pandemic has not impacted the going concern status of the Company.

There has been no change in the nature of business.

VI. OUTLOOK

The Fund as on March 31, 2021 had a corpus of ₹ 1674.44 Crore across 7 (seven) schemes.

As per the Asset Divestment Plan of Infrastructure Leasing & Financial Services Limited (IL&FS) (Ultimate Holding Company), the IL&FS Mutual Fund (IDF) business is up for sale either individually or alongwith its Holding Company, IIML & its subsidiary businesses.

VII. SHARE CAPITAL

The paid up capital of the Company as at March 31, 2021 stood at ₹193.98 million.

The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. As on 31 March 2021, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

VIII. EXTRACT OF ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 will be uploaded on the website of the Company after the 8th Annual General Meeting is conducted and the Annual Return of the Company for the Financial Year 2020-21 is filed with the Registrar of Companies (RoC). The Annual Return will be available at www.ilfsinfrafund.com after the same is filed with RoC.

IX. INTERNAL CONTROL AND SYSTEM

The Internal Financial Controls with reference to the Financial Statements are considered to be commensurate with the size, scale and nature of the operations of the Company. The Company has an effective Internal Control System including Internal Financial Controls for all functions with adequate checks and balances in preparing Financial Statements. Periodic audit of all functions is carried out by the internal auditors thereby ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies. Internal auditors review the systems and procedures and advise on further improvements wherever required. The reports of the internal audit are reviewed by the Board of Directors. The Company's policies are reviewed periodically in line with the dynamic business environment and regulatory requirements.

X. RISK AND COMPLIANCE FRAMEWORK

The Company has an integrated Risk Management System which safeguards the existence of the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives and the same are discussed at meetings of the Risk Management Committee.

Appropriateness of all the risk assessment methodology is continuously reviewed in light of dynamic risk environment.

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

XI. SEBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Securities Exchange Board of India (SEBI), from time to time as applicable to it.

XII. DETAILS OF SUBSIDIARIES, JOINT VENTURE & ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture and Associate Companies as on March 31, 2021. Therefore, disclosures as per Rule 8(1) of Companies (Accounts) Rules, 2014 are not applicable for the year under review.

XIII. DIRECTORS

On being approached by the Central Government under Section 241 of Companies Act, 2013 ('the Act'), the new board was constituted by NCLT exercising powers under Section 242 of the Act. In accordance with NCLT Order dated October 1, 2018 under Section 241 & 242 of the Act a new Board was constituted for the IL&FS Group.

The appointment of Mr. Viswanath Giriraj (DIN: 01182899) as an Independent Director on the Board of the Company with effect from December 19, 2019 for a term of 5 (five) consecutive years was regularized by the Members of the Company at their 7th AGM of the Company.

Mr. Nand Kishore, Director of the Company, retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment.

In compliance with Secretarial Standard-2 on General Meetings, brief resume and other information of all the Directors proposed to be appointed/re-appointed are given in the Notice for the forthcoming AGM.

XIV. KEY MANAGERIAL PERSONNEL

Mr. Jignesh Ramesh Shah was appointed as the Chief Financial Officer of the Company with effect from 8 February, 2021 in addition to his existing responsibility as Managing Director & Chief Executive Officer.

Ms. Payal Bhimrajka, Company Secretary resigned from the services of the Company with effect from April 30, 2021.

There were no other changes in Key Managerial Personnel (KMP) during the year.

XV. DECLARATION OF 'INDEPENDENCE'

The Independent Directors of the Company have given a declaration to the Company that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

XVI. CORPORATE GOVERNANCE

The Company believes and strives to adopt and adhere to the highest standards of corporate governance principles and best practices. With this objective the Company has adopted the Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations and the Code of Conduct for Directors and Senior Management of the Company.

The key aspects of the Corporate Governance are highlighted as below:

(1) Board of Directors:

The Board comprises of 2 (Two) Associate Directors and 2 (Two) Independent Directors. The composition of the Board meets the required regulatory norms under Companies Act, 2013 and SEBI (Mutual Funds) Regulations, 1996 read with SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/125 dated November 30, 2017.

(2) Committees of the Board:

The Board of Directors of the Company has constituted following Committees to ensure more focused attention on the affairs of the Company in the respective areas:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Corporate Social Responsibility Committee*
- (d) Risk Management Committee
- (e) Investment Committee
- (f) Valuation Committee
- (g) Investor Grievance Redressal Committee
- (h) Information Technology Committee

(3) The Constitution of the Board and Committees of the Board, number of Meetings of the Board & Committees held during the financial year under review and attendance of the Members of the Board and Committees thereof are stated below:

(a) Board of Directors:

During the Financial Year 2020-21, 5 (five) Board meetings were held on May 22, 2020, August 25, 2020, October 10, 2020, October 27, 2020 and February 8, 2021. Board Constitution and number of Meetings attended by Directors during the year are tabled below:

Name	Designation	Director's Identification Number (DIN)	No. of meetings entitled to attend	No. of meetings attended
Mr. Nand Kishore	Chairman, Associate Director	08267502	5	5
Mr. Jignesh Ramesh Shah	Associate Director, MD & CEO	01587849	5	5
Mr. Manish Panchal	Independent Director	08431492	5	5
Mr. Viswanath Giriraj	Independent Director	01182899	5	5
Total Meetings held during the year			5	

* dissolved with effect from 8 February, 2021

(b) Audit Committee:

During the Financial Year 2020-21, 4 (four) Audit Committee Meetings were held on May 22, 2020, August 25, 2020, October 27, 2020 and February 8, 2021. Number of meeting attended by Members are tabled below:

Name	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr. Viswanath Giriraj	Chairman	4	4
Mr. Nand Kishore	Member	4	4
Mr. Manish Panchal	Member	4	4
Total Meeting held during the year		4	

The Board of Directors of the Company has accepted all the recommendation of the Audit Committee.

(c) Nomination & Remuneration Committee:

Mr. Manish Panchal is the Chairman of the Nomination & Remuneration Committee and the other members of the Committee are Mr. Nand Kishore and Mr. Viswanath Giriraj.

(d) Corporate Social Responsibility Committee:

The Members of the Corporate Social Responsibility (CSR) Committee of the Board of Directors were Mr. Nand Kishore, Mr. Jignesh Shah and Mr. Manish Panchal.

In view of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, if the CSR expenditure of the Company is not in excess of rupees fifty lakh then the requirement of CSR Committee would not be applicable and the functions of such Committee will be discharged by the Board of Directors. The CSR expenditure of the Company is less than Rs.50 lakh. Therefore the CSR Committee was dissolved by the Board of Directors on 8 February, 2021 and the functions of the CSR Committee will be discharged by the Board.

(e) Risk Management Committee:

During the Financial Year 2020-21, two (2) meetings of the Risk Management Committee was held on August 24, 2020 and March 31, 2021. Number of meetings attended by Members are tabled below:

Name	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr. Nand Kishore	Chairman	2	2
Mr. Jignesh Shah	Member	2	2
Mr. Neelesh Vernekar	Member	2	2
Ms. Jyoti Pandey	Member	2	1
Total Meeting held during the year		2	

(f) Investment Committee:

During the Financial Year 2020-21, 2 (two) Investment Committee meetings were held on 25 May, 2020 and 11 January, 2021. The constitution of the Committee and number of Meetings attended by the Members are tabled below:

Name	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr. Kaushik Modak	Chairman	2	2
Mr. Jignesh Shah	Member	2	2
Mr. Neelesh Vernekar	Member	2	2
Total Meetings held during the year		2	

(g) Valuation Committee:

The meeting of the Valuation Committee was held on March 26, 2021. Number of meeting attended by Members are tabled below:

Name	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr. Jignesh Shah	Chairman	1	1
Mr. Neelesh Vernekar	Member	1	1
Ms. Jyoti Pandey	Member	1	1
Total Meeting held during the year		1	

(h) Investor Grievance Redressal Committee:

The meeting of the Committee was held on March 26, 2021. Number of meeting attended by Members are tabled below:

Name	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr. Jignesh Shah	Chairman	1	1
Mr. Neelesh Vernekar	Member	1	1
Ms. Jyoti Pandey	Member	1	1
Total Meeting held during the year		1	

(i) Information Technology Committee

The meetings of the Committee was held on May 29, 2020, August 21, 2020, September 28, 2020, December 28, 2020 and March 26, 2021. Number of meeting attended by Members are tabled below:

Name	Designation	No. of meetings entitled to attend	No. of meetings attended
Mr. Savio Furtado	Chairman	5	5
Mr. Jignesh Shah	Member	5	5
Ms. Jyoti Pandey	Member	5	5
Total Meeting held during the year		5	

(j) Independent Directors Meeting:

During the Financial Year 2020-21, the meeting of the Independent Directors was held on 10 March, 2021 without the attendance of the Management of the Company. The two independent Directors were Mr. Manish Panchal and Mr. Viswanath Giriraj.

XVII. HUMAN RESOURCES

All the Key Personnel have been appointed in accordance with the provisions specified under the SEBI (Mutual Funds) Regulations, 1996 and SEBI circulars and notifications thereto.

The Company firmly believes that its Human Resource is most valuable asset and it contributes towards the performance of the Company in a substantial way. The Board of Directors places on record their appreciation to all the employees of the Company for their sustained efforts, dedication and hard work during the year.

Present situation of employees in the Company:

Due to unprecedented situation in IL&FS, attrition rate of employees has increased.

XVIII. MANAGERIAL REMUNERATION

Since, the Company is not a listed Company, disclosure under Section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are not applicable.

XIX. AUDITORS & AUDITORS' REPORT

M/s. N. M. Raiji & Co, Chartered Accountants, (Firm Registration No 108296W) were appointed as the Statutory Auditors of the Company for a 2nd (Second) Term of 5 (Five) Years commencing from conclusion of 5th AGM till conclusion of 10th AGM of the Company.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The Auditors' Report to the Members for the year under review is an unqualified report. The Statutory Auditors have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force). As per Section 143(3)(i) of the Act, the Statutory Auditors have confirmed that the Company has adequate internal financial controls system in place.

SECRETARIAL AUDITORS

The Company being a material unlisted subsidiary of IL&FS Investment Managers Limited (a listed entity) was required to abide by Regulation 24A of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In view of the same, Ms. Nupur Mimani, Practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2020-21. The report of the Secretarial Auditor is annexed as **Annexure 1** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

M/s. V Sankar Aiyar & Co. were appointed as the Internal Auditor of the Company for the Financial Year 2020-21. The Audit Committee, in consultation with the Internal Auditors, formulated the scope, functioning, periodicity and methodology for conducting the Internal Audit.

XX. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(1) Conservation of energy, Technology absorption and Research and Development:

The Company is a financial services Company and hence the above stated provisions are not applicable.

(2) Foreign exchange earnings and Outgo:

(a) During the Financial year under review, the Company has not earned any foreign exchange.

(b) There were no Foreign Exchange outgo during the period under review.

XXI. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (2) 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 March 31, 2021 and of the profit and loss of the company for the year ended as on that date;

- (3) 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;
- (4) the directors have prepared the annual accounts on a going concern basis;
- (5) the directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively and
- (6) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

XXII. RELATED PARTY TRANSACTIONS

The provisions of Section 188(1) of the Act are not applicable as all related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and the disclosure in Form AOC-2 is not required. However, your attention is drawn to the Related Party disclosure in Note no. 20 of the Audited Financial Statements.

The Board has devised a Related Party Guidelines for the purpose of identification and monitoring of such transactions. The Related Party Transactions, wherever necessary, are carried out by the Company as per this guidelines.

XXIII. OTHER COMPLIANCES

(1) Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director:

The Company has a Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director which is annexed herewith as **Annexure 2**.

(2) Corporate Social Responsibility Policy and allied disclosures:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. CSR Policy is uploaded on website of the Company. Company had spent ₹ 12.69 lakh towards CSR payable for the year ended March 31, 2021. The required disclosure on CSR is appended as **Annexure 3** to this Report

(3) Loans given, investment made, guarantees given or security provided under Section 186 of the Companies Act, 2013:

Details covered under section 186 of the Companies Act, 2013 are given in Note No. 20(f) of the financial statement.

(4) Details of significant and material orders:

During the financial year under review, there were no significant or material order/s passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

(5) Public Deposits:

The Company is an Asset Management Company having a primary objective of the management of the Infrastructure Debt Funds. Hence, it has not accepted any Deposits as per the Companies Act, 2013 during the Financial Year

(6) Prevention of Sexual Harassment:

The Company has in place a Policy in line with the requirements of the Sexual Harassment of the Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

There were no complaints received during the year under review.

XXIV. DISCLOSURE ON THE COMPLIANCE OF SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

XXV. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to business operations and Outlook as explained above describing the Company's objectives, plans and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

XXVI. ACKNOWLEDGEMENTS

The Board is thankful to the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Association of Mutual Funds in India (AMFI) and the Financial Intelligence Unit (FIU) for the guidance provided by them. Further, we would also like to take this opportunity to express our appreciation towards the Registrar and Transfer Agent, Fund Accountant, Custodian, Bankers, Auditors, Distributors and all Service Providers for their support. The Board also express appreciation of all employees for their contributions and commitment. Lastly, the Board also wish to express their gratitude towards

Infrastructure Leasing and Financial Services Limited, IL&FS Investment Managers Limited and Life Insurance Corporation of India for their continued trust and support.

For and on Behalf of the Board of
IL&FS Infra Asset Management Limited

Sd/-
Nand Kishore
Chairman
DIN: 08267502

Date: June 21, 2021
Place: Noida

Sd/-
Jignesh Shah
Managing Director & CEO
DIN: 01587849

Date: June 21, 2021
Place: Mumbai



ACS NUPUR MIMANI
Membership Number – 37847
C.P. Number – 16805

Address : 135/B, D. J. Road, Bhadrakali, Hooghly – 712232
Email: - nupur.mimani7@gmail.com
(M) – 91636762333

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
IL&FS Infra Asset Management Limited,
The IL&FS Financial Centre, 8thFloor,
Plot C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

I have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to the good corporate practices by **IL&FS Infra Asset Management Limited (CIN: U65191MH2013PLC239438)** (hereinafter called “the **Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verifications 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (hereinafter called the ‘**Audit Period**’), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.



ACS NUPUR MIMANI
Membership Number – 37847
C.P. Number – 16805

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Email: - nupur.mimani7@gmail.com
(M) – 91636762333

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed 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: **Not Applicable to the Company during the Audit Period**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: - **Not Applicable to the Company during the Audit Period**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: - **Not Applicable to the Company during the Audit Period**
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- **Not Applicable to the Company during the Audit Period**
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: - **Not Applicable to the Company during the Audit Period**
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: - **Not Applicable to the Company during the Audit Period**
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - **Not Applicable to the Company during the Audit Period**
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable to the Company during the Audit Period**
- (vi) The Company has identified the following laws and regulations as specifically applicable to the Company:
 - (a) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
 - (b) The Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 – The Company is yet to commence the business of Alternative Investments Funds



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(vii) I have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (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.

I further report that

- The Board of Directors of the Company was duly constituted during the year with the proper balance of Executive, Non-Executive and Independent Directors. For a public limited company it is mandatory to have minimum 3 Directors. To this extent the Company was compliant with the said provision. There were changes in the composition of the Board of Directors that took place during the period under review and they were carried out in compliance with the provisions of the Act. The remunerations details paid to the Directors and the KMP's have been properly disclosed.
- Pursuant to para VII (1) of Schedule IV to the Act, the Independent Directors are required to hold at least one meeting without the attendance of Non-Independent Directors and members of management. The process and provisions were duly complied
- During the period under review, following changes took place in the Key Managerial Personnel viz. Chief Financial Officer and the Directors.
Mr. Amit Vijay Mainkar resigned as Chief Financial Officer of the Company with effect from 10th January, 2020. As per Section 203(4) of the Companies Act, 2013, the position of the Chief Financial Officer shall be filled up by the Board within a period of six months from the date of the vacancy. Due to the lockdown for the COVID 19 pandemic, all the offices were closed and the Company was unable to appoint someone for the said position but the same was filled on 8th February, 2021 by appointing Mr. Jignesh Ramesh Shah as the Chief Financial Officer of the Company. Also Mr. Viswanath Giriraj was regularised as an Independent Director in the Annual General Meeting conducted on 25th August, 2020.
- Adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at a shorter notice, and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.



ACS NUPUR MIMANI
Membership Number – 37847
C.P. Number – 16805

Address : 135/B, D. J. Road, Bhadrakali, Hooghly – 712232
Email: - nupur.mimani7@gmail.com
(M) – 91636762333

- All decisions at the Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.
- The Company has obtained the approval of the shareholders at the Annual General Meeting held on 25th August, 2020 in respect of the following matters:
 - i. Approving of excess remuneration of Mr. Jignesh Ramesh Shah, Managing Director and Chief Executive Officer of the Company for the period from 1st April, 2019 to 31st March, 2020 (by special resolution)
 - ii. Approving the appointment of Mr. Viswanath Giriraj as an Independent Director of the Company for the term of five years (by ordinary resolution)

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

Date: 12th April, 2021

Place: Kolkata

ACS No. 37847

Nupur Mimani

Practicing Company Secretary

CP No. 16805

UDIN: A037847C000068889

Note: This report is to be read with my letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.



ACS NUPUR MIMANI
Membership Number – 37847
C.P. Number – 16805

Address : 135/B, D. J. Road, Bhadrakali, Hooghly – 712232
Email: - nupur.mimani7@gmail.com
(M) – 91636762333

'Annexure-A'

To,

The Members,

IL&FS Infra Asset Management Limited,

The IL&FS Financial Centre, 8thFloor,

Plot C-22, G Block, Bandra Kurla Complex,

Bandra (East), Mumbai – 400 051

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance 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. My examination was limited to the verification of procedures on a 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.

Date: 12th April, 2021
Place: Kolkata
ACS No. 37847

Nupur Mimani
Practicing Company Secretary
CP No. 16805
UDIN: A037847C000068889

**Selection, Evaluation & Remuneration policy of Directors / Employees of
IL&FS Infra Asset Management Limited**

I BACKGROUND

(1) Preamble:

- (a) IL&FS Infra Asset Management Limited (IIAML) is an independent professional institution with its own cadre of personnel and distinctive business practices. IIAML acts as an asset management company for Trusts/ Funds and is responsible for the operations and management of the Schemes launched thereunder & undertakes non – binding advisory services in the Infrastructure Sector
- (b) Since the businesses of the Company are people centric, Human Resource Development (HRD) assumes great significance in facilitating the organization to meet this objective. The HRD strategy is to:
 - (i) Attract and retain competent resources
 - (ii) Provide competitive performance based compensation and benefits
 - (iii) Facilitate and provide growth opportunities within the IL&FS Group by encouraging movement of personnel across geographies
 - (iv) Ensure clear communication of vision and business plans

(2) Statutory Provisions:

Pursuant to the notification of the Companies Act 2013, effective April 1, 2014, the following provisions thereof have been considered while formulating this Policy:

- (a) Selection Criteria for Directors of the Company containing criteria for determining qualifications, positive attributes and independence of directors
- (b) Remuneration for Directors, Key Managerial Personnel and Other Employees
- (c) Performance Evaluation of the Directors, Board of Directors as a whole and Employees of the Company
- (d) Role of Nomination and Remuneration Committee
- (e) Disclosure in the Directors' Report

(3) Nomination and Remuneration Committee:

- (a) The 'Remuneration Committee' was constituted on April 25, 2013 which with the advent of Companies Act, 2013 was renamed as the 'Nomination & Remuneration Committee' on April 23, 2014. An Independent Director of the Company will be the Chairman of the Committee

(4) Terms of Reference of the Nomination and Remuneration Committee (NRC):

The terms of reference of the Nomination and Remuneration Committee are as follows:

- (a) To identify persons who are Qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every Director's performance
- (b) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees on the following parameters:
- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
 - (iv) such other requirements at the discretion of the Committee
- (c) to do all such acts / things / deeds and such other matters that are incidental and ancillary for the functioning of the Committee

II SELECTION CRITERIA FOR DIRECTORS / EMPLOYEES OF THE COMPANY

- (1) The individual who is proposed to be appointed as a Director of the Company shall be a person of ability, integrity & standing and possess expertise in the field of banking or accountancy or legal or finance or experience in the field of

- infrastructure sector or such other expertise/ experience as deemed adequate to the Board of Directors and Nomination and Remuneration Committee
- (2) The selection criteria for appointment of employees will be governed by the requirements as approved by the Head of the Company and Human Resource department

III PERFORMANCE EVALUATION MECHANISM

The regulatory provisions under the Companies Act, 2013 pertaining to the Evaluation Mechanism are as follows:

- (1) The performance evaluation of the Directors / employees of the Company will be carried out by the Nomination and Remuneration Committee
- (2) As prescribed under Schedule IV of Companies Act, 2013, the Independent Directors will carry out the performance evaluation of Non- Independent Directors and the Board as a whole in a Separate Meeting. The Independent Directors will also review the performance of the Chairperson of the Company after taking into account the views of non-executive directors and executive directors, if any of the Company
- (3) The performance evaluation of Independent Directors will be carried out by the Board of Directors, excluding the director being evaluated
- (4) Based on the views stated above, the Board of Directors shall determine whether to extend or continue the term of appointment of the Independent Director

IV REMUNERATION POLICY

(1) For Directors:

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

(2) For Employees:

(a) Objective

- (i) The key objective of the Remuneration Policy is to enable a framework that allows competitive and fair rewards for the achievement of key deliverables

(ii) While deciding remuneration for the Key Managerial Personnel, Senior Management and other employees, various factors such as the market scenario, business performance of IIAML and the remuneration practices in the Financial Sector are considered

(iii) Rationale for Remuneration Framework

The Compensation package may be revised annually in the form of performance increments, structural improvements and Cost of Living Adjustments

(iv) As stipulated under the SEBI (Mutual Funds) Regulations, 1996, in case of conflict of interest, the Company will ensure independence through removal of direct link between the revenues generated by the relevant activity and the remuneration paid to the 'Key Managerial Personnel (KMP)' as defined under the Companies Act, 2013 and the 'Key Personnel' defined under SEBI (Mutual Funds) Regulations, 1996

(b) Remuneration policy of Employees

(i) The remuneration package of the Employees comprises of :

- Fixed Remuneration : This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans
- Annual Allowances: This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance
- Retirals: This includes Provident Fund, Gratuity, Superannuation and such other regulatory benefits

V DISCLOSURES

Disclosure requirement under provisions of the Companies Act, 2013 as regards Directors' Report of the Company should be complied with

VI REVIEW AND MODIFICATION

Effectiveness of the Managerial Remuneration Policy is ensured through periodical review. The Board of Directors of IIAML may amend or modify this Policy in whole or in part at any time

For and on Behalf of the Board of
IL&FS Infra Asset Management Limited

Sd/-
Nand Kishore
Chairman
DIN: 08267502

Sd/-
Jignesh Shah
Managing Director & CEO
DIN: 01587849

Date: June 21, 2021
Place: Noida

Date: June 21, 2021
Place: Mumbai

**Annual Report on CSR activities
(Pursuant to Section 135 of the Companies Act, 2013)**

1. **Brief Outline on CSR Policy of the Company:** The Policy aims at inter alia nurturing socio-economic development schemes for capacity building, livelihood creation, quality education, empowerment of people, etc., with the primary goal of ensuring that benefits reach the targeted beneficiaries. CSR Policy means a statement containing the approach and direction given by the board of a company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. The Policy applies to all corporate social responsibility activities or initiatives undertaken, developed and reviewed by the Company within the purview of Schedule VII of the Companies Act 2013, upon the approval of the Board.

An Annual action Plan (AAP) to be placed before the Board every financial year.

CSR Activities:

- (a) Activities undertaken in the pursuance of normal course of business or exclusively for the benefits of employees, political contribution, social activities undertaken outside the Country, activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services, activities carried out for fulfilment of any other statutory obligations under any law in force in India will not be considered as CSR expenditure.
- (b) The Company may undertake CSR activity itself or through a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or any entity established under an Act of Parliament or a State legislature; or a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Approval Process

The list of such projects/programmes and corresponding budget outlays shall be approved by the Board. The Annual Action Plan for CSR shall be approved in each financial year. Periodic reviews and / or modifications to the projects and allocations will be approved by the Board.

CSR Expenditure:

- (a) CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board, but shall not include expenditure on an item not in conformity with activities which fall within the purview of Section 135 read together with rules framed thereunder and Schedule VII of the Companies Act, 2013.
- (b) The Company shall strive to spend least 2% of the average net profit of the Company made during the three immediately preceding financial years, annually towards CSR activities
- (c) In an event the Company fails to spend the amount as above, the Board of Directors shall specify the reasons for not spending such amount in the Directors' report of that financial year.
- (d) Further if the Company spends excess of the amount as mentioned above, the Company may set off such excess amount against the requirement to spend for such number of succeeding financial years.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year*	Number of meetings of CSR Committee attended during the year*
1	Mr. Nand Kishore	Chairman, Non-Executive Director	0	0
2	Mr. Jignesh Ramesh Shah	Member, Executive Director	0	0
3	Mr. Manish Ishwarlal Panchal	Member, Independent Director	0	0

*The CSR Committee was dissolved by the Board of Directors on 8 February, 2021 and the functions of the CSR Committee will be discharged by the Board. As on 31 March, 2021, there is no CSR Committee of the Company.

3. The web-link where CSR Policy is disclosed on the website of the company: <http://www.ilfsinfrafund.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>
4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per Section 135(5) : Rs.6,34,50,360/-
7. a. Two percent of average net profit of the company as per section 135(5):
Rs.12,69,007/-
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- c. Amount required to be set off for the financial year, if any: Nil
- d. Total CSR obligation for the financial year (7a+7b-7c): Rs.12,69,007/-
8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount (Rs.)	Date of transfer
12,69,007	Nil	Nil	Nil	Nil	Nil

- b. Details of CSR amount spent against ongoing projects for the financial year: Nil
- c. Details of CSR amount spent against other than ongoing projects for the financial year: Rs.12,69,007/- transferred to Prime Minister's National Relief Fund on 18 March, 2021.
- d. Amount spent in Administrative Overheads: Nil
- e. Amount spent on Impact Assessment, if applicable: Not Applicable
- f. Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.12,69,007/-
- g. Excess amount for set off, if any: Nil
9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable
- (a) Date of creation or acquisition of the capital asset(s): NA
- (b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) ; Not Applicable

For IL&FS Infra Asset Management Limited

Sd/-

Nand Kishore
Chairman
DIN: 08267502

Date: June 21, 2021

Place: Noida

Sd/-

Jignesh Shah
Managing Director & CEO
DIN: 01587849

Date: June 21, 2021

Place: Mumbai

Independent Auditor's Report

To the Members of IL&FS INFRA ASSET MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of IL&FS INFRA ASSET MANAGEMENT LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").
2. 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 Companies Act 2013("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS")and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



4. Other Matter

Due to the lockdown imposed on account of the Covid-19 pandemic the statutory audit for the year ended March 31, 2021, had to be carried out on a 'work from home basis', as a result of which verification of physical documents and vouchers, bills, etc., direct access to systems, personal, interactive discussion with client had to be replaced by verification of data provided through the digital medium and telephonic conversations.

5. Other information

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report included in the Annual report, but does not include the financial statements, and our auditor's report thereon
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibility for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the order.
11. As required by Section 143(3) of the Act, based on our audit of the financial statements we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, in respect of managerial remuneration paid by the Company during the year, compliance with Section 197 of the Act, read with Part II of Schedule V to the Act, is subject to the approval of shareholders, by special resolution, in the ensuing Annual General Meeting, as an amount of Rs.22,14,150/- has been paid in excess of the limits laid down under the Act.

Our opinion is not modified in respect of the above matter.



- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No.:108296W**



**Vinay D. Balse
Partner
Membership. No.: 039434
UDIN: 21039434AAAADO9393**

Place: Mumbai

Date: June 21, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management, in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable to the Company.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable to the Company.
- (iii) The Company has not granted unsecured loans to its fellow subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and hence reporting under (iii)(a)(b) and (c) of the CARO 2016 is not applicable to the Company.
- (iv) The Company has not granted any loans, made investments or provided any guarantees. Consequently, reporting under clause (iv) of CARO 2016 is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Consequently, reporting under clause (v) of the CARO 2016 is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities. According to information and explanation given to us, no dues were payable in respect of Provident fund, Employee' State Insurance and Customs duty during the year.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2021, for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Goods and Service Tax as on March 31, 2021, on account of disputes.



- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Consequently, reporting under clause (ix) of the CARO 2016 is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, in respect of managerial remuneration paid by the Company during the year, compliance with Section 197 of the Act, read with Part II of Schedule V to the Act, is subject to the approval of Shareholders by special resolution in the ensuing Annual General Meeting as an amount of Rs.22,14,150/- has been paid in excess of the limits laid down under the Act.
- (xii) The Company is not a Nidhi Company. Consequently, reporting under clause(xii) of the CARO 2016 is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Consequently, reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of holding Company or persons connected with them. Consequently, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N. M. Raji & Co.
Chartered Accountants
Firm Registration No.:108296W**



**Vinay D. Balse
Partner
Membership. No.: 039434
UDIN: 21039434AAAADO9393**

Place: Mumbai

Date: June 21, 2021

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 11(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **IL&FS INFRA ASSET MANAGEMENT LIMITED** (the “Company”) as of March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For N. M. Raiji & Co.
Chartered Accountants
Firm's Registration No.: 108296W**



Sd/-

**Vinay D. Balse
Partner
Membership No.:039434
UDIN:21039434AAAADO9393**

Place: Mumbai

Date: June 21, 2021

IL&FS INFRA ASSET MANAGEMENT LIMITED			
CIN: U65191MH2013PLC239438			
BALANCE SHEET AS AT MARCH 31, 2021			
			Amount ₹
Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	3	34,499	342,681
(b) Intangible Assets	3	25,743	52,821
(c) Financial Assets			
(i) Other Financial Assets	4	4,330	4,330
(d) Income Tax assets (net)	22	2,305,787	55,789,134
(e) Deferred Tax Assets	5	1,782,478	673,993
(f) Other Non Current Assets	6	5,051,732	19,866,667
Total Non-Current Assets		9,204,569	76,729,626
Current Assets			
(a) Financial assets			
(i) Trade receivables	7	14,904,201	16,036,342
(ii) Cash and Cash Equivalents	8	421,254,078	108,269,821
(iii) Bank Balance other than (ii) above	8	78,471,063	223,610,758
(iv) Other Financial Assets	4	4,159,802	12,287,343
(b) Other Assets	6	3,411,399	5,780,979
Total Current Assets		522,200,543	365,985,243
TOTAL ASSETS		531,405,112	442,714,869
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	193,980,000	193,980,000
(b) Other Equity	10	323,088,498	233,961,262
Total Equity		517,068,498	427,941,262
LIABILITIES			
Non-Current Liabilities			
(a) Long Term Provisions	11	3,814,747	2,759,754
Total Non-Current Liabilities		3,814,747	2,759,754
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	12	3,937,321	5,223,793
(b) Other current liabilities	13	4,531,148	4,547,602
(d) Short Term Provisions	14	2,053,398	2,242,458
Total Current Liabilities		10,521,867	12,013,853
Total Liabilities		14,336,614	14,773,607
TOTAL EQUITY AND LIABILITIES		531,405,112	442,714,869
Notes annexed hereto forms integrated part of Financial Statements			
As per our report of even date attached			
For N. M. RAJI & CO.		For and on Behalf of the Board	
Chartered Accountants			
Firm Registration No.: 108296W			
Sd/-	Sd/-	Sd/-	
Vinay D. Balse	Nand Kishore	Jignesh Shah	
Partner	Chairman	CFO & CEO	
Membership No.: 039434	DIN: 08267502	DIN: 01587849	
Place: Mumbai	Place: Noida	Place: Mumbai	
Date: June 21, 2021			

IL&FS INFRA ASSET MANAGEMENT LIMITED
CIN: U65191MH2013PLC239438
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

		Amount		
		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from Operations	15	167,422,987	177,627,165
II.	Other Income	16	23,861,651	19,559,162
III.	TOTAL INCOME		191,284,638	197,186,327
IV.	EXPENSES			
	(a) Depreciation and Amortization	3	89,792	192,351
	(b) Employee Benefit Expenses	17	27,183,711	30,718,246
	(c) Other Expenses	18	46,322,096	33,740,930
	TOTAL EXPENSES		73,595,599	64,651,527
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		117,689,039	132,534,800
VI	Exceptional Item ICD written off (Refer Note 20 f)		-	50,000,000
	Exceptional item - reversal of provision for ICD (Refer Note 20 f)		-	(50,000,000)
VII	PROFIT BEFORE TAX (V-VI)		117,689,039	132,534,800
VIII	Tax Expenses			
	Current Tax		29,815,024	18,948,734
	Taxation in respect of earlier years		118,667	281,627
	Deferred Tax		(1,174,778)	1,623,624
	TOTAL TAX EXPENSES		28,758,913	20,853,985
IX	PROFIT FOR THE YEAR AFTER TAX (VII-VIII)		88,930,126	111,680,815
X	OTHER COMPREHENSIVE INCOME((Income)/Expense)			
	(i) Items that will not be reclassified subsequently to profit & loss			
	(a) Remeasurement of the net defined benefit liability/asset		(263,403)	45,329
	(ii) Income tax on items that will not be reclassified subsequently to profit & loss		66,293	(12,611)
	OTHER COMPREHENSIVE INCOME FOR THE YEAR		(197,110)	32,718
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		89,127,236	111,648,097
	EARNINGS PER EQUITY SHARE			
	(Face Value ₹ 10 per share)			
	Basic and Diluted	19	4.58	5.76

Notes annexed hereto forms integrated part of Financial Statements

As per our report of even date attached
For N. M. RAJI & CO.

Chartered Accountants

Firm Registration No.: 108296W

Sd/-

Vinay D. Balse

Partner

Membership No.: 039434

Place: Mumbai

Date: June 21, 2021

For and on Behalf of the Board

Sd/-

Nand Kishore

Chairman

DIN: 08267502

Place: Noida

Sd/-

Jignesh Shah

CFO & CEO

DIN: 01587849

Place: Mumbai

IL&FS INFRA ASSET MANAGEMENT LIMITED

CIN U65191MH2013PLC239438

CASH FLOW STATEMENT

Amount ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	117,689,039	132,534,800
Adjustments for:		
Bad Debts written off (ICD)	-	50,000,000
Provison on ICD	-	(50,000,000)
Provision for Employee Benefits	1,129,336	772,850
Depreciation	89,792	192,351
Interest Income	(18,183,896)	(19,559,162)
Assets written off	245,468	-
Operating Profit before Working Capital Changes	100,969,739	113,940,839
Adjustments for changes in:		
(Increase) / Decrease in Trade Receivables	1,132,141	46,084,028
Increase / (Decrease) in Trade Payables	(1,286,472)	2,508,632
Decrease / (Increase) in Other Current and Non-Current Assets	17,624,673	5,350,167
Increase / (Decrease) in Long Term and Other Current Liabilities	(16,454)	(884,620)
	118,423,627	166,999,046
Advance payment of Tax (net of refund)	23,549,656	(31,152,803)
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	141,973,283	135,846,243
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(32,800)
Interest Income received	25,871,279	15,445,180
Fixed Deposits placed during the year	(78,471,063)	(223,610,758)
Fixed Deposits matured during the year	223,610,758	176,050,462
NET CASH USED IN INVESTING ACTIVITIES	171,010,974	(32,147,916)
(C) NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(A+B)	
Cash and Cash Equivalent at the beginning of the year	312,984,257	103,698,327
Cash and Cash Equivalent at the end of the year	108,269,821	4,571,494
	421,254,078	108,269,821

Notes annexed hereto forms integrated part of Financial Statements

As per our report of even date attached

For N. M. RAJJI & CO.

Chartered Accountants

Firm Registration No.: 108296W

Sd/-

Vinay D. Balse

Partner

Membership No.: 039434

Place: Mumbai

Date: June 21, 2021

For and on Behalf of the Board

Sd/-

Nand Kishore

Chairman

DIN: 08267502

Place: Noida

Sd/-

Jignesh Shah

CFO & CEO

DIN: 01587849

Place: Mumbai

IL&FS INFRA ASSET MANAGEMENT LIMITED

CIN U65191MH2013PLC239438

STATEMENT OF CHANGES IN EQUITY**A. Equity Share Capital**

				Amount ₹
Balance at April 1, 2019	Changes in Share Capital for the year ended March 31, 2020	Balance at the end of March 31, 2020	Changes in Share Capital for the year ended March 31, 2021	Balance at the end of March 31, 2021
193,980,000	-	193,980,000	-	193,980,000

B. Other Equity

			Amount ₹
Particulars	Reserves & Surplus	Other Comprehensive Income((Income)/Expense)	Total
Balance as at March 31, 2019	121,773,729	(539,436)	122,313,165
Total Comprehensive Income for year ended March 31, 2020	111,680,815	32,718	111,648,097
Balance as at March 31, 2020	233,454,544	(506,718)	233,961,262
Total Comprehensive Income for year ended March 31, 2021	88,930,126	(197,110)	89,127,236
Balance as at March 31, 2021	322,384,670	(703,828)	323,088,498

Notes annexed hereto forms integrated part of Financial Statements

As per our report of even date attached**For N. M. RAJI & CO.**

Chartered Accountants

Firm Registration No.: 108296W

Sd/-

Vinay D. Balse

Partner

Membership No.: 039434

Place: Mumbai

Date: June 21, 2021

For and on Behalf of the Board

Sd/-

Nand Kishore

Chairman

DIN: 08267502

Place: Noida

Sd/-

Jignesh Shah

CFO & CEO

DIN: 01587849

Place: Mumbai

Notes forming part of the financial statements

1. Corporate Information

IL&FS Infra Asset Management Limited was incorporated on January 8, 2013 and is a subsidiary of IL&FS Investment Managers Limited. The Company acts as Investment Manager to Schemes of IL&FS Mutual Fund (IDF) and principal business of the Company is to provide management advisory & administrative services to IL&FS Mutual Fund (IDF) in accordance with the Investment Management Agreement between IL&FS AMC Trustee Limited and the Company, dated January 21, 2013 and amended on September 5, 2013 and amended on January 16, 2017

The Registered office of the Company is situated at The IL&FS Financial Centre, 8th Floor, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra

2. Significant accounting policies

Statement of compliance

These financial statements have been prepared, in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of accounting standards prescribed under Section 133 of the Companies Act read with the Companies (Accounting Standards) Rules, 2006.

a. Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value. (Refer accounting policy regarding financial instruments)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

Company's financial statements are prescribed in Indian Rupees (Rs.) which is also its functional currency.

b. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. 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. 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are generally involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

c. Use of Estimates

The preparation of the financial statements requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results would differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize

d. Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognized when it is realized or realizable and earned. Revenue is considered as realized or realizable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured. Revenue from services is recognized in the accounting period in which the services are rendered.

- i) Investment management and advisory fee is recognized at specific rates agreed upon with relevant schemes, and is applied on the average daily net assets of each scheme (excluding inter-scheme investments, where applicable, and investments made by the Company in the respective scheme), and are in conformity with the limits specified under SEBI (Mutual Funds) Regulations, 1996, as amended
- ii) Interest income on fixed deposits is accrued proportionately based on period for which the same is placed

e. Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation as per the Projected Unit Credit Method

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund, Employee State Insurance and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @ 30 days salary for the every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of defined benefit plan and other post-employment benefits is calculated using the

Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. The service cost, net interest on the net defined benefit liability/(asset) is treated as a net expense within employment cost and are recognized immediately in the statement of profit and loss

f. Foreign Currency Transactions and Translations

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values are recognized

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange differences on restatement / settlement of all monetary items are recognized in the Statement of Profit and Loss

g. Income Tax

Tax Expense comprises of Current Tax and net changes in Deferred Tax Assets or Liability during the year.

Current Tax expense or credit for the year is the amount of tax payable on taxable income for the year on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized 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 is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized 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 utilized. 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 based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

h. Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, directly attributable to bringing the asset to the site and in working condition for its intended use

i. Intangible Assets

Intangible Assets are reported at acquisition value with deductions for accumulated amortisation and impairment losses, if any

j. Depreciation

Depreciation on asset is provided pro-rata from the date on which asset is ready to be put to use for its intended purpose on Straight-Line Method. As per CA 2013, depreciation of assets is required to be provided based on estimated useful life as per Schedule II of the CA 2013. However, there are certain categories of assets where the useful life of assets have been assessed as under, taking into consideration the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, the past history of replacement, anticipated technological changes etc. Pursuant to the foregoing, it is proposed to continue with the existing policy of accelerated depreciation on following category of assets:

Asset Type	Useful Life
Data Processing Equipments- Server and Networking	4 years
Specialised Office Equipment	3 years
Mobile Phones, Tablets and Soft Furnishing	year of capitalisation
Lease Improvements	lease period

Assets costing Rs 5,000 or less, are fully depreciated in the year of capitalisation

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined

as the difference between the sales proceeds and the carrying of the asset and is recognized in profit or loss

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

k. Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognised in Statement of Profit and Loss for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows discounted to their present value using pre-tax discount rate that reflect current market assessments of the time value of money and is specific to the assets.

l. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date.

A Contingent Liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

m. Financial Instruments

Financial Assets

Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

Subsequent measurement:

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently 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 on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income 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.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss

d) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further, Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires

n. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balance, as defined above as they are considered an integral part of the Company's cash management.

o. Earnings Per Share

In determining earnings per share, the Company considers the profit attributable to the owners of the company. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of additional equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

p. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Estimated useful lives of tangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

c) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

e) Defined benefit plans:

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ income include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

q. Fund Expenses

Annual recurring expenses related to the schemes of IL&FS Mutual Fund (IDF), which are in excess of internal expense limits, are borne by the Company

The Company also absorbs the expenses relating to the launch of the schemes of IL&FS Mutual Fund (IDF)

r. Distribution Commission

Distribution Commission and related expenses on closed ended schemes are expensed out over the tenure of the respective schemes, commencing from the month in which units are allotted

s. GST Input Credit

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing the credits

t. First-time adoption exemptions

Overall principles

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, by not recognizing 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 recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions**Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly , the Company has elected to continue with the carrying value of all of its plant and equipment, and intangible assets recognized as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date

Ind AS mandatory exceptions**Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

IL&FS INFRA ASSET MANAGEMENT LIMITED

CIN U65191MH2013PLC239438

Notes forming part of the financial statements

Note 3: Property, plant and equipment

Description of Assets	Amount ₹							Grand Total
	Data Processing Equipments	Office Equipments	Furniture & Fixtures	Electrical Installations	Leasehold Improvements	Tangible Assets	Intangible Assets	
I. Deemed Cost								
Balance as at March 31, 2019	389,667	39,487	487,183	36,270	-	952,607	164,708	1,117,315
Additions	-	32,800	-	-	-	32,800	-	32,800
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	389,667	72,287	487,183	36,270	-	985,407	164,708	1,150,115
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	454,879	-	-	454,879	-	454,879
Balance as at March 31, 2021	389,667	72,287	32,304	36,270	-	530,528	164,708	695,236
II. Accumulated Depreciation								
Balance as at March 31, 2019	335,554	17,316	116,044	8,613	-	477,527	84,735	562,262
Depreciation expense for the year	54,113	48,326	58,441	4,319	-	165,199	27,152	192,351
Depreciation on disposal of assets	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	389,667	65,642	174,485	12,932	-	642,726	111,887	754,613
Additions	-	6,645	51,763	4,306	-	62,714	27,078	89,792
Disposals	-	-	209,411	-	-	209,411	-	209,411
Balance as at March 31, 2021	389,667	72,287	16,837	17,238	-	496,029	138,965	634,994
IV. Carrying Value (I - II)								
Balance as at March 31, 2021	(0)	-	15,467	19,032	-	34,499	25,743	60,242
Balance as at March 31, 2020	(0)	6,645	312,698	23,338	-	342,681	52,821	395,502

NOTE 4: OTHER FINANCIAL ASSETS

Amount ₹

(i) Non-Current Financial assets	As at March 31, 2021	As at March 31, 2020
(a) Security Deposit	4,330	4,330
Total (i)	4,330	4,330

(ii) Current Financial assets		
(a) Interest accrued but not due	4,157,167	11,844,550
(b) Others	2,635	442,793
Total (ii)	4,159,802	12,287,343
TOTAL (i)+(ii)	4,159,802	12,287,343

NOTE 5: DEFERRED TAX

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation and Employee Benefits	1,782,478	673,993
Carry Forward Loss	-	-
TOTAL	1,782,478	673,993

NOTE 6: OTHER ASSETS

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Other Non-Current assets		
(a) Prepaid Expenses	5,051,732	19,866,667
Total (i)	5,051,732	19,866,667
(ii) Other Current Assets		
(a) Prepaid Expenses	3,011,080	5,360,253
(b) Indirect tax recoverable	400,319	420,726
(c) Gratuity Balance		
Total (ii)	3,411,399	5,780,979
TOTAL (i)+(ii)	8,463,131	25,647,646

NOTE 7 : TRADE RECEIVABLES

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good	14,904,201	16,036,342
TOTAL	14,904,201	16,036,342

NOTE 8 : CASH & BANK BALANCES

Amount ₹

Cash & Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
i) in current accounts	17,454,078	1,369,821
ii) in deposit accounts with original maturity not more than 3 months	403,800,000	106,900,000
	421,254,078	108,269,821

Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
i) in deposit accounts with original maturity more than 3 months	78,471,063	223,610,758
	78,471,063	223,610,758

NOTE 9 : SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Authorised Share Capital : Equity Shares of Rs. 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
Issued and Subscribed Capital Equity Shares of Rs. 10/- each fully paid-up	19,398,000	193,980,000	19,398,000	193,980,000
	19,398,000	193,980,000	19,398,000	193,980,000

(i) The Company has one class of Equity Shares with face value of Rs 10 each. Each Shareholder has a voting right in proportion to their holding of the paid up Equity Share Capital of the Company. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(ii) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	Amount ₹
As at 31st March, 2019	19,398,000	193,980,000
Shares issued during the year	-	-
As at 31st March, 2020	19,398,000	193,980,000
Shares issued during the year	-	-
As at 31st March, 2021	19,398,000	193,980,000

(iii) Details of Equity shares held by holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
IL&FS Investment Managers Limited	16,800,000	168,000,000	16,800,000	168,000,000
	16,800,000	168,000,000	16,800,000	168,000,000

(iv) Details of Equity shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
IL&FS Investment Managers Limited	16,800,000	86.61%	16,800,000	86.61%
Life Insurance Corporation of India	1,500,000	7.72%	1,500,000	7.72%
	18,300,000	94.33%	18,300,000	94.33%

Note 10 : Other Equity

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance at beginning of year	233,961,262	122,313,165
Profit for the period/year	88,930,126	111,680,815
Other Comprehensive Income	197,110	(32,718)
Balance at end of the year	323,088,498	233,961,262

NOTE 11 : Long Term Provisions

Amount ₹

Non Current- Employee Benefit Obligations

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashment	2,708,711	2,067,467
Provision for Gratuity	1,106,036	692,286
Total	3,814,747	2,759,753

NOTE 12 : TRADE PAYABLES

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables – Other than micro, small and medium enterprises	3,937,321	5,223,793
	3,937,321	5,223,793

According to the records available with the Company, there were no dues to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given. This information has been provided by the Company and relied upon by the auditors

NOTE 13 : OTHER LIABILITIES

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Other Current Liabilities		
(a) Statutory Dues	4,041,391	4,121,681
(b) Other Payable	489,757	425,921
Total	4,531,148	4,547,602

NOTE 14 : Short Term Provisions

Amount ₹

Current Employee Benefit Obligations

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashment	1,505,396	1,694,456
Provision for Gratuity	548,002	548,002
Total	2,053,398	2,242,458

Note 15 : REVENUE FROM OPERATIONS

Amount ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Management Fee	167,422,987	177,627,165
Total	167,422,987	177,627,165

Note 16 : OTHER INCOME

Amount ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	18,183,896	19,559,051
Profit of sale of assets	-	-
Interest on Income Tax refund	5,677,755	-
Miscellaneous Income	-	111
	23,861,651	19,559,162

Note 17 : EMPLOYEE BENEFIT EXPENSES

Amount ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Allowances	24,891,896	27,924,873
Contribution to Provident and Other Funds	2,166,317	2,460,677
Staff Training and Welfare Expenses	125,498	332,696
	27,183,711	30,718,246

Note 17.1 : DEFINED CONTRIBUTION PLANS

The Company makes Provident Fund and Pension Fund contributions to the relevant authorities, which are defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Amount ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	831,564	981,095
Employer's Contribution to Pension Fund	657,600	768,241

Note 17.2 : DEFINED BENEFIT PLANS

The Company provides gratuity (which is funded) as employee benefit schemes to its employees. The following table sets out the status of the defined benefit scheme and the amount recognised in the financial statements:

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation :

Amount ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined Benefit obligation at beginning of the year	4,198,348	4,015,146
Current Service Cost	592,441	673,813
Interest Cost	286,747	311,575
Benefits paid / Liability Transferred out	-	(936,253)
Actuarial (Gains)/ loss	(255,115)	134,067
Defined Benefit obligation at year end	4,822,421	4,198,348

(ii) Expenses recognised during the year:

Particulars	Amount ₹	
	For the year ended March 31, 2021	For the year ended March 31, 2020
In Income Statement		
Current Service Cost	592,441	673,813
Interest Cost	84,712	37,528
Net Cost	677,153	711,341
In Other Comprehensive Income (OCI)		
Actuarial (Gains)/losses	(255,115)	134,067
Return on Plan Assets	(8,288)	(88,738)
Net (income)/expense for the year recognised in OCI	(263,403)	45,329

(iii) Change in the Fair Value of Plan Assets

Particulars	Amount ₹	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair Value of Plan Assets at the Beginning of the year	2,958,060	35,31,528
Interest Income	202,035	2,74,047
(Benefit Paid from the Fund)	-	(9,36,253)
Return on Plan Assets, Excluding Interest Income	8,288	88,738
Fair Value of Plan Assets at the End of the year	3,168,383	2,958,060

(iv) Actuarial Assumptions:

Particulars	Amount ₹	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality Table	IALM(06-08)	IALM(06-08)
Discount rate (per annum)	6.86%	6.83%
Rate of escalation in salary (per annum)	6.50%	6.50%

IALM- Indian Assured Lives Mortality

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the obligations.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary

Note 18 : OTHER OPERATING EXPENSES**Amount ₹**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent Expenses	4,046,706	4,562,548
Electricity Charges	20,607	79,861
Rates & Taxes	406,145	955,910
Travelling & Conveyance	38,268	813,384
Legal & Professional Charges	20,770,112	16,163,981
Repairs & Maintenance	107,429	1,279,737
Software Support charges	18,909	1,380,195
Insurance Expenses	1,409,530	1,159,698
Service Charges	325,000	452,767
Director Sitting Fees	350,000	170,000
Communication Expenses	122,080	207,635
Printing and Stationery	25,768	67,257
Auditors' Remuneration	375,000	375,000
Distribution Commission	16,269,248	4,371,205
Business Promotion	400,003	454,384
CSR contribution	1,269,007	1,064,372
Miscellaneous Expenses	368,284	182,996
	46,322,096	33,740,930

Note 18.1 : PAYMENT TO AUDITORS**Amount ₹**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Audit Fees	375,000	375,000
	375,000	375,000

Note 19 : Earning Per Share

Particulars	Amount ₹	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) for the year attributable to Equity Shareholders (₹)(A)	88,930,126	111,680,815
Weighted Average Number of Equity Shares (B)	19,398,000	19,398,000
Nominal Value per share (₹)	10	10
Basic and Diluted Earnings per share(₹) (A/B)	4.58	5.76

Note 20 : Related Party Transactions

a) Name of the Related Parties and Description of Relationship:

Sr No	Ultimate Holding Company
1	Infrastructure Leasing and Financial Services Limited (IL&FS)
Sr No	Holding Company
2	IL&FS Investment Managers Limited (From January 1, 2017)
Sr No	Fellow Subsidiaries
1	IL&FS Financial Services Limited (from January 1, 2017) (IFIN)
2	IL&FS Securities Services Limited (ISSL)
3	IL&FS Wind Power Services Limited (Till 09th April 2020)
Sr No	Mutual Fund Managed by Company
1	IL&FS Mutual Fund IDF
Sr No	Key Managerial Person
1	Mr Jignesh Shah (Managing Director &CEO)
2	Mr Amit Mainkar (Chief Financial Officer) (till 10th January2020)
3	Miss Payal Bhimrajka (Company Secretary) (From 14th October 2019)
4	Mr Dinesh Ladwa (Company Secretary) (till 17th April2019)

b) The nature and volume of transactions during the year ended March 31, 2021 with the above related parties were as follows:

Nature of Transaction	Amount ₹		
	Ultimate Holding Company	Fellow Subsidiaries	Person/Mutual Fund Managed by the
Rent Expenses			
IL&FS	4,046,706		-
Reimbursement of Electricity Charges			
IL&FS	27,607		-
Service Charges			
IFIN		325,000	-
Reimbursement Insurance Expenses			
IL&FS	317,421		
IFIN		60,696	
Managerial Remuneration			
Jignesh Shah	-	-	10,467,888
Payal Bhimrajka			883,750
Management Fees Income			
IDF	-	-	167,422,987

c) The nature and volume of transactions during the year ended March 31, 2020 with the above related parties were as follows:

Nature of Transaction	Amount ₹		
	Ultimate Holding Company	Fellow Subsidiaries	Key Managerial Person/Mutual Fund Managed by the Company
Rent Expenses			
IL&FS	4,799,583		-
Reimbursement Electricity Charges			
IL&FS	82,861		-
Service Charges			
IFIN		452,767	-
Reimbursement of Insurance Expenses			
IL&FS	(379,650)		
IFIN		51,459	
Reimbursement Staff Welfare Expenses-Pantry			
IL&FS Wind Power Services Limited		87,259	
Repairs & Maintenance Expenses			
IL&FS	38,762		
Legal & Professional Expenses			
IL&FS	29,008		
ISSL		1,256,191	
IDF		3,282	
Managerial Remuneration			
Jignesh Shah	-	-	9,988,838
Amit Mainkar	-	-	4,564,839
Payal Bhimrajka			404,194
Dinesh Ladwa	-	-	357,391
Management Fees Income			
IDF	-	-	177,627,165

d) Statement of significant balances as at March 31, 2021 are as follows:

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries	Mutual Fund Managed by the Company
Trade Receivables			
IDF			14,904,201
Trade Payables			
IL&FS	130,820		-

e) Statement of significant balances as at March 31, 2020 are as follows:

Nature of Transaction	Ultimate Holding Company	Fellow Subsidiaries	Mutual Fund Managed by the Company
Trade Receivables			
IDF			16,036,342
Short Term Loans & Advances			
IL&FS	385,263		-
Trade Payables			
IDF			3282
IL&FS	58,049		-

f) The Company had given an ICD of Rs 200,000,000/- to IL&FS Financial Services Limited (IFIN) on March 27, 2018, when IFIN had a AAA rating. The ICD was unsecured. During the FY 2018-19 credit rating of IFIN as been downgraded to 'D'. Since the substantial part of IFIN lending have become NPA, the Company has during the FY 2018-19, written off an amount of Rs 150,203,425 (Rs 203,425 is interest accrued in FY 2017-18) and made a provision for the balance Rs 50,000,000. Further the Company has not accrued interest income on the said amount of Rs 50,000,000 for which provision has been made in full. During the year FY 2019-20 the balance provision of Rs 50,000,000, has also been written off in full.

Note 21 : SEGMENT REPORTING

The Company acts as the asset manager of IL&FS Mutual Fund (IDF). Accordingly, the Company operates in single operating & geographical segments as per IND AS 108 Operating Segments

Note 22 : TAXATION

Amount ₹

Income tax recognised in the profit and loss account

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax	29,815,024	18,948,734
Deferred Tax	(1,108,485)	1,611,013
Total income tax expenses recognised in the current year	28,706,539	20,559,747

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Amount ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) before tax	117,689,039	132,534,800
Applicable tax rate	25.17%	27.82%
Computed tax expense	29,619,977	36,871,181
Effect of Disallowed Expenses	240,538	53,512
Effect of expenses not considered in determining profits	(45,491)	(13,981,486)
Carry Forward Loss	-	(582,609)
MAT Credit	-	(3,411,864)
Current Tax expense recognized in the statement of profit and loss	29,815,024	18,948,734
Temporary Timing Difference	(1,108,485)	1,611,013
Total income tax expenses recognised in the current year	28,706,539	20,559,747

The tax rate used for the reconciliations above is a corporate tax rate payable by corporate entities in India on taxable profits under the Income Tax Law

Non Current Tax Asset/(Current Tax Liabilities)

Amount ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax and Tax Deducted at source (Net of provision)		
At the start of the year	55,789,134	43,866,692
Tax effect during the year	(53,483,347)	11,922,442
At the end of the year	2,305,787	55,789,134

Note 23: Corporate Social Responsibility (CSR) Expenditure

(a) Gross amount required to be spent by the company during the year as per section 135(5).- Rs. 12,69,007/-

(b) Amount approved by the Board to be spent during the year - Rs. 12,69,007/-

(c) Amount spent during the year on:

Sr. No.	Particulars	Amount (In Rs.)
1	Construction/Acquisition of any Asset	-
2	On purposes other than (i) above	
	Prime Minister National Relief Fund	12,69,007

Note 24 : Financial Risk Management**Credit risk**

Credit risk is the risk that customers or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities which is primarily trade receivables.

The Company is the Asset Manager of IL&FS Mutual Fund (IDF) which is the only customer of the Company. The Company earns Management Fees from the Fund at the specified rates agreed upon with relevant schemes in accordance with SEBI (Mutual Funds) Regulations, 1996, as amended. The Company timely receives the Management Fees regularly and regularly monitors the credit risk arising from the same

Note 25: Going Concern

The company has considered the possible effects that may arise as a result of the COVID-19 pandemic on its financial statements and business as a whole. The Company has evaluated the impact of the COVID-19 pandemic on its business operations and financial position based on current indicators of future economic conditions and forecasts. There is no impact of COVID-19 on the financial results for the year ended March 31, 2021.

The extent to which the COVID-19 pandemic will impact the Company's future results will depend on any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact which is highly uncertain. Since the Company's income is linked to the Asset Under Management (AUM) of the Mutual Fund, any deterioration in the value of the investments made by the Mutual Fund on account of the COVID-19 impact can have a direct impact on the revenues of the Company. As the asset management company of the Mutual Fund, the Company continues to closely monitor the investments made by the mutual fund to identify any early warning signals of the COVID-19 impact.

Note 26 : Previous year's figures have been regrouped/reclassified to make them comparable with those of current year

Note 27 : The financial statements were approved by the Board of Directors on June 21, 2021

For N. M. RAJI & CO.
Chartered Accountants
Firm Registration No.: 108296W

For and on Behalf of the Board of Directors

Sd/-
Vinay D. Balse
Partner
Membership No.: 039434

Sd/-
Nand Kishore
Chairman
DIN: 08267502

Sd/-
Jignesh Shah
CFO & CEO
DIN: 01587849

Place: Mumbai
Date: June 21, 2021

Place: Noida

Place: Mumbai