

IDFC ASSET MANAGEMENT COMPANY LIMITED

CIN U65993MH1999PLC123191

DIRECTORS Mr. Vikram Limaye (Chairman)
(till July 15, 2017)
Mr. Sunil Kakar (Chairman)
(w.e.f. July 16, 2017)
Mr. Vishwvir Saran Das
Ms. Anita Ramachandran

AUDITORS Price Waterhouse & Co
Chartered Accountants LLP

**PRINCIPAL
BANKER** IDFC Bank Limited

**REGISTERED
OFFICE** One Indiabulls Centre,
6th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai 400 013
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BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Eighteenth Annual Report of IDFC Asset Management Company Limited ("the Company" or "IDFC AMC") together with the audited financial statements for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

PARTICULARS	(AMOUNT IN ₹)	
	FOR THE YEAR ENDED MARCH 31, 2018	FOR THE YEAR ENDED MARCH 31, 2017
Total Income	3,184,916,879	3,096,303,079
Less: Total Expenses	2,372,717,273	1,696,287,581
Profit before Tax	812,199,606	1,400,015,498
Less: Provision for Tax	267,357,044	427,201,307
Profit after Tax	544,842,562	972,814,191

COMPANY'S AFFAIRS

I. Mutual Funds

IDFC Asset Management Company Limited ("IDFC AMC" or "the Company") is the Investment Manager of the schemes of IDFC Mutual Fund ("IDFC MF"). The Assets under Management of IDFC MF were ₹ 64,550.58 crore (excluding Fund of Funds Schemes) as on March 31, 2018.

New Scheme launches:

During FY18, below schemes were launched

SR. NO.	NAME OF THE SCHEME	TYPE OF SCHEME
1	IDFC Equity Opportunity - Series 4	Close-ended equity scheme
2	IDFC Equity Opportunity - Series 5	Close-ended equity scheme
3	IDFC Fixed Term Plan - Series 140	Close-ended debt scheme
4	IDFC Fixed Term Plan - Series 141	Close-ended debt scheme
5	IDFC Fixed Term Plan - Series 142	Close-ended debt scheme
6	IDFC Fixed Term Plan - Series 144	Close-ended debt scheme

II. Portfolio Management Services:

The Company is registered as a Portfolio Manager with the Securities and Exchange Board of India ("SEBI") to carry out Portfolio Management Services pursuant to SEBI (Portfolio Managers) Regulations, 1993. IDFC Hybrid Infrastructure Portfolio was the first portfolio offering for domestic retail investors under the PMS platform of the Company. The investment objective of HIP is to invest in permitted securities / instruments issued by companies operating in the Infrastructure space and endeavour to achieve risk adjusted medium to long term capital appreciation.

The Company also acts as an Investment Manager to IDFC S.P.I.C.E. Fund, the objective of the fund is to achieve attractive risk adjusted returns through investments in medium to long term unlisted and listed opportunities in social infrastructure, physical infrastructure, consumption and environment sectors.

Additionally, the company has also rolled out a couple of innovative strategies.

1. A new Alternative Investment Fund (AIF), 'IDFC IEH Conservative Fund', an Equity Long/Short Low Net Market neutral Product. The objective of this fund is to outperform long term debt, whilst keeping portfolio volatility lower than the main equity index over a cycle.
2. IDFC NEO Equity Portfolio, a PMS portfolio that incorporates Artificial Intelligence and Machine Learning, with an objective to outperform the BSE 200 Index.

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount transferred to reserves are given in note no. 5 of the Notes forming part of the financial statements.

DIVIDEND

The Company has made a profit after tax of ₹ 54.48 crore For FY18. The Directors recommend a dividend of ₹ 120 (i.e. 1200%) per equity share on face value of ₹10 for the financial year ended March 31, 2018.

SUBSIDIARY COMPANIES / ASSOCIATES / JOINT VENTURES

As on March 31, 2018, the Company had one subsidiary, namely IDFC Investment Managers (Mauritius) Limited ("IMML"). The Board of Directors of the Company reviews the affairs of its subsidiary companies regularly. Further, a statement containing the salient features of the financial statement and details of performance and financial positions of IMML in the format AOC-1 is appended as **Annexure I**.

BOARD'S REPORT

ALTERATION OF ARTICLES OF ASSOCIATION

During FY18, the Company adopted the new set of Articles of Association vide a special resolution passed at the Annual General Meeting held on July 25, 2017.

PARTICULARS OF EMPLOYEES

The Company had 213 employees as on March 31, 2018.

The Disclosure pertaining to the provisions of Section 197 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (to the extent applicable) a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

EMPLOYEE STOCK OPTIONS

Pursuant to provisions of Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (Rules), the Members of the Company at its Extra-ordinary General meeting held on September 7, 2017, approved **IDFC AMC Employee Stock Option Scheme 2017 ("ESOS 2017")** to enable the employees of the Company to participate in the future growth and financial success of the Company. Accordingly, the options were granted to employees of the Company under ESOS 2017. There were no options vested during the year. Details required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (Rules) forms integral part of this Annual Report. The Annual Report excluding the aforesaid information is being sent to the Shareholders of the Company and is available for inspection of the Shareholders of the Company at its Registered Office.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any Public Deposits.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans or guarantee or investments of the Company under the provisions of Section 186 of the Companies Act, 2013.

FOREIGN EXCHANGE EXPENDITURE AND EARNING

The particulars regarding foreign exchange expenditure are furnished in Note no. 22 in the Notes forming part of the Financial Statements. There were no foreign exchange earnings during FY18.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not undertake any manufacturing facility, the disclosure of information on matters required to be disclosed in terms of Section 134(3)(m) are not applicable and hence not given.

DIRECTORS

During the year, Mr. Vikram Limaye resigned as a Director w.e.f. July 15, 2017. The Board places on record sincere appreciation for services rendered by him during his tenure.

The Board appointed Mr. Sunil Kakar as an Additional Director in the category of Nominee Director w.e.f. July 16, 2017. At the Annual General Meeting of the Company held on July 15, 2017, the Members appointed Mr. Sunil Kakar as a Nominee Director of IDFC Limited vide an Ordinary Resolution. Further, the same AGM, the Members reappointed Mr. Vishwvir Saran Das as an Independent Director of the Company for two years from the conclusion of the 17th AGM till the conclusion of 19th AGM to be held for FY19. This being the second term of Mr. Vishwvir Saran Das, the said reappointment was approved vide a special resolution.

At the Annual General Meeting held on July 21, 2016, the Members of the Company appointed Ms. Anita Ramachandran (DIN: 00118188) as an Independent Director to hold office from the conclusion of that Annual General Meeting till the conclusion of the Eighteenth Annual General Meeting of the Company to be held for the FY18 i.e. ensuing Annual General Meeting. Pursuant to provisions of Section 149(10) & (11) of the Companies Act, 2013, Independent Director can be appointed for another term, if the same is approved by the shareholders by way of Special Resolution.

On recommendation of the Nomination and Remuneration Committee and considering the valuable contributions and continued association of Ms. Anita Ramachandran, the Board proposed to reappoint her for three consecutive years as ID of the Company to hold office from the conclusion of the ensuing AGM to be held on June 4, 2018 till June 3, 2021. She fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is Independent of the Management. In the opinion of the Board, Ms. Anita Ramachandran is a person of integrity and has the necessary knowledge, experience and expertise for being reappointed as ID. She shall not be liable to retire by rotation. The Members are requested to consider reappointment of Ms. Anita Ramachandran at ensuing AGM by passing special resolution.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Mr. Sunil Kakar will retire by rotation at the ensuing AGM to be held for FY18. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member along with a deposit of ₹ 1,00,000/- proposing the candidature of the Mr. Sunil Kakar as Nominee Director.

The Members are requested to approve the appointments of Mr. Sunil Kakar and Ms. Anita Ramachandran at the ensuing AGM.

BOARD'S REPORT

DECLARATION OF INDEPENDENCE

The Company has received a declaration from IDs, at the time of their respective appointments and also at the first meeting of the Board of Directors held in the financial year, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

MEETINGS OF THE BOARD

During the year, Seven Board meetings were held on April 24, 2017; July 25, 2017; August 9, 2017; October 24, 2017; November 28, 2017; January 23, 2018 and March 26, 2018. The gap between two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013. Your Company has complied with the provisions of Secretarial Standard I on Meetings of Board of Directors issued by the Institute of Company Secretaries of India.

Attendance details of Board of Directors for the Board Meetings held during FY18 are given below.

NAME OF THE DIRECTOR	DIN	POSITION	NO. OF MEETINGS HELD IN FY17	NO. OF MEETINGS ATTENDED IN FY17
Mr. Vikram Limaye ¹	00488534	Nominee of IDFC - Chairman	1	1
Mr. Sunil Kakar ²	03055561	Nominee of IDFC - Chairman	6	6
Mr. Vishwavir Saran Das	03627147	Independent Director	7	7
Ms. Anita Ramachandran	00118188	Independent Director	7	6

¹ Tendered his resignation w.e.f. July 15, 2017.

² Appointed as Nominee Director w.e.f. July 16, 2017

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (earlier known as Audit Committee) was reconstituted on July 17, 2017. During the year, Four Audit and Risk Management Committee meetings were held on April 24, 2017, July 25, 2017, October 24, 2017 and January 23, 2018. The gap between two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013.

Attendance details of Directors for the Audit Committee Meetings held during FY18 are given below.

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Vishwavir Saran Das	Independent Director	Chairman	4	4
Ms. Anita Ramachandran	Independent Director	Member	4	3
Mr. Vikram Limaye ¹	Nominee of IDFC	Member	1	0
Mr. Sunil Kakar ²	Nominee of IDFC	Member	3	3

¹ Resigned as a Member w.e.f. July 15, 2017

² Appointed as a Member of the Committee w.e.f. July 17, 2017

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted on July 17, 2017. During the year, Four meetings of NRC were held on April 24, 2017, August 9, 2017, January 23, 2018 and March 26, 2018.

Attendance details of Directors for the NRC Meetings held during FY18 are given below.

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Ms. Anita Ramachandran	Independent Director	Chairperson	4	3
Mr. Vishwavir Saran Das	Independent Director	Member	4	4
Mr. Vikram Limaye ¹	Nominee of IDFC	Member	1	1
Mr. Sunil Kakar ²	Nominee of IDFC	Member	3	3

¹ Tendered his resignation w.e.f. July 15, 2017

² Appointed as a Member of the Committee w.e.f. July 17, 2017

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of Independent Directors was held on April 24, 2017. All Independent Directors attended the said meeting.

BOARD'S REPORT

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, a detailed questionnaire was circulated to the Board for Annual evaluation. The Directors evaluated the Board as a whole, its committee and Individual Directors including Chairman. The exercise of Board evaluation was carried out and completed effectively.

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and Other Employees which is in line with the Section 178 of Companies Act, 2013 and Rules made thereunder.

STATUTORY AUDITORS

At the AGM held on July 25, 2017, the Members of the Company appointed Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) ("PWC") as the Statutory Auditors of the Company for a period of Five years from the 17th AGM of the Company till the conclusion of the 22nd AGM of the Company to be held for FY22 subject to subsequent ratification on annual basis. The Members are requested to ratify the appointment of PWC for FY19 at the ensuing AGM.

PWC have confirmed that their appointment, if made, would be in conformity with the provisions of Section 141 of the Companies Act, 2013 and have also indicated their willingness to be appointed.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company appointed M/s Kaushik Jhaveri & Co., Practising Company Secretary, as Secretarial Auditors to undertake the Secretarial Audit of the Company for FY18.

There are no qualifications or observations or other remarks made by the Secretarial Auditors in their report.

The Secretarial Audit Report forms part of this Board's Report as **Annexure II**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

In 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. IDFC Group has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. The Company has in place a Policy on Related Party Transactions and the same is uploaded on the website of the Company.

The Audit Committee reviews the details of related party transactions entered into by the Company on quarterly basis.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

INTERNAL CONTROL SYSTEMS

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls. Internal audits of all the business units of the Company are regularly carried out to review the Internal Control Systems. The Audit Reports of Internal Auditors along with their recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. The Internal Auditors verified the key Internal Financial Control by reviewing key controls impacting financial reporting and Enterprise risk management procedures of the Company and found the same satisfactory. It was placed before the Audit Committee of the Company.

RISK MANAGEMENT

The Audit and Risk Management Committee of the Company reviewed the risk register at every meeting held during the year. The Members of the Audit and Risk Management Committee ensure the measurement and control of risk factors and advice on the same to the Management of the Company.

MATERIAL CHANGES / COMMITMENTS

As per Section 134(3)(l) of Companies Act, 2013, there have been no reportable changes and commitments, affecting the financial position of the Company that has occurred during the period from March 31, 2018 till the date of this report.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

BOARD'S REPORT

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL

There are no significant and material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

There were no instances of Sexual Harassment that were reported during FY18 under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

The extract of the Annual Return in the prescribed Form No. MGT 9 is appended as **Annexure III**. The Annual Return of the Company for FY18 has been hosted at www.idfcmf.com.

CORPORATE SOCIAL RESPONSIBILITY

During the year, Corporate Social Responsibility Committee was reconstituted on July 17, 2017. As on March 31, 2018, the Corporate Social Responsibility Committee comprises of the following:

1. Mr. Sunil Kakar - Chairman
2. Mr. Vishwavir Saran Das
3. Ms. Anita Ramachandran

In FY18, one meeting of CSR Committee was held on October 24, 2017 where all members were present.

The composition of CSR Committee is in compliance with the Companies Act, 2013. The disclosure of contents of CSR Policy as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **Annexure IV** (will be sent separately).

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual financial statements on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS

The Board places on record its gratitude to SEBI, Association of Mutual Funds of India, other regulatory authorities and institutions and Investors of the Mutual Fund schemes for their continued guidance and support and expresses its sincere appreciation to all the employees for their commendable teamwork and enthusiastic contribution during the year.

The Directors also express their gratitude for the unstinted support and guidance received from IDFC Limited, IDFC Financial Holding Company Limited and other group companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sunil Kakar

Chairman

Mumbai, April 23, 2018

ANNEXURE I

FORM AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

1. CIN	-
2. Name of the subsidiary	IDFC Investment Managers (Mauritius) Limited
3. Date since when subsidiary was acquired	September 13, 2010
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2017 to March 31, 2018
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR*
6. Share capital (as on March 31, 2018)	2,50,69,224
7. Reserves & surplus (as on March 31, 2018)	(14,271,478)
8. Total assets (as on March 31, 2018)	13,746,225
9. Total Liabilities (as on March 31, 2018)	13,746,225
10. Investments	Nil
11. Turnover	Nil
12. Profit/(Loss) before taxation	(2,050,627)
13. Provision for taxation	Nil
14. Profit/(Loss) after taxation	(2,050,627)
15. Proposed Dividend	Nil
16. % of shareholding	100

*Exchange Rate:

Closing Rate: 1 USD = 65.0441

Average Rate: 1 USD = 64.4932

PART "B": ASSOCIATES AND JOINT VENTURES

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

NOT APPLICABLE

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Sunil Kakar
Director

Nirav Shah
Company Secretary

Vishwavir Saran Das
Director

Rupesh Acharya
Chief Financial Officer

Mumbai, April 23, 2018

ANNEXURE II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To,
The Members,

IDFC Asset Management Company Limited

One India Bulls Centre, 841 Jupiter Mills Compound,
Senapati Bapat Marg, Elphinstone (West),
Mumbai - 400 013
CIN: U65993MH1999PLC123191

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDFC ASSET MANAGEMENT COMPANY LIMITED** having CIN: U65993MH1999PLC123191 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 ('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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **IDFC ASSET MANAGEMENT COMPANY LIMITED** for the financial year ended on 31st March, 2018 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; **(Not applicable to the company during the audit period)**
- (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 and Overseas Direct Investment. The Company does not have any External Commercial Borrowings for the financial year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the audit period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the audit period)**
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during audit period).**

ANNEXURE II

SECRETARIAL AUDIT REPORT

We have relied on the report of Internal Auditors placed at the Board Meeting and on the representations made by the Company, its officers for systems and mechanisms developed by the Company in order to ensure compliances under the other applicable Acts, Laws and Regulations to the Company. The list of Acts, Other Laws and Regulations specifically applicable to the Company are given below:

- (i) The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended;
- (ii) The Prevention of Money Laundering Act, 2002

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company during audit period).**

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

We further inform that the Company has adequate Composition of Board of Directors as per SEBI (Mutual Funds) Regulations, 1996 and Companies Act, 2013.

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

During the period under review, the decisions were carried unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that, during the period under, there are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

For Kaushik M. Jhaveri & Co.,

Kaushik M. Jhaveri

Practising Company Secretary
FCS No.: 4254; CP No. : 2592

Mumbai, April 10, 2018

ANNEXURE III

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U65993MH1999PLC123191
ii) Registration Date	20/12/1999
iii) Name of the Company	IDFC ASSET MANAGEMENT COMPANY LIMITED
iv) Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
v) Address of the Registered office and contact details	One India Bulls Centre, 841 Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400013, Maharashtra. Tel.: +91 22 6628 9999, Fax: +91 22 2421 5051
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011. Tel.: +91 22 6656 8484

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1.	Asset Management	66301	95.16

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IDFC Limited	L65191TN1997PLC037415	Ultimate Holding	Indirectly 100	Section 2(46)
2	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Holding	100	Section 2(46)
3	IDFC Investment Managers (Mauritius) Ltd.	N.A.	Subsidiary	100	Section 2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promoters									
(1) Indian									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	2,679,039	6	2,679,045	100%	2,679,039	6	2,679,045	100%	NIL
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	2,679,039	6	2,679,045	100%	2,679,039	6	2,679,045	100%	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2,679,039	6	2,679,045	100%	2,679,039	6	2,679,045	100%	NIL

ANNEXURE III

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	2,679,039	6	2,679,045	100%	2,679,039	6	2,679,045	100%	NIL

(ii) Shareholding of Promoters

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	
1	IDFC Financial Holding Company Limited & its nominees	2,679,045	100%	NIL	2,679,045	100%	NIL	NIL
Total		2,679,045	100%	NIL	2,679,045	100%	NIL	NIL

(iii) Change in Promoters' Shareholding: NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

(v) Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

B. Remuneration to other directors:

IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS				TOTAL AMOUNT
		VIKRAM LIMAYE ¹	SUNIL KAKAR ²	VISHWAVIR SARAN DAS	ANITA RAMACHANDRAN	
1.	Independent Directors					
	Fee for attending board committee meetings			425,000	350,000	775,000
	Commission			NIL	NIL	
	Others, please specify			NIL	NIL	
	Total (1)			425,000	350,000	775,000
2.	Other Non-Executive Directors	NIL	NIL			NIL
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)	NIL	NIL			NIL
	Total (B) = (1 + 2)	NIL	NIL	425,000	350,000	775,000
	Overall Ceiling as per the Act	Within the ceiling limit				

¹ Tendered his resignation w.e.f. July 15, 2017

² Appointed as Nominee Director w.e.f. July 16, 2017

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NOT APPLICABLE

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

ANNEXURE IV

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Company's business strategy for overall value creation for all stakeholders. IDFC believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities Pan-India befitting its status as a conscientious corporate citizen.

Section 135 of Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules 2014 requires IDFC AMC Ltd. to mandatorily spend on CSR.

During the year, IDFC AMC Ltd. carried out CSR activities through its associate company, namely, IDFC Foundation, a not-for-profit Company within the meaning of Section 8 of the Act, 2013 (erstwhile Section 25 of the Companies Act, 1956).

The object of the CSR activities would seek to -

- (a) serve the poor, marginalised and underprivileged
- (b) promote inclusion
- (c) be sustainable
- (d) meet needs of the larger community and society

IDFC Foundation, as implementing agency on behalf of IDFC Limited and its group companies, undertook the following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Act for promoting the development of -

- (a) livelihoods
- (b) rural development projects
- (c) promoting healthcare including preventive health care
- (d) education
- (e) community engagement/development
- (f) environmental sustainability
- (g) disaster relief
- (h) research and studies in all or any of the activities mentioned in Schedule VII and
- (i) Others

2. The Composition of the CSR Committee.

Mr. Sunil Kakar

Mr. Vishwavir Saran Das

Ms. Anita Ramachandran

3. Average net profit of the company for last three financial years ₹ 138.29 Cr

4. Prescribed CSR Expenditure (2% of the amount as in item 3. above) ₹ 2.77 Cr

5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year: ₹ 2.77 Cr
- b) Amount spent during the year: ₹ 2.77 Cr
- c) Amount unspent, if any; NIL
- d) Manner in which the amount spent during the financial year is detailed below: **Annexure - A**

6. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

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

For IDFC Asset Management Company Limited

Place : Mumbai
Date : April 23, 2018

Sunil Kakar
Chairman - CSR Committee

Vishwavir Saran Das
Director

ANNEXURE A

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

(1)	(2)	(3)
SR. NO	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED (CLAUSE NO. OF SCHEDULE VII TO THE COMPANIES ACT, 2013, AMENDED)
1	Improvement in the learning environment in night schools - which cater to underprivileged students.	Cl.(ii) promoting education
2	Improvement in learning outcomes and universalization of primary education for a set of 60 schools in the backward blocks of Ramgarh and Kishangarh through an identified set of interventions and infrastructure improvements.	Cl.(ii) promoting education
3	Promoting Digital Literacy amongst School Students to enable access to universal knowledge, quality education, healthcare, transparent governance and economic opportunities.	Cl.(ii) promoting education
4	Support towards strengthening and improving the quality of life in Indian cities and towns.	Cl.(ii) promoting education Cl.(ii) livelihood enhancement projects,
Total		
5	Providing economic and affordable service delivery on water and sanitation to the community.	Cl.(i) Sanitation & Safe Drinking water
Total		
6	Cattle Care program for breed improvement by providing services such as Artificial Insemination (AI) & other Veterinary Services to enhance the livelihoods of small and marginal farming families in rural districts	Cl.(ii) livelihood enhancement projects,
7	Financial inclusion through interoperable devices to improve access to basic banking & payments network services after providing financial literacy and digital skilling program under Rural Livelihoods & Development Program.	Cl.(ii) livelihood enhancement projects; Cl. (x) rural development projects.
Total		
8	Research & studies on various programmes	Various clauses of Schedule VII
Total		
Total Direct Expense of Project & Programmes (A)		
Overhead Expense (B)		
Total (A) + (B)		
<p>*IDFC Foundation, a wholly owned subsidiary of the IDFC Limited, is an implementing agency of IDFC Limited and its group Companies and engaging Corporate Social Responsibility (CSR) activities as per the CSR policy adopted by IDFC & its group companies in line with the Schedule VII of the act. The Company is primarily focussing on CSR activities as well defined projects or programmes that would include promoting and development of (a) livelihoods, (b) rural development projects, (c) promoting healthcare including preventive health care, (d) education, (e) community engagement/development, (f) environmental sustainability, (g) disaster relief, (h) research and studies in all or any of the activities mentioned in Schedule VII and (i) Others, with the help of various partners.</p> <p>** The excess spending against budget has been made out of the previous years CSR contribution available with the implementing agency i.e. IDFC Foundation.</p>		

₹ IN CRORE

(4) PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	(5) AMOUNT OUTLAY (BUDGET)	(6) AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVER HEADS**	(7) CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	(8) AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
Maharashtra-Mumbai		0.06	0.19	IMPLEMENTING AGENCY - IDFC FOUNDATION*
Rajasthan - Alwar		0.04	0.22	
Madhya Pradesh - Hoshangabad	0.33	0.05	0.15	
Gujarat - Ahmadabad & Surat, Karnataka - Bangalore, Madhya Pradesh - Bhopal, Odisha - Bhubaneswar, Chandigarh, Tamilnadu - Chennai, Kerala - Thiruvananthapuram, Uttarakhand - Dehradun, Delhi, Andhra Pradesh - Hyderabad, Rajasthan - Jaipur, Uttar Pradesh - Kanpur & Lucknow, West Bengal - Kolkata, Punjab - Ludhiana, Maharashtra - Mumbai, Bihar - Patna, Chhattisgarh - Raipur, Jharkhand - Ranchi	0.33	0.20	0.70	
Odisha	0.05	0.02	0.05	
	0.05	0.02	0.05	
Madhya Pradesh - Hoshangabad, Harda, Khandwa, Khargone, Dhar, Bhopal, Raisen, Dewas and Indore, Karnataka - Hubballi (Dharwad), Haveri, Koppal, Bagalkot, Belgaavi	1.47	0.27	0.50	
PAN India		2.33	2.47	
	1.47	2.60	2.97	
PAN India	0.92	0.58	1.54	
	0.92	0.58	1.54	
		3.40	5.26	
		0.04	0.19	
	2.77	3.44	5.45	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC ASSET MANAGEMENT COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of IDFC Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 24, 2017, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those.

INDEPENDENT AUDITOR'S REPORT

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018, on its financial position in its financial statements – Refer Note 31;
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sharad Vasant
Partner
Membership Number : 101119

Mumbai, April 27, 2018.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of IDFC Asset Management Company Limited on the financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of IDFC Asset Management Company Limited ("the Company") as of March 31, 2018 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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.
5. 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

6. 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

7. 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

8. In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number : 101119

Mumbai, April 27, 2018.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of IDFC Asset Management Company Limited on the financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not own any immovable properties as disclosed in Note 10 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans or investments made, or guarantees or security provided by it. The Company has not granted any loans or provided any guarantees or security to parties covered under Section 185 of the Act and accordingly, provisions of Clause 3(iv) of the said Order, to this extent, are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of service tax, duty of customs, duty of excise, value added tax, goods and service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (₹)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE THE DISPUTE IS PENDING
The Finance Act, 1994	Service Tax	14,987,548	April 2009 to March 2018	The Commissioner (Service Tax)

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him within the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number : 101119

Mumbai, April 27, 2018.

BALANCE SHEET

AS AT MARCH 31, 2018

	NOTES	AS AT MARCH 31, 2018 ₹	AS AT MARCH 31, 2018 ₹	AS AT MARCH 31, 2017 ₹
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	4	26,790,450		26,790,450
(b) Reserves and surplus	5	2,018,580,075		2,207,298,747
			2,045,370,525	2,234,089,197
Non-current liabilities				
(a) Other long-term liabilities	6	13,672,780		8,579,072
			13,672,780	8,579,072
Current liabilities				
(a) Trade Payable	7			
total outstanding due of micro enterprises and small enterprises		-		-
total outstanding due of creditors other than micro enterprises and small enterprises		373,980,704		120,742,336
(b) Other current liabilities	8	435,642,597		280,125,417
(c) Short-term provisions	9	93,058,726		119,533,967
			902,682,027	520,401,720
TOTAL			2,961,725,332	2,763,069,989
ASSETS				
Non-current assets				
(a) Fixed assets				
Tangible assets	10	89,005,367		64,998,581
Intangible assets	11	28,539,370		21,412,523
			117,544,737	86,411,104
(b) Non-current investments	12	250,612,965		169,960,965
(c) Deferred tax assets (net)	13	34,127,956		25,485,000
(d) Long-term loans and advances	14	202,402,942		150,899,664
			487,143,863	346,345,629
			604,688,600	432,756,733
Current assets				
(a) Current investments	15	1,999,597,224		2,164,520,826
(b) Trade receivables	16	127,688,639		84,825,111
(c) Cash and bank balances	17	36,021,408		21,574,863
(d) Short-term loans and advances	14	193,729,461		59,392,456
			2,357,036,732	2,330,313,256
TOTAL			2,961,725,332	2,763,069,989
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountant LLP
Chartered Accountants
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership No. 101119

Mumbai, April 27, 2018

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Sunil Kakar
Director

Nirav Shah
Company Secretary
Mumbai, April 23, 2018

Vishwavir Saran Das
Director

Rupesh Acharya
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

	NOTES	YEAR ENDED MARCH 31, 2018 ₹	YEAR ENDED MARCH 31, 2017 ₹
I INCOME			
Revenue from operations	18	3,030,815,213	2,919,649,595
Other income	19	154,101,666	176,653,484
TOTAL INCOME (I)		3,184,916,879	3,096,303,079
II EXPENSES			
Employee benefits expense	20	672,740,652	537,638,105
Depreciation and amortisation expense	9, 10	42,012,345	29,146,764
Other expenses	21	1,657,964,276	1,129,502,712
TOTAL EXPENSES (II)		2,372,717,273	1,696,287,581
III PROFIT BEFORE TAX (I - II)		812,199,606	1,400,015,498
IV TAX EXPENSE			
Current tax		276,000,000	457,800,000
Deferred tax		(8,642,956)	4,102,000
Adjustment of tax relating to earlier periods		-	(34,700,693)
TOTAL TAX EXPENSE (IV)		267,357,044	427,201,307
V PROFIT FOR THE YEAR (III - IV)		544,842,562	972,814,191
Earning per equity share (Nominal value of share ₹10)	29		
Basic		203.37	363.12
Diluted		203.37	363.12
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountant LLP
Chartered Accountants
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership No. 101119

Mumbai, April 27, 2018

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Sunil Kakar
Director

Nirav Shah
Company Secretary
Mumbai, April 23, 2018

Vishwvir Saran Das
Director

Rupesh Acharya
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	₹	₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT / (LOSS) BEFORE TAXATION	812,199,606	1,400,015,498
Adjustment for:		
Add/(Less) : Depreciation and amortisation	42,012,345	29,146,764
Add/(Less) : Lease escalation charge	4,585,112	(776,012)
Add/(Less) : Loss on sale of Fixed assets (net of profit)	747,986	(322,460)
Add/(Less) : Interest on Bank Fixed Deposit	-	(323,273)
Add/(Less) : Profit on sale of current investments	(152,093,551)	(173,829,344)
Add/(Less) : Profit from trading in derivatives	-	(969,953)
Add/(Less) : Interest on income tax refund	(1,901,788)	(602,165)
Add/(Less) : Provision for diminution in value of investment in subsidiary	19,348,000	-
Operating profit before working capital changes	724,897,710	1,252,339,055
Changes in working capital:		
(Increase)/decrease in long term loans and advances	(7,981,155)	(31,263,109)
(Increase)/decrease in trade receivables	(42,863,528)	25,963,019
(Increase)/decrease in short term loans and advances	(134,337,005)	33,825,811
Increase/(decrease) in other current liabilities	156,025,776	251,320,165
Increase/(decrease) in other trade payable	253,238,368	(286,087,558)
Increase/(decrease) in short term provisions	791,614	(14,530,895)
Increase/(decrease) in other bank balance	(16,775,338)	(837,405)
	208,098,732	(21,609,972)
Cash generated from/(used in) operations	932,996,442	1,230,729,083
Direct taxes paid (net of refund and interest thereon)	(344,364,558)	(377,129,361)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	588,631,884	853,599,722
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed asset including capital work-in-progress	(74,835,725)	(67,226,695)
Sale Proceeds from Fixed assets	941,762	518,592
Purchase of investments	(3,510,735,441)	(4,043,727,570)
Sale Proceeds on sale of investments	3,727,229,961	4,214,028,399
Proceeds from trading in derivatives	-	969,953
Investments in Bank Fixed Deposit	-	(20,000,000)
Maturity of Bank Fixed Deposit	-	20,323,273
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	142,600,557	104,885,952
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid (including dividend tax)	(733,561,234)	(983,455,722)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(733,561,234)	(983,455,722)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2,328,793)	(24,970,048)
Cash and cash equivalents as at beginning of the year (refer note 17)	17,600,030	42,570,078
Cash and cash equivalents as at end of the year (refer note 17)	15,271,237	17,600,030
	(2,328,793)	(24,970,048)

Notes:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountant LLP
Chartered Accountants
Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Sharad Vasant
Partner
Membership No. 101119

Sunil Kakar
Director

Vishwavir Saran Das
Director

Nirav Shah
Company Secretary
Mumbai, April 23, 2018

Rupesh Acharya
Chief Financial Officer

Mumbai, April 27, 2018

01 BACKGROUND

IDFC Asset Management Company Limited ('the Company') is a public limited company, incorporated in India under the Companies Act, 1956 and regulated by The Securities Exchange Board of India ("SEBI"). The Company provides asset management services, portfolio management and investment advisory services.

02 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of services and the time between rendering of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

03 SIGNIFICANT ACCOUNTING POLICIES**A. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The differences between estimate and actual outcome are recognised in the Statement of Profit and Loss for the year in which it materialises.

B. INVESTMENTS

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long term investments are carried at acquisition cost. However, a provision is made for diminution other than temporarily determined on an individual basis.

Current investments are carried in the financial statement at lower of cost or fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to Statement of Profit and Loss.

C. TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for the intended use, less accumulated depreciation and accumulated losses, if any. Gains or losses arising from derecognition of fixed assets are measured as difference between the net disposal proceeds and the cost of the assets less accumulated depreciation up to the date of disposal and are recognised in the Statement of Profit and Loss when asset is derecognised. Leasehold Improvements are shown at historical cost less accumulated depreciation.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of remaining asset.

D. DEPRECIATION ON TANGIBLE FIXED ASSETS

Depreciation on tangible fixed assets is provided on straight-line method, as per the useful life prescribed in schedule II to the Companies Act, 2013 except in case of assets costing less than ₹5,000 each, which are fully depreciated in the year of capitalization and vehicles and certain office equipments, in which case, life of asset has been internally assessed based on technical evaluation done by management's expert.

- Computers for 3 years
- Servers and networks for 6 years
- Furniture for 10 years
- Office Equipment for 5 years

- Vehicle for 4 years
- Mobile for 2 years
- Leasehold improvements over the extended lease term or 5 years whichever is earlier.

Depreciation on additions during the year is provided on a pro-rata basis.

E. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets (Computer Software) are amortised over a period of three years on a straight line method. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

F. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing of an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash generating units (CGU) net selling price and it's value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted for their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. In determining net selling price, recent market transactions are taken into account. If available, if no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. REVENUE RECOGNITIONS

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Asset management fees are recognised net of service tax on an accrual basis in accordance with terms of Investment Management Agreement entered into by the Company with IDFC AMC Trustee Company Limited and in accordance with SEBI guidelines.

Income from portfolio management and advisory services is recognised at price agreed in accordance with the arrangement with the customers.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established at the reporting date.

H. FOREIGN CURRENCY TRANSACTIONS

Initial recognition

Foreign currency transactions are recorded in the reported currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transactions.

Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Non monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences on conversion or settlement of monetary assets/liabilities are recognised as income or as expenses in the period in which they arise.

I. OPERATING LEASES

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental charges over the term of such leases, after taking into account the escalation clause, are charged to the Statement of Profit and Loss on a straight line basis over the extended lease term.

J. EXPENSE UNDER EMPLOYEE STOCK OPTION SCHEMES

During the financial year, the Company has constituted an Employee Stock Option Plan. The plan provides for grant of options to employees of the Company in a specific category to acquire equity shares of the Company that vest in a graded manner on meeting specified conditions and that are to be exercised within a specified period. Employee stock options granted are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India ("ICAI").

K. RETIREMENT AND OTHER EMPLOYEE BENEFIT

Retirement benefit in the form of provident fund, superannuation fund and pension fund is a defined contribution scheme and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made. The Company has no obligation, other than the contribution payable to the provident fund, superannuation fund and pension fund.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment.

The Company operates a defined benefit plan for its employees, viz., gratuity in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The cost of providing benefits under this plan is determined on the basis of actuarial valuation by an independent actuary at each year-end which is determined using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in the Statement of Profit and Loss.

Based on the leave rules of the Company, employees are not permitted to accumulate leave. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year.

L. PROVISIONS

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

M. INCOME TAX

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity, if any, is recognised in equity and not in the Statement of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity, if any, is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

N. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

O. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash at bank, cash in hand, fixed deposits with an original maturity of three months or less.

P. EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. Asset Management Services, Investment Advisory and Portfolio Management Services. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

04 SHARE CAPITAL

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	(₹)	NUMBER	(₹)
AUTHORISED SHARES				
Equity shares of ₹ 10 each	35,000,000	350,000,000	35,000,000	350,000,000
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES				
Equity shares of ₹ 10 each	2,679,045	26,790,450	2,679,045	26,790,450
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		26,790,450		26,790,450

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	(₹)	NUMBER	(₹)
Outstanding at the beginning of the year	2,679,045	26,790,450	2,679,045	26,790,450
Issued during the year	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	2,679,045	26,790,450	2,679,045	26,790,450

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2018, dividend of ₹227.5 per share (Previous year ₹305 per share) is paid to equity shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding company

Out of the equity shares issued by the Company, shares held by its holding company/ultimate holding company are as below:

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	(₹)	NUMBER	(₹)
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	2,679,045	26,790,450	2,679,045	26,790,450

(d) Details of shareholders holding more than 5% of the equity shares in the Company

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	2,679,045	100.00%	2,679,045	100.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

(e) Proposed dividends on Equity shares:

The board proposed dividend on equity shares after the balance sheet date

	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
On Equity shares of ₹10 each		
Dividend per Equity Share	120.00	227.50
Amount of dividend proposed	321,485,400	609,482,738
Dividend tax thereon	66,084,539	124,078,496

The Board of Directors, in their meeting held on April 23, 2018 have proposed a final dividend of ₹ 120.00 per equity share (Previous year ₹ 227.50 per share). The proposal is subject to the approval of shareholders at the Annual General Meeting.

(f) Shares reserved for issue under options

Refer note 25 for details of shares to be issued under the Employee Stock Option Plan.

05 RESERVES AND SURPLUS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
(A) SECURITIES PREMIUM ACCOUNT		
Opening balance	221,897,167	221,897,167
Add: Premium on issue of equity shares	-	-
Closing balance	221,897,167	221,897,167
(B) CAPITAL REDEMPTION RESERVE		
Opening balance	197,925,000	197,925,000
Add: Transferred from Statement of Profit and Loss	-	-
Closing balance	197,925,000	197,925,000
(C) GENERAL RESERVE		
Opening balance	345,611,000	345,611,000
Add: Transferred from Statement of Profit and Loss	97,281,500	-
Closing balance	442,892,500	345,611,000
(D) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	1,441,865,580	469,051,389
Profit for the year	544,842,562	972,814,191
Less: Appropriations		
General reserve	97,281,500	-
Dividend on equity shares	609,482,738	-
Tax on equity dividend	124,078,496	-
Total appropriations	830,842,734	-
Closing balance	1,155,865,408	1,441,865,580
TOTAL	2,018,580,075	2,207,298,747

06 OTHER LONG-TERM LIABILITIES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Lease equalisation	13,672,780	8,579,072
	13,672,780	8,579,072

07 TRADE PAYABLES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Total outstanding dues of micro enterprises and small enterprises (refer note 32) and Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(i) Others	373,980,704	120,742,336
	373,980,704	120,742,336

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

08 OTHER CURRENT LIABILITIES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Lease equalisation	407,485	916,081
Statutory dues including provident fund and tax deducted at source	127,877,107	23,422,432
Employee benefits payable	243,038,451	172,786,904
Other payables	64,319,554	83,000,000
	435,642,597	280,125,417

09 SHORT TERM PROVISIONS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Provision for gratuity	791,614	-
Other Provisions		
Provision for income tax (Net of advance tax of ₹ 1,476,354,104; Previous year ₹ 1,449,087,248)	92,267,112	119,533,967
	93,058,726	119,533,967

10 TANGIBLE ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK	
	BALANCE AS AT APRIL 1, 2017	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT APRIL 1, 2017	DEPRECIATION CHARGE FOR THE YEAR	ON DISPOSALS	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT MARCH 31, 2018
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Leasehold improvements	83,398,264	19,366,285	19,330,642	83,433,907	79,412,342	3,378,429	19,269,316	63,521,455	19,912,452
Furniture and fixtures	22,365,413	3,935,316	5,788,250	20,512,479	16,068,178	2,922,007	4,424,387	14,565,798	5,946,681
Office equipment	54,115,413	11,464,068	245,715	65,333,766	46,421,078	5,097,800	242,466	51,276,412	14,057,354
Computers	84,890,439	16,818,096	586,414	101,122,121	51,367,937	11,909,794	586,414	62,691,317	38,430,804
Vehicles	23,124,779	3,907,129	1,131,605	25,900,303	9,626,192	6,486,331	870,296	15,242,227	10,658,076
TOTAL	267,894,308	55,490,894	27,082,626	296,302,576	202,895,727	29,794,361	25,392,879	207,297,209	89,005,367

	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK	
	BALANCE AS AT APRIL 1, 2016	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2017	BALANCE AS AT APRIL 1, 2016	DEPRECIATION CHARGE FOR THE YEAR	ON DISPOSALS	BALANCE AS AT MARCH 31, 2017	BALANCE AS AT MARCH 31, 2017
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Leasehold improvements	82,035,582	1,834,505	471,823	83,398,264	78,326,883	1,557,283	471,824	79,412,342	3,985,922
Furniture and fixtures	21,890,597	603,012	128,196	22,365,413	13,947,601	2,232,037	111,460	16,068,178	6,297,235
Office equipment	49,471,952	5,271,773	628,312	54,115,413	42,843,327	4,170,845	593,094	46,421,078	7,694,335
Computers	59,919,843	30,829,661	5,859,065	84,890,439	47,801,165	9,409,927	5,843,155	51,367,937	33,522,502
Vehicles	14,043,778	9,798,513	717,512	23,124,779	5,288,889	4,926,547	589,244	9,626,192	13,498,587
TOTAL	227,361,752	48,337,464	7,804,908	267,894,308	188,207,865	22,296,639	7,608,777	202,895,727	64,998,581

11 INTANGIBLE ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK	
	BALANCE AS AT APRIL 1, 2017	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT APRIL 1, 2017	AMORTISATION CHARGE FOR THE YEAR	ON DISPOSALS	BALANCE AS AT MARCH 31, 2018	BALANCE AS AT MARCH 31, 2018
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer software	83,614,565	19,344,831	-	102,959,396	62,202,042	12,217,984	-	74,420,026	28,539,370
TOTAL	83,614,565	19,344,831	-	102,959,396	62,202,042	12,217,984	-	74,420,026	28,539,370

	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK	
	BALANCE AS AT APRIL 1, 2016	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2017	BALANCE AS AT APRIL 1, 2016	AMORTISATION CHARGE FOR THE YEAR	ON DISPOSALS	BALANCE AS AT MARCH 31, 2017	BALANCE AS AT MARCH 31, 2017
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer software	64,725,334	18,889,231	-	83,614,565	55,351,917	6,850,125	-	62,202,042	21,412,523
TOTAL	64,725,334	18,889,231	-	83,614,565	55,351,917	6,850,125	-	62,202,042	21,412,523

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

12 NON-CURRENT INVESTMENTS (TRADE, AT COST UNLESS STATED OTHERWISE)

	FACE VALUE (₹)	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
		QUANTITY (NO. OF SHARES/ UNITS)	(₹)	QUANTITY (NO. OF SHARES/ UNITS)	(₹)
Investments in Equity Instruments					
In subsidiaries (unquoted)					
IDFC Investment Managers (Mauritius) Limited	62	407,290	25,069,224	407,290	25,069,224
Less: Provision for diminution			(19,348,000)		-
			5,721,224		25,069,224
In others (unquoted) (non-trade)					
MF Utilities India Private Limited	1	500,000	500,000	500,000	500,000
			500,000		500,000
Investment in Preference Shares (unquoted) (non-trade)					
0% Moser Baer Solar Limited (optionally convertible)	10	61,290,000	500,000	61,290,000	500,000
			500,000		500,000
Investments in Venture Capital Units (unquoted)					
IDFC Spice Fund	1	10,000	10,000	10,000	10,000
			10,000		10,000
Investments in Alternate Investment Fund Units (unquoted)					
IDFC IEH Conservative Fund	100	1,000,000	100,000,000		-
			100,000,000		-
Investment in mutual funds (quoted)					
IDFC Yearly series Interval Fund-Series II-Growth-Direct Plan		417,199	5,000,000	417,199	5,000,000
IDFC Nifty ETF		12,072	1,049,767	12,072	1,049,767
IDFC Sensex ETF		3,741	1,049,974	3,741	1,049,974
			7,099,741		7,099,741
Investment in mutual funds (unquoted)					
IDFC Super Saver Income Fund-Medium Term Plan-Growth-Direct Plan		241,765	5,000,000	241,765	5,000,000
IDFC Dynamic Bond Fund-Growth-Direct Plan		348,029	5,000,000	348,029	5,000,000
IDFC Dynamic Equity Fund-Growth-Direct Plan		500,000	5,000,000	500,000	5,000,000
IDFC Government Securities Fund-Provident Fund-Growth-Direct Plan		204,552	5,000,000	204,552	5,000,000
IDFC Classic Equity Fund-Growth-Direct Plan		156,504	5,000,000	156,504	5,000,000
IDFC Premier Equity Fund-Growth-Direct Plan		68,914	5,000,000	68,914	5,000,000
IDFC Imperial Equity Fund-Growth-Direct Plan		180,629	5,000,000	180,629	5,000,000
IDFC Equity Fund-Growth-Direct Plan		204,679	5,000,000	204,679	5,000,000
IDFC Arbitrage Fund-Growth-Direct Plan		268,680	5,000,000	268,680	5,000,000
IDFC Sterling Equity Fund-Growth-Direct Plan		137,398	5,000,000	137,398	5,000,000
IDFC Arbitrage Plus Fund-Growth-Direct Plan		216,200	3,540,000	216,200	3,540,000
IDFC Tax Advantage (ELSS) Fund-Growth-Direct Plan		124,904	5,000,000	124,904	5,000,000
IDFC Asset Allocation Fund of Fund-Conservative Plan-Growth-Direct Plan		79,529	1,280,000	79,529	1,280,000
IDFC Asset Allocation Fund of Fund-Moderate Plan-Growth-Direct Plan		215,738	3,720,000	215,738	3,720,000
IDFC Asset Allocation Fund of Fund-Aggressive Plan-Growth-Direct Plan		201,531	3,610,000	201,531	3,610,000
IDFC Monthly Income Plan-Growth-Direct Plan		296,653	5,000,000	296,653	5,000,000
IDFC Nifty Fund-Growth-Direct Plan		98,659	1,620,000	98,659	1,620,000
IDFC Infrastructure Fund-Growth-Direct Plan		423,920	4,970,000	423,920	4,970,000
IDFC Banking Debt Fund-Growth-Direct Plan		414,120	5,000,000	414,120	5,000,000
IDFC Money Manager Fund-Investment Plan-Growth-Direct Plan		228,005	5,000,000	228,005	5,000,000
IDFC All Seasons Bond Fund-Growth-Direct Plan		110,773	2,430,000	110,773	2,430,000
IDFC Ultra Short Term Fund-Growth-Direct Plan		253,691	5,000,000	253,691	5,000,000

12 NON-CURRENT INVESTMENTS (TRADE, AT COST UNLESS STATED OTHERWISE) (continued)

	FACE VALUE (₹)	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
		QUANTITY (NO. OF SHARES/ UNITS)	(₹)	QUANTITY (NO. OF SHARES/ UNITS)	(₹)
IDFC Government Securities Fund-Investment Plan-Growth-Direct Plan		295,440	5,000,000	295,440	5,000,000
IDFC Cash Fund-Growth-Direct Plan		2,921	5,000,000	2,921	5,000,000
IDFC Money Manager Fund-Treasury Plan-Growth-Direct Plan		224,028	5,000,000	224,028	5,000,000
IDFC Government Securities Fund-Short Term Plan-Growth-Direct Plan		30,313	612,000	30,313	612,000
IDFC Super Saver Income Fund-Investment Plan-Growth-Direct Plan		143,738	5,000,000	143,738	5,000,000
IDFC Super Saver Income Fund-Short Term Plan-Growth-Direct Plan		171,318	5,000,000	171,318	5,000,000
IDFC Corporate Bond Fund-Growth-Direct Plan		500,000	5,000,000	500,000	5,000,000
IDFC Balanced Fund-Growth-Direct Plan		500,000	5,000,000	500,000	5,000,000
IDFC Credit Opportunities Fund-Growth-Direct Plan		500,000	5,000,000	500,000	5,000,000
			136,782,000		136,782,000
TOTAL NON-CURRENT INVESTMENTS			250,612,965		169,960,965
Aggregate amount of quoted investments					
Cost			7,099,741		7,099,741
Market value (Net asset value)			8,838,272		8,161,198
Aggregate amount of unquoted investments			243,513,224		162,861,224
Aggregate provision for diminution in value of investments			19,348,000		-

13 DEFERRED TAX ASSET (NET)

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	(₹)	(₹)	(₹)	(₹)
Deferred tax asset				
(a) Provisions: Lease equalisation	4,873,000		3,286,000	
(b) Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	22,559,000		22,199,000	
(c) Provisions: Diminution in investments	6,695,956		-	
		34,127,956		25,485,000
DEFERRED TAX ASSET (NET)		34,127,956		25,485,000

14 LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Advances to employees	-	706,000	-	1,586,254
Other advances	-	522,631	-	-
Security deposits	111,529,181	23,854,375	106,080,335	982,975
Capital/supplier advances	4,030,850	44,168,996	633,715	10,779,109
Gratuity receivable (read with note 24)	-	156,899	-	915,171
Other loans and advances				
Advance tax (Net of provision of ₹679,761,867; Previous year ₹846,130,738)	85,065,408	-	42,065,917	-
Fringe benefit tax (Net of provision ₹13,053,367; Previous year ₹13,053,367)	86,646	-	86,646	-
Balances with government authorities - Input credit receivable	-	110,729,922	-	27,712,493
Prepaid expenses	1,690,857	13,590,638	2,033,051	17,416,454
	202,402,942	193,729,461	150,899,664	59,392,456

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

15 CURRENT INVESTMENTS

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	QUANTITY	(₹)	QUANTITY	(₹)
Investment in mutual funds (unquoted)				
IDFC Yearly series Interval Fund-Series II-Growth-Direct Plan	364,480	5,500,000	-	-
IDFC Fixed Term Plan Series 66-Growth-Direct Plan	5,836,945	58,369,447	5,836,945	58,369,447
IDFC Fixed Term Plan Series 74-Growth-Direct Plan	3,000,000	30,000,000	3,000,000	30,000,000
IDFC Fixed Term Plan Series 78-Growth-Direct Plan	-	-	6,000,000	60,000,000
IDFC Fixed Term Plan Series 97-Growth-Direct Plan	-	-	2,750,000	27,500,000
		93,869,447		175,869,447
Investment in mutual funds (quoted)				
IDFC Dynamic Bond Fund-Growth-Direct Plan	41,606,806	709,865,435	50,226,198	816,792,099
IDFC Cash Fund-Growth-Direct Plan	272,694	566,384,973	240,145	471,859,280
IDFC Corporate Bond Fund-Growth-Direct Plan	20,000,000	200,000,000	20,000,000	200,000,000
IDFC Arbitrage Fund-Growth-Direct Plan	-	-	27,112,033	500,000,000
IDFC Banking and PSU Debt Fund-Growth-Direct Plan	27,685,110	400,000,000	-	-
IDFC Cash Fund-Daily Dividend-Direct Plan*	1,443	1,445,596	-	-
		1,877,696,004		1,988,651,379
*Investments held in Portfolio Management Scheme under IDFC Neo Equity Portfolio				
Investments in Equity Instruments (quoted)*				
Jubilant Foodworks Limited	726	1,297,965	-	-
Britannia Industries Ltd	311	1,450,833	-	-
Hindustan Unilever Ltd	1,150	1,421,641	-	-
Procter AND Gamble Hygiene and Health Care Ltd	160	1,384,208	-	-
Ashok Leyland Ltd	10,362	1,526,324	-	-
HCL Technologies Ltd	1,555	1,491,967	-	-
Maruti Suzuki India Ltd	169	1,575,761	-	-
Gillette India Ltd	228	1,366,685	-	-
Mphasis Ltd	1,770	1,249,017	-	-
Reliance Industries Ltd	1,630	1,536,204	-	-
City Union Bank Ltd	8,291	1,480,258	-	-
Mindtree Ltd	1,846	1,503,870	-	-
Titan Co Ltd	1,479	1,313,020	-	-
GlaxoSmithkline Consumer Healthcare Ltd	220	1,467,036	-	-
Divis Laboratories Ltd	1,099	1,187,951	-	-
Tech Mahindra Ltd	1,857	1,174,837	-	-
Cholamandalam Investment and Finance Company Ltd.	775	1,137,947	-	-
Balkrishna Industries Ltd	890	1,015,165	-	-
Avenue Supermarts Ltd	700	953,708	-	-
Voltas Ltd	1,452	909,319	-	-
Tata Consultancy Services Ltd	296	834,998	-	-
Info Edge (India) Ltd	594	753,059	-	-
		28,031,773		-
*Investments held in Portfolio Management Scheme under IDFC Neo Equity Portfolio				
TOTAL CURRENT INVESTMENTS		1,999,597,224		2,164,520,826
Aggregate amount of quoted investments				
Cost		121,901,220		175,869,447
Market value		158,510,879		229,123,222
Aggregate amount of unquoted investments		1,877,696,004		1,988,651,379

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

16 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	(₹)	(₹)	(₹)	(₹)
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Outstanding for a period less than six months	-	127,688,639	-	84,825,111
	-	127,688,639	-	84,825,111

17 CASH AND BANK BALANCES

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	(₹)	(₹)	(₹)	(₹)
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Cash and cash equivalents				
Balances with banks:				
In current accounts	-	15,271,237	-	17,600,030
Other bank balances:				
Balance for Investor Education Awareness on behalf of IDFC Mutual Fund	-	20,750,171	-	3,974,833
	-	36,021,408	-	21,574,863

18 REVENUE FROM OPERATIONS

	YEAR ENDED	YEAR ENDED
	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
Management fees	2,984,507,755	2,840,322,398
Portfolio management fees	44,512,393	58,286,640
Advisory fees	1,795,065	21,040,557
	3,030,815,213	2,919,649,595

19 OTHER INCOME

	YEAR ENDED	YEAR ENDED
	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
Interest on income tax refund	1,901,788	602,165
Other interest	-	559,148
Net gain/loss on sale of current investments	152,093,551	173,829,344
Profit from trading in derivatives	-	969,953
Profit on sale of fixed assets (net)	-	322,460
Miscellaneous income	106,327	370,414
	154,101,666	176,653,484

20 EMPLOYEE BENEFITS EXPENSE

	YEAR ENDED	YEAR ENDED
	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
Salaries and bonus (refer note (a) below)	610,726,191	478,418,351
Contribution to provident and other funds (refer note 24)	24,821,378	21,340,645
Gratuity	17,480,528	23,814,699
Staff welfare expenses	19,712,555	14,064,410
	672,740,652	537,638,105

21 OTHER EXPENSES

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Rent (refer note 28)	124,456,685	111,100,296
Rates & taxes	11,990,615	7,840,468
Electricity	12,974,759	12,737,360
Repairs and maintenance		
Equipments	9,071,523	7,541,263
Others	44,936,548	40,143,765
Insurance charges	826,816	900,251
Travelling and conveyance	21,454,231	22,025,887
Printing and stationery	18,140,335	18,793,685
Communication costs	43,653,203	39,786,299
Advertising, publicity and promotion	243,716,736	51,728,334
Listing & rating Fees	1,075,496	119,176
Professional fees	157,900,136	134,941,979
Directors' sitting fees	775,000	675,000
Membership and subscription	50,392,907	47,702,795
Computer Software Expenses	28,076,101	23,332,652
Auditors' remuneration (refer note (a) below)	2,523,638	2,389,007
Scheme issue expenses (refer note (b) below)	8,617,137	48,806,106
Shared service cost (refer note (c) below)	10,485,538	24,006,662
Operational costs (refer note (d) below)	808,544,147	498,278,017
Contribution to IDFC Foundation towards corporate social responsibility expenses	27,657,500	27,464,000
Loss on sale of fixed assets (net)	747,986	-
Miscellaneous expenses	10,599,239	9,189,710
Provisions for diminution in value of investments	19,348,000	-
	1,657,964,276	1,129,502,712

(a) Break up of auditors' remuneration:

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Audit fee	1,680,000	1,480,000
Tax audit fee	300,000	300,000
Other services	483,200	530,230
Out of pocket expenses	60,438	78,777
	2,523,638	2,389,007

- (b) Scheme issue expenses are the expenses incurred by the Company towards launching of schemes and plans of IDFC Mutual Fund during the year.
- (c) Shared service cost represents reimbursement to holding company/fellow subsidiary under a shared service agreement (Net of recoveries ₹87,20,618; Previous year ₹250,287)
- (d) Operational costs amongst other include expenses which are incurred by schemes of IDFC Mutual Fund (the "Fund") over and above the expense limits prescribed by SEBI, interest charged by bank to the Fund on account of temporary borrowings or overdrafts and payments made to investors of the Fund on account of delay in payment of redemption proceeds which are borne by the Company.
- (e) Expenses incurred on behalf of schemes of the Fund are charged to the Statement of Profit and Loss unless considered recoverable from schemes.

22 EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Advertising - Media	12,097	54,529
Foreign travel	52,205	77,811
Staff Training	1,087,458	159,986
Other professional fees	894,238	2,176,896
Membership and Subscription	1,684,891	-

23 EARNINGS IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Advisory Fees - Natixis Asia Asset Management Limited (formerly Absolute Asia Asset Management Limited)	-	21,040,557

24 In accordance with Accounting Standard 15 on 'Employee Benefits' the following disclosures have been made:

- i. The Company has recognised the following amounts in the Statement of Profit and Loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
Provident fund	20,203,243	17,641,861
Superannuation fund	1,181,456	1,028,503
Pension fund	3,435,987	2,668,815
Labour welfare fund	692	1,466

- ii. The details of the Company's post - retirement gratuity benefit plans for gratuity for its employees are given below which are certified by the actuary:

	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:		
Liability at the beginning of the year	77,446,995	63,355,202
Current service cost	13,055,457	11,356,031
Interest cost	6,056,763	5,602,591
Liabilities assumed on acquisition / (settled on divestiture)	40,326	2,439,594
Benefits paid	(7,639,073)	(14,172,845)
Actuarial Losses / (Gain)	2,867,774	8,866,422
Past Service Cost	14,360	-
Closing Defined Benefit Obligation	91,842,602	77,446,995
Unrecognised Past Service Cost	-	-
Liability at the end of the year	91,842,602	77,446,995
FAIR VALUE OF PLAN ASSETS:		
Fair value of plan assets at the beginning of the year	53,632,296	48,824,306
Expected return on plan assets	4,082,727	4,423,091
Contributions	40,503,613	14,530,896
Benefits paid	(7,639,073)	(14,172,845)
Actuarial gain / (loss) on plan assets	471,425	26,848
Fair value of plan assets at the end of the year	91,050,988	53,632,296
Total actuarial loss / (gain) to be recognised	2,396,349	8,839,574

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
ACTUAL RETURN ON PLAN ASSETS:		
Expected return on plan assets	4,082,727	4,423,091
Actuarial gain / (loss) on plan assets	471,425	26,848
Actual return on plan assets	4,554,152	4,449,939
AMOUNT RECOGNISED IN THE BALANCE SHEET:		
Liability at the end of the year	91,842,602	77,446,995
Fair value of plan assets at the end of the year	(91,050,988)	(53,632,296)
Amount recognised in the balance sheet under "Provision for employee benefits"	791,614	*23,814,699
Amount receivable recognised in the balance sheet under "Loans and advances"	(156,899)	(915,171)
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	13,055,457	11,356,031
Interest cost	6,056,763	5,602,591
Expected return on plan assets	(4,082,727)	(4,423,091)
Net actuarial loss / (gain) to be recognised	2,396,349	8,839,574
Past Service Cost	14,360	-
Loss/(Gains) on Acquisition / Divestiture	40,326	2,439,594
Expense recognised in the statement of profit and loss under 'Employee benefits expense'	17,480,528	23,814,699
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:		
Opening net liability	23,814,699	14,530,896
Expense recognised	17,480,528	23,814,699
Contribution by the Company	(40,503,613)	(14,530,896)
Amount recognised in the balance sheet under "Gratuity"	791,614	23,814,699
Expected employer's contribution next year	12,000,000	12,000,000

* This amount represents liability as per the actuarial valuation report, however the same was paid on March 31, 2017. This amount was not included in fair value of plan assets as on March 31, 2017 as confirmed by HDFC Standard Life Insurance Company Limited but subsequently included in contribution of current year. Hence, the liability recognised in the Balance Sheet under "Provision for employee benefits" as on March 31, 2017 is Nil.

Experience adjustments:

	MARCH 31, 2018	MARCH 31, 2017	MARCH 31, 2016	MARCH 31, 2015	MARCH 31, 2014
	(₹)	(₹)	(₹)	(₹)	(₹)
Defined benefit obligation	91,842,602	77,446,995	63,355,202	47,753,657	34,829,206
Plan assets	91,050,988	53,632,296	48,824,306	46,642,243	32,116,168
Surplus/(deficit)	(791,614)	(23,814,699)	(14,530,896)	(1,111,414)	(2,713,038)
Exp. Adj. on Plan Liabilities	7,972,139	4,398,497	5,998,246	2,320,620	3,130,977
Exp. Adj. on Plan Assets	471,425	26,848	(524,771)	1,091,871	(753,684)

	MARCH 31, 2018	MARCH 31, 2017
	(%)	(%)
Investment pattern:		
Insurer managed funds	100.00	100.00
Principal assumptions:		
Discount rate (p.a.)	7.95	7.10
Expected rate of return on assets (p.a.)	7.50	7.50
Salary escalation rate (p.a.)	8.00	8.00

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

25 EMPLOYEE STOCK OPTIONS

During the financial year, the Company has constituted an Employee Stock Option Scheme-2017 (“ESOSAMC-2017”) which provides for grant of equity shares to eligible employees of the Company as decided by Nomination and Remuneration Committee (NRC). This ESOSAMC - 2017 has been formulated by NRC at its meeting held on August 9, 2017 and the same is approved by the Board of Directors at its meeting held on August 9, 2017 and subsequently by the Shareholders of the Company vide special resolution at their Extra-Ordinary General Meeting held on September 7, 2017.

The maximum aggregate number of employee stock option that may be awarded under this scheme during one year are equivalent to or not exceeding 2% of issued equity share capital (excluding outstanding warrants and conversions) of the Company.

During the year ended March 31, 2018, the Company made a grant of 44,389 stock options on various dates during the year. The options granted under ESOSAMC-2017 would vest in a graded manner from one to three years from the date of General meeting for approval of ESOSAMC-2017. The vesting of options would be a function of continued employment with the Company (passage of time) and on achievement of performance criteria as specified by the NRC as communicated on grant of options. The options granted can be exercised within a maximum period of five years from the date of vesting. In accordance with the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India using the intrinsic value method, the intrinsic value of the grant is amortized on a straight-line basis over the vesting period. The intrinsic value is Nil for March 31, 2018.

The activity in ESOSAMC-2017 during the year ended March 31, 2018 is set out below:

PARTICULARS	YEAR ENDED MARCH 31, 2018		
	SHARES ARISING OUT OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE
Outstanding at the beginning of the year	-	-	-
Granted during the year	44,389	9,646.93	7.47
Forfeited/Expired during the year	-	-	-
Exercised during the year	-	-	-
Outstanding at the end of the year	44,389	9,646.93	7.47
Exercisable at the end of the year	-	-	-

The fair value for the above impact analysis is estimated on the date of grant using the Black-Scholes model with the following assumptions:

PARTICULARS	YEAR ENDED MARCH 31, 2018
Weighted average fair value of an Option	1,997.82
Exercise price (₹)	9,646.93
Expected volatility (%)	0.49%
Expected life of the option (years)	5.51
Expected dividends (%)	2.36%
Risk-free interest rate (%)	6.62%

Had the Company followed the fair value method for accounting of employee stock options, the impact of fair value method on net profit and earning per share would have been as follow:

PARTICULARS	YEAR ENDED MARCH 31, 2018
Net Profit (as reported)	544,842,562
Less: Impact of Incremental cost under fair value approach	16,047,444
Net Profit: (pro-forma)	528,795,118
Basic earnings per share (as reported) (in ₹)	203.37
Basic earnings per share (pro-forma) (in ₹)	197.38
Diluted earnings per share (as reported) (in ₹)	203.37
Diluted earnings per share (pro-forma) (in ₹)	197.38

26 The Company is engaged in the business of providing Asset Management Services to IDFC Mutual Fund, Investment Advisory and Portfolio Management Services which contributes a single reportable business segment. During the year ended March 31, 2018, the Company was engaged in only one business segment and as such there are no separate reportable segments, as required by Accounting Standard 17 on ‘Segment Reporting’. The Company’s revenue are primarily from services rendered in India.

27 RELATED PARTY DISCLOSURES

As per the Accounting Standard 18 on "Related Party Disclosures" the related parties of the Company are as follows:

I. Ultimate Holding Company:

IDFC Limited

II. Holding Company:

IDFC Financial Holding Company Limited*

III. Subsidiaries:

IDFC Investment Managers (Mauritius) Limited

IV. Fellow Subsidiaries

IDFC AMC Trustee Company Limited

IDFC Foundation

IDFC Bank Limited

IDFC Alternatives Limited

IDFC Securities Limited

IDFC Infrastructure Finance Company Limited

V. Mutual Fund managed by the Company

IDFC Mutual Fund

VI. Alternate Investment Fund managed by the Company

IDFC IEH Conservative Fund

VII. Venture Capital managed by the Company

IDFC Spice Fund

VIII. Key management personnel:

Mr. Vishal Kapoor - Chief Executive Officer (w.e.f. September 14, 2016)

Mr. Kalpen Parekh - Chief Executive Officer (upto September 13, 2016)*

Mr. Sunil Kakar - Associate Director*

*No transaction during the year

The nature of transactions carried out with the above related parties in the ordinary course of business are as follows::

		MARCH 31, 2018	MARCH 31, 2017
		(₹)	(₹)
I. Holding Company/Ultimate Holding Company:			
IDFC Limited	Reimbursement of expenses	30,972,097	35,259,285
	Shared service cost paid (net of recovery)	4,761,884	2,938,263
	Recovery of expenses / cost of asset	181,779	710,809
II. Subsidiaries:			
IDFC Investment Managers (Mauritius) Limited	Provision for diminution	19,348,000	-
	Outstanding investments as at year end	5,721,224	25,069,224
III. Fellow Subsidiaries:			
IDFC AMC Trustee Company Limited	Recovery of expenses	91,829	134,236
IDFC Foundation	CSR Contribution	27,657,500	27,464,000
	Recovery of expenses	407,629	414,111
IDFC Bank Limited	Reimbursement of expenses	698,025	681,792
	Shared service cost paid	14,316,916	21,302,000
	Recovery of expenses	1,205,973	1,868,449
	Balance receivable	-	-
	Current Account Balance	8,572,492	4,634,160
	Current Account Balance (Investor Education and Awareness)	20,750,171	3,974,833

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

		MARCH 31, 2018 (₹)	MARCH 31, 2017 (₹)
IDFC Alternatives Limited	Shared Services Cost Recovered	534,599	91,771
	Recovery of expenses / cost of asset	1,809,054	3,260,866
IDFC Securities Limited	Brokerage Paid	-	78,313
	Shared Services Cost Recovered	7,905,621	125,144
IDFC Infrastructure Finance Company Limited	Recovery of expenses / cost of asset	2,114,749	3,708,127
	Shared Services Cost Recovered	153,043	16,686
	Recovery of expenses	457,236	685,110
IV. Mutual Fund			
IDFC Mutual Fund	Revenue from management fees	2,984,507,755	2,840,322,398
	Reimbursement of expenses	283,296,925	105,963,731
	Advance Trail brokerage	196,937,558	-
	Purchase of investments	3,380,735,441	4,043,727,570
	Sale Proceeds on sale of investments	3,727,229,961	4,214,028,399
	Outstanding receivable as at year end (net)	58,319,717	-
	Outstanding payable as at year end (net)	-	11,504,638
	Outstanding investments as at year end	2,115,447,192	2,308,402,567
V. Alternative Investment Fund			
IDFC IEH Conservative Fund	Revenue from management fees	475,444	-
	Recovery of other expenses	158,769	-
	Outstanding receivable as at year end	512,382	-
	Outstanding investments as at year end	100,000,000	-
VI. Venture Capital			
IDFC Spice Fund	Revenue from portfolio management fees	43,851,876	55,734,192
	Outstanding investments as at year end	10,000	10,000
VII. Key Management Personnel:			
Mr. Vishal Kapoor - Chief Executive Officer (w.e.f. September 14, 2016)	Remuneration paid	37,532,149	13,423,281
	Reimbursement of business expenses	86,435	56,584
Mr. Kalpen Parekh - Chief Executive Officer (upto September 13, 2016)	Remuneration paid	-	22,940,271
	Reimbursement of business expenses	-	213,554

28 In accordance with Accounting Standard 19 on 'Leases' the following disclosures in respect of operating leases are made:

- i The Company has entered into cancellable as well as non-cancellable leasing arrangements for office premises at various locations in India generally for a period of 36 months. As per the term of the lease all maintenance charges and municipal levies are borne by the lessee. The rent expense recognised during the year is ₹ 124,456,685 (Previous year ₹ 111,100,296).

The total future minimum lease payments under non-cancellable operating lease for each of the periods is given below:

	MARCH 31, 2018 (₹)	MARCH 31, 2017 (₹)
Not later than one year	91,470,464	84,031,489
Later than one year and not later than five years	78,808,038	148,185,867

The terms of renewal and escalation clauses are those normally prevalent in similar agreements.

29 In accordance with Accounting Standard 20 on 'Earnings Per Share':

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

		MARCH 31, 2018 (₹)	MARCH 31, 2017 (₹)
Basic			
Net profit after tax		544,842,562	972,814,191
Net amount available for equity shareholders	A	544,842,562	972,814,191
Weighted average number of equity shares (Nos.)	B	2,679,045	2,679,045
Basic and diluted earnings per equity share (₹)	A/B	203.37	363.12

*There is no dilution on account of potential equity shares pertaining to employee stock option granted during the year ended March 31, 2018.

30 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for ₹21,891,758/- (Previous year ₹17,085,540).

31 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
(a) Claims not acknowledged as debts in respect of :		
Reversal of Cenvat credit under protest.	14,987,548	13,033,744

32 DISCLOSURES RELATING TO SPECIFIED BANK NOTES (“SBNS”)*

- (a) The disclosures relating to Specified Bank Notes (“SBN”) is not applicable to the Company during the year.
- (b) In previous year, the Company did not held and transacted in Specified Bank Notes (“SBN”) during the period Novemebr 08, 2016 to December 30, 2016.

*Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2017.

33 As per information available with the Company, there are no micro, small or medium enterprises as defined in ‘The Micro, Small and Medium Enterprises Development Act, 2006’, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

34 CORPORATE SOCIAL RESPONSIBILITY (CSR)

- (a) As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to contribute ₹27,657,459 (Previous year ₹27,463,135) during the financial year towards Corporate Social Responsibility.
- (b) The Company has contributed ₹27,657,500 (Previous year ₹27,464,000) to IDFC Foundation during the year and recognised as expense in the Statement of Profit and Loss on CSR related activities, which comprise of following:

PARTICULARS	YEAR ENDED MARCH 31, 2018			YEAR ENDED MARCH 31, 2017		
	IN CASH	YET TO BE PAID IN CASH	TOTAL	IN CASH	YET TO BE PAID IN CASH	TOTAL
i. Construction/acquisition of any asset	-	-	-	-	-	-
ii. On purposes other than (i) above	27,657,500	-	27,657,500	27,464,000	-	27,464,000

35 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

YEAR OF REMITTANCE (ENDING ON)	MARCH 31, 2018	MARCH 31, 2017
Period to which it relates	April 01, 2016 to March 31, 2017	April 01, 2015 to March 31, 2016
Number of non-resident shareholders	-	1
Number of equity shares held on which dividend was due	-	669,762
Amount remitted (in USD)	-	3,022,749
Amount remitted (in INR)	-	204,277,410

36 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable to the current year.

For and on behalf of the Board of Directors of
IDFC Asset Management Company Limited

Sunil Kakar
 Director

Nirav Shah
 Company Secretary

Vishwavir Saran Das
 Director

Rupesh Acharya
 Chief Financial Officer

Mumbai, April 23, 2018

IDFC INVESTMENT MANAGERS (MAURITIUS) LTD.

DIRECTORS Mr. Sahjahan Ally Nauthoo
Mr. Sevin Chendriah

AUDITORS Ernst & Young

**PRINCIPAL
BANKER** Deutsche Bank
(Mauritius) Limited

**REGISTERED
OFFICE** C/o Cim Fund Services Ltd
33, Edith Cavell Street
Port Louis, Mauritius

GENERAL INFORMATION

IDFC Investment Managers (Mauritius) Ltd. (the "Company") was incorporated on 13 September 2010 as a private company limited by shares and holds a Category 1 Global Business Licence Company issued by the Financial Services Commission. The Company is licenced to operate as a CIS Manager pursuant to Section 98 of the Securities Act 2005 and the Financial Services (Consolidated Licensing and Fees) Rules 2008.

The principal activity of the Company is to provide investment management services.

In 2015, the Company has entered into an investment management agreement with India Multi-Avenues Fund Limited ("IMAFL"), a fund incorporated in Mauritius on 22 May 2015.

The Company holds standards of corporate governance through awareness of business ethics and supervision of its management team by the Board of directors.

The main objects and functions of the Board as regards Corporate Governance are to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- select candidates for eventual Board appointments; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied that it has discharged its responsibilities for the year in respect of Corporate Governance.

THE BOARD OF DIRECTORS

The directors have been selected based on their professional background and expertise to positively contribute to the Board's activities. The Board is currently made up of two resident directors.

DIRECTORS

Resident

Mr. Sahjahan Ally Nauthoo

Mr. Sevin Chendriah

The Board is responsible for directing the affairs of the Company in the best interests of shareholders, in conformity with legal and regulatory framework, and consistent with its constitution and best governance practices.

THE DIRECTORS' PROFILE

Mr. Sahjahan Ally Nauthoo

Mr Nauthoo is a Fellow of the Association of Chartered Certified Accountants - UK and holds a Bachelor of Business Science (Hons) degree in the field of Accountancy with the University of Mauritius. He is also a Member of the Mauritius Institute of Professional Accountants and Mauritius Institute of Directors.

He has over 12 years of experience in the global business sector and 2 years of experience in the field of banking and finance. He has gained wide experience in the structuring, setting up and administration including secretarial, accounting, taxation and compliance of offshore funds and companies. He serves as director and authorised signatory for a large number of funds/ companies administered by SGG Mauritius. He is currently a Senior Manager and prior to joining SGG Mauritius, he also worked for 5 years with SANNE (formerly International Financial Services Limited).

Mr. Sevin Chendriah

Mr. Chendriah holds a BSC (Hons) in Management with Finance from the University of Mauritius. He joined SGG Mauritius in 2007 and has gained wide experience in corporate secretarial, administration, compliance and legal field. He has also been broadly involved in the structuring, setting-up, taxation and administration of Global Business entities promoted by a wide portfolio of clients, including large multi-national Companies and high net-worth individuals.

CONSTITUTION

The Constitution of the Company was adopted on 19 August 2010 and same was subsequently altered on 26 December 2014 to insert a clause on Arbitration.

BOARD MEETINGS

The Board has at least one scheduled meeting each year during which it:

1. examines all statutory matters;
2. approves the audited financial statements and reviews important accounting issues;

3. reviews the Company's performance;
4. ensures compliance of the Company with the legislations; and
5. takes note of changes in the legislations which may affect the Company.

In addition, the Board meets whenever necessary to discuss urgent business.

The Board papers are usually sent to the directors one week in advance, except where urgent meetings are convened.

During the year under review, the Board met five times and the table below shows the attendance of directors either physically or by alternates at meetings held from 01 April 2017 to 31 March 2018:

Directors	Attendance at Board
Mr. Sevin Chendriah	5/5
Mr. Sahjahan Ally Nauthoo	5/5

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

BOARD COMMITTEES

The Board of directors collectively considers the measures in respect of the Code of Corporate Governance issues. Due to the size of the Board, no sub-committees (Audit Committees, The Corporate Governance Committee, Board Risk Committee, Remuneration Committee and the Nomination Committee) have been established.

STATEMENT OF REMUNERATION POLICY

SGG Fund Services (Mauritius) Ltd is paid USD 8,000 per annum for fee provision of directorship services.

IDENTIFICATION OF KEY RISKS FOR THE COMPANY

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

FINANCIAL RISK FACTORS

The financial risk factors have been set out in note 13 of these audited financial statements.

RELATED PARTY TRANSACTIONS

The related party transactions have been set out in note 12 of these audited financial statements.

CODE OF ETHICS, HEALTH AND SAFETY AND SOCIAL ISSUES

These issues are not applicable to the Company given the nature of activities of the Company and the fact that the Company has no employees. The Company is managed under service agreements with third parties.

ENVIRONMENT

Due to the nature of its activities, the Company has no adverse impact on the environment.

CORPORATE SOCIAL RESPONSIBILITY AND DONATIONS

During the year, the Company has not made any donations.

NATURE OF BUSINESS

The principal activity of the Company is to provide investment management services.

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

The auditor's report is set out on pages 8 to 10 and the statement of profit or loss and other comprehensive income is set out on page 12 of this audited financial statements.

AUDIT FEES

Audit fees payable to Ernst & Young for the year amounted to USD 5,300 (excluding VAT and any disbursements).

APPRECIATION

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year.

COMMENTARY OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2018

The directors are pleased to present their commentary, together with the audited financial statements of IDFC Investment Managers (Mauritius) Ltd. for the year ended 31 March 2018.

STATUS AND PRINCIPAL ACTIVITY

IDFC Investment Managers (Mauritius) Ltd. (the “Company”) was incorporated on 13 September 2010 in the Republic of Mauritius and obtained its Category 1 Global Business Licence on 14 September 2010.

The principal activity of the Company is to provide investment management services. The Company has entered into an investment management agreement with India Multi-Avenues Fund Limited, a fund incorporated in Mauritius on 22 May 2015.

RESULTS

The Company’s loss for the year under review is USD 31,797 (2017: loss of USD 32,623).

The directors do not recommend the payment of a dividend for the year under review.

DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company’s directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company’s statement of financial position at 31 March 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the audited financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and applying appropriate accounting policies; and making account estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company’s ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. The Company has enough funds to meet its liabilities and those of the fund in the coming year.

AUDITORS

The auditors, Ernst & Young, have indicated their willingness to continue in office.

SECRETARY'S CERTIFICATE UNDER SECTION 166 (D) OF THE COMPANIES ACT 2001

We, SGG Fund Services (Mauritius) Ltd, certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required for IDFC Investment Managers (Mauritius) Ltd. under the Companies Act 2001 for the financial year ended 31 March 2018.

For and on behalf of

SGG Fund Services (Mauritius) Ltd

Company Secretary

Date: April 23, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF IDFC INVESTMENT MANAGERS (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IDFC Investment Managers (Mauritius) Limited** (the "Company") set out on pages 11 to 24 which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of **IDFC Investment Managers (Mauritius) Limited** as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the commentary of directors and the Secretary's certificate as required by the Companies Act 2001, 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act

2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism 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.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 the directors 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.

Other matter

This report is made solely for the Company's member in accordance with Section 205 of the Companies Act

2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG

Ebène, Mauritius

ROGER DE CHAZAL, A.C.A.

Licensed by FRC

Date: April 23, 2018

STATEMENT OF FINANCIAL POSITION

as at March 31, 2018

		2018	2017
	NOTES	USD	USD
ASSETS			
Current assets			
Other receivables	6	110,725	75,945
Prepayments	6a	1,170	4,413
Cash at bank	7	99,442	161,193
TOTAL ASSETS		211,337	241,551
EQUITY AND LIABILITIES			
Equity and reserves			
Stated capital	8	407,290	407,290
Accumulated losses		(207,286)	(175,489)
TOTAL EQUITY		200,004	231,801
Current liabilities			
Accrued expenses	9	11,333	9,750
TOTAL EQUITY AND LIABILITIES		211,337	241,551

These audited financial statements have been approved and authorised for issue by the Board of directors on and signed on its behalf by:

NAME OF DIRECTORS

Mr. Sahjahan Ally Nauthoo

Mr. Sevin Chendriah

The notes on pages 15 to 24 form an integral part of these audited financial statements. Independent Auditors' report on pages 8 to 10.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended March 31, 2018

		2018	2017
	NOTES	USD	USD
INCOME		-	-
EXPENSES			
Fees paid on behalf of India Multi-Avenues Fund Limited		34,780	26,589
Receivable from India Multi-Avenues Fund Limited		(34,780)	(26,589)
Professional fees		11,000	12,613
Audit fees		6,095	5,750
Administration fees		5,000	5,000
Licence and annual registration fees		4,060	4,060
Insurance cover		4,480	3,545
Disbursement		600	580
Bank charges		362	375
TRC renewal fees		200	700
TOTAL EXPENSES		31,797	32,623
Operating loss for the year		(31,797)	(32,623)
Income tax expense	11	-	-
Loss for the year		(31,797)	(32,623)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(31,797)	(32,623)

The notes on pages 15 to 24 form an integral part of these audited financial statements. Independent Auditors' report on pages 8 to 10.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended March 31, 2018

	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL
	USD	USD	USD
At 01 April 2016	407,290	(142,866)	264,424
Loss for the year	-	(32,623)	(32,623)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	407,290	(32,623)	(32,623)
At 31 March 2017	407,290	(175,489)	231,801
Loss for the year	-	(31,797)	(31,797)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(31,797)	(31,797)
At 31 March 2018	407,290	(207,286)	200,004

The notes on pages 15 to 24 form an integral part of these audited financial statements. Independent Auditors' report on pages 8 to 10.

STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2018

		2018	2017
	NOTE	USD	USD
OPERATING ACTIVITIES			
Loss before tax		(31,797)	(32,623)
Adjustments to reconcile loss before tax to net cash flows:		-	-
Working capital adjustments:			
Net change in other receivables and prepayments		(31,537)	(27,064)
Net change in accrued expenses		1,583	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(61,751)	(59,687)
Net change in cash and cash equivalents	8	(61,751)	(59,687)
Cash and cash equivalents at 01 April		161,193	220,880
CASH AND CASH EQUIVALENTS AT 31 MARCH		99,442	161,193

The notes on pages 15 to 24 form an integral part of these audited financial statements. Independent Auditors' report on pages 8 to 10.

01. CORPORATE INFORMATION

IDFC Investment Managers (Mauritius) Ltd. (the “Company”) is a private company limited by shares, incorporated in the Republic of Mauritius on 13 September 2010, with registered address at C/o SGG Fund Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius. The Company holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission (“FSC”) and is licensed by the Financial Services Commission to operate as a CIS Manager as well.

The principal activity of the Company is to provide investment management services.

The Company provides investment management services to India Multi-Avenues Fund Limited, a fund incorporated in Mauritius on 22 May 2015.

02. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention.

2.1 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

03. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these audited financial statements are set out below.

Foreign currency transactions**Functional and presentation currency**

The Company’s functional currency is the USD, which is the currency of the primary economic environment in which it operates. The Company’s performance is evaluated and its liquidity is managed in USD. Therefore, USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company’s presentation currency is also in USD.

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities are translated at the spot rate of exchange ruling at the reporting date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition gain or loss on change in fair value of the item (i.e. translation differences are recognised in other comprehensive income or profit or loss).

Financial assets**Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company’s financial assets include cash at bank and other receivables.

Subsequent measurement**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in profit or loss. The losses arising from impairment are recognised in profit or loss.

Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset’s net realisable price and value in use, that is the present value of estimated future cash flows expected to arise from continuing to use the assets and from its disposals at the end of its useful life.

An impairment loss is recognised in profit or loss immediately, unless the asset is carried at revalued amount in which case the impairment loss is recognised against the revaluation or fair value reserve for the assets to the extent that the impairment loss does not exceed the amount held in the revaluation or fair value reserve for that same asset. Any excess is recognised immediately in profit or loss.

Financial liabilities**Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include accrued expenses only.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included in profit or loss.

Derecognition of financial instruments**Financial assets**

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability is substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Stated capital

Ordinary shares are classified as equity, net of costs directly related to the issue of the shares.

Provision

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow embodying economic benefits will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and sales taxes or duty.

- Management fees are accounted for on an accrual basis.

Related parties transactions

Parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

Expenses

Expenses are accounted for on an accrual basis.

Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from provisions for bad debts and unrealised exchange differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

04. (A) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 01 April 2017:

	EFFECTIVE FOR ACCOUNTING PERIOD BEGINNING ON OR AFTER
Amendments	
Recognition of Deferred Tax Assets for unrealised Losses (Amendments to IAS 12)	01 January 2017
Disclosure Initiative (Amendment to IAS 7)	01 January 2017
Annual Improvements 2014 - 2016 Cycle	01 January 2017

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IAS 7 Disclosure Initiative – Amendments to IAS 7 - effective January 1, 2017

The amendments to IAS 7 Statement of Cash Flows are part of the IASB’s Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide Comparative information for preceding periods.

There has been no impact following the adoption of this standard on the financial statements for the current year as the notes and policies already included in the financial statements provide good understandability and comparability to the users.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 - effective January 1, 2017

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are not expected to have any impact on the Company.

04. (B) ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards and interpretations:

	EFFECTIVE FOR ACCOUNTING PERIOD BEGINNING ON OR AFTER
New or revised standards	
IFRS 9 Financial Instruments	01 January 2018
IFRS 15 Revenue from Contracts with Customers	01 January 2018
IFRS 16 Leases	01 January 2019
IFRS 17 Insurance Contracts	01 January 2021
IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
AMENDMENTS	
	EFFECTIVE DATE DEFERRED INDEFINITELY
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	
Transfers of Investment Property (Amendments to IAS 40)	01 January 2018
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	01 January 2018
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	01 January 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	01 January 2018
IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters	01 January 2018
IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice	01 January 2018
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	01 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	01 January 2019

Where the standards and interpretations may have an impact at a future date, they have been discussed below:

IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition - 1 January 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

The amendment will result in write off of USD 110,725 in the financial statements.

05. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's audited financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future.

Judgements
Recoverability of receivable from India Multi Avenues Fund ('IMAFL')

The Company is the promoter of a new fund namely India Multi-Avenues Fund Limited ("IMAFL"). The Company also acts as the Investment Manager of IMAFL.

The Fund was originally set up for the purpose of opportunistic investments by foreign investors. There has been a change in the purpose and IMAF will now focus on India focused equity long and short funds as a product category. IDFC Investment Managers (Mauritius) Limited had entered into an agreement with Greenshoots Capital UK Ltd to market IMAF. As at date, Greenshoots Capital UK Ltd has already found a list of potential investors and the marketing process to them will start once regulatory approvals have been obtained. The current target for the launch of the Hedge Fund Strategies via the Mauritius platform is around end of April 2018 to mid-May 2018.

Based on above, the directors believe that there is no indication of impairment on the amount due from IMAF as the balance will be reimbursed once IMAF is launched.

Determination of functional currency

The determination of the functional currency of the Company is important since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in note 3, the directors have considered those factors described therein and have determined that the functional currency of the Company in the USD.

06. OTHER RECEIVABLES

	2018	2017
	USD	USD
Amount receivable from India Multi-Avenues Fund Limited fund (note 12a)	110,725	75,945
(a) PREPAYMENTS		
Professional indemnity cover	-	3,242
Activity licence fees	500	500
Financial Services Commission licence fees	437	438
Annual registration fees	233	233
	1,170	4,413

07. CASH AND CASH EQUIVALENTS

	2018	2017
	USD	USD
Cash at bank	99,442	161,193

08. STATED CAPITAL

	NO. OF SHARES		2018	2017
	2018	2017	USD	USD
At 01 April and 31 March	407,290	407,290	407,290	407,290

09. ACCRUED EXPENSES

	2018	2017
	USD	USD
Audit fees	6,095	5,750
Director fees	2,000	2,000
Administration fees	1,250	1,250
MLRO fees	750	750
Insurance cover	1,238	-
	11,333	9,750

10. MANAGEMENT AND ADVISORY FEES
(i) Management fees

The Company has entered into an investment management agreement with India Multi-Avenues Fund Limited (previously known as IDFC India Focus Fund Limited), a fund incorporated in Mauritius on 22 May 2015. During the year under review, the fund has not yet started its trading activities and as such no management fees have been paid.

(ii) Advisory fees

India Multi-Avenues Fund Limited, has not yet started its trading activities and as such no advisory fees have been paid during the year under review.

11. TAXATION

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax. At 31 March 2018, the Company had tax losses of USD 158,236 (2017: USD 151,667).

A numerical reconciliation between accounting loss and tax charge is shown below:

(a) Statement of comprehensive income:

	2018	2017
	USD	USD
Loss for the year	(31,797)	(32,623)
Add: Non allowable expenses	-	-
Tax losses	(31,797)	(32,623)
Loss brought forward	(126,439)	(119,044)
Loss carried forward	(158,236)	(151,667)

The tax losses are available for set off against future taxable profit of the Company as follows:

TAX LOSS AT:	CARRIED FORWARD UP TO:	USD
31 March 2014	31 March 2019	(31,655)
31 March 2015	31 March 2020	(31,374)
31 March 2016	31 March 2021	(30,787)
31 March 2017	31 March 2022	(32,623)
31 March 2018	31 March 2023	(31,797)
TOTAL:		(158,236)

12. RELATED PARTY DISCLOSURES

The Company had the following related party transactions during the year.

NAME OF RELATED COMPANY	NATURE OF TRANSACTIONS	RELATIONSHIP	2018	2017
			USD	USD
(a) India Multi-Avenues Fund Limited	Expenses paid on behalf IMAFL	Investment Manager		
At 01 April			75,945	49,355
Additions during the year			34,780	26,589
At 31 March			110,725	75,945
(b) SGG Fund Services (Mauritius) Ltd	Professional fees	Administrator		
At 01 April			16,580	13,000
Additions			4,000	4,000
Payments			(3,980)	-
At 31 March			16,660	16,580

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
Fair values

The carrying amounts of cash at bank, other receivables and accrued expenses approximate their fair values.

Financial risk factors

The Company's activities expose it to a variety of financial risks such as market risk, credit risk, interest rate risk, foreign exchange risk, price risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's financial assets are non-interest bearing. As a result, the Company is not subject to any interest rate risk.

Foreign exchange risk

The Company has no exposure to currency risk as all its financial assets and liabilities are in USD.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial assets which potentially subject to the Company to concentrations of credit risk consist principally of bank balances. Cash at bank are held in reputable financial institutions. Accordingly, the Company has no significant concentration of credit risk. The maximum exposure to credit risk assisting from default of the counterpart, with a maximum exposure equal to the carrying amount of these instruments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

The risk of default for the amount receivable from related company is minimal as the IMAFL will be launching its activities soon and will be able to repay its debt.

The maximum exposure to credit risk at the reporting date was:

	2018	2017
	USD	USD
Amount receivable from India Multi –Avenues Fund Limited	110,925	75,945
Cash at bank	99,442	161,193
	210,217	237,138

Liquidity risk

The Company maintains and manages liquidity risk through active monitoring of operating cash flows and availability of funding. At the year end, the directors did not consider there to be any significant liquidity risk. Residual and discounted contractual maturities of financial liabilities are presented below:

2018

	ON DEMAND	TOTAL
	USD	USD
Accrued expenses	11,333	11,333

2017

	ON DEMAND	TOTAL
	USD	USD
Accrued expenses	9,750	9,750

14. CAPITAL RISK MANAGEMENT

As per Regulation 38 of the Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008, a CIS Manager holding a licence issued by the Financial Services Commission is required to maintain a minimum stated unimpaired capital of at least Mauritian Rupees 1 million or the equivalent amount.

As at 31 March 2018, the Company's minimum stated unimpaired capital has been met.

15. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The directors consider IDFC Asset Management Company Limited, a Company incorporated in India, as the immediate and IDFC LIMITED as the ultimate holding company.

16. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies.

17. EVENTS AFTER REPORTING DATE

There have been no material events after the reporting date which would require disclosure or adjustment to the audited financial statements for year under review.

IDFC AMC TRUSTEE COMPANY LIMITED

CIN U69990MH1999PLC123190

DIRECTORS Mr. Sunil Kakar (Chairman)
(till July 15, 2017)
Mr. Pavan Kaushal (Chairman)
(w.e.f. August 02, 2017)
Mr. Nityanath Ghanekar
Mr. Bharat Raut
Mr. Sridar Venkatesan
Mr. Uday Phadke

AUDITORS Price Waterhouse & Co
Chartered Accountants LLP

**PRINCIPAL
BANKER** IDFC Bank Limited

**REGISTERED
OFFICE** One Indiabulls Centre,
6th Floor, Jupiter Mills Compound,
841, Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai 400 013
Tel +91 22 6628 9999
Fax + 91 22 2421 5051
Website www.idfcmf.com
Email ID infoidfcmf@idfc.com

BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the audited financial statements for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

PARTICULARS	(AMOUNT IN ₹)	
	FOR THE PERIOD ENDED MARCH 31, 2018	FOR THE PERIOD ENDED MARCH 31, 2017
Total Income	1,802,354	1,801,110
Less: Total Expenses	1,104,456	1,193,344
Profit before Tax	697,898	607,766
Less: Provision for Tax	180,000	183,480
Profit after Tax	517,898	424,286

COMPANY'S AFFAIRS

The Company is the Trustee to the schemes of IDFC Mutual Fund ("IDFC MF"). The Assets under Management of IDFC MF were ₹ 64,550.58 crore (excluding Fund of Funds Schemes) as on March 31, 2018.

NEW SCHEME LAUNCHES:

During FY18, below schemes were launched

Sr. No.	Name of the Scheme	Type of Scheme
1	IDFC Equity Opportunity - Series 4	Close-ended equity scheme
2	IDFC Equity Opportunity - Series 5	Close-ended equity scheme
3	IDFC Fixed Term Plan - Series 140	Close-ended debt scheme
4	IDFC Fixed Term Plan - Series 141	Close-ended debt scheme
5	IDFC Fixed Term Plan - Series 142	Close-ended debt scheme
6	IDFC Fixed Term Plan - Series 144	Close-ended debt scheme

AMOUNT TO BE CARRIED FORWARD TO RESERVES

The details of amount carried forward to reserves are given in note no. 5 of the Notes forming part of the financial statements.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended March 31, 2018.

ALTERATION OF ARTICLES OF ASSOCIATION

During FY18, the Company adopted the new set of Articles of Association vide a special resolution passed at the Annual General Meeting held on July 25, 2017.

PARTICULARS OF EMPLOYEES

The Company does not have any employee.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any Public Deposits.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There were no loans or guarantee or investments made by the Company under the provisions of Section 186 of the Companies Act, 2013.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was no income or expenditure in foreign currency during the period under review.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed as per Section 134(3)(m) are not applicable and hence not given.

DIRECTORS

During the year, Mr. Sunil Kakar (DIN: 03055561) resigned as a Nominee Director of the Company w.e.f. July 15, 2017. The Board places on record sincere appreciation for services rendered by him during his tenure.

At the Annual General Meeting of the Company held on July 25, 2017, the Members reappointed Mr. Bharat Raut and Mr. Venkatesan Sridar as Independent Directors of the Company for two years from the conclusion of 17th AGM till the conclusion of 19th AGM to be held for FY19. This being the second term of IDs, the said reappointments were approved vide Special Resolutions.

The Board appointed Mr. Pavan Kaushal (DIN: 07117387) as an Additional Director in the category of Nominee Director of IDFC Limited w.e.f. August 2, 2017. It is proposed to regularize appointment of Mr. Pavan Kaushal as a Nominee Director at the ensuing AGM. The

BOARD'S REPORT

Company has received notice in writing from a Member signifying its intention to propose the office of Mr. Pavan Kaushal as Nominee Director. The Shareholders are requested to approve the said appointment at the ensuing AGM.

At 16th AGM held on July 21, 2016, the Shareholders appointed Mr. Uday Phadke (DIN - 00030191) as ID to hold office from the conclusion of that AGM till the conclusion of the 18th AGM of the Company to be held for the FY18 i.e. ensuing AGM. Accordingly, the term of Mr. Uday Phadke will end and he will cease to be an Independent Director after the conclusion of ensuing AGM. The Board places on record its sincere appreciation for his commitment and valuable contribution to the Company.

At 16th AGM held on July 21, 2016, the Shareholders appointed Mr. Nityanath Ghanekar (DIN - 00009725) as ID to hold office from the conclusion of that AGM till the conclusion of the 18th AGM of the Company to be held for the FY18 i.e. ensuing AGM. As per the provisions of Section 149(10) & (11) of the Companies Act, 2013, an ID shall be eligible for another term, if the same is approved by the Shareholders by way of Special Resolution. First term of Mr. Nityanath Ghanekar ends at the ensuing AGM to be held for FY18. He brings to the Board his rich experience and insights. The Company continues to benefit from his guidance. Considering his valuable contributions and on the basis of the report of the performance evaluation the Board of Directors of the Company at its meeting held on July 17, 2018 recommended the reappointment of Mr. Nityanath Ghanekar as ID for a period of One year from July 17, 2018 to July 16, 2019. The Company has received notice in writing from a Member signifying its intention to propose the office of Mr. Nityanath Ghanekar as ID of the Company. The Shareholders are requested to approve the said appointment at the ensuing AGM by passing a special resolution.

The Members are requested to approve the appointment of Mr. Pavan Kaushal and Mr. Nityanath Ghanekar at the ensuing AGM.

DECLARATION OF INDEPENDENCE

The Company has received a declaration from IDs, at the time of their respective appointments and also at the first meeting of the Board of Directors held in the financial year, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

MEETINGS OF THE BOARD

During the year, Eight Board meetings were held on April 24, 2017; June 21, 2017; July 25, 2017; October 24, 2017; November 28, 2017 and January 23, 2018. The gap between any two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013. Your Company has complied with the provisions of Secretarial Standard I on Meetings of Board of Directors issued by the Institute of Company Secretaries of India.

Attendance details of Board of Directors for the Board Meetings held during FY18 are given below.

NAME OF THE DIRECTOR	DIN	POSITION	NO. OF MEETINGS HELD IN FY17	NO. OF MEETINGS ATTENDED IN FY17
Mr. Sunil Kakar ¹	03055561	Nominee of IDFC - Chairman	2	2
Mr. Pavan Kaushal ²	03536833	Nominee of IDFC - Chairman	3	3
Mr. Nityanath Ghanekar	00009725	Independent Director	6	6
Mr. Bharat Raut	00066080	Independent Director	6	5
Mr. Sridar Venkatesan	02241339	Independent Director	6	3
Mr. Uday Phadke	00030191	Independent Director	6	6

¹ Resigned as a Nominee Director w.e.f. July 15, 2017

² Appointed as a Nominee Director w.e.f. August 2, 2017

AUDIT AND RISK MANAGEMENT COMMITTEE

During the year, Four Audit and Risk Management Committee meetings (earlier known as Audit Committee) were held on April 24, 2017, July 25, 2017, October 24, 2017 and January 23, 2018. The gap between two meetings was within the limit of the period prescribed under the Companies Act, 2013.

During the year, the Audit and Risk Management Committee was reconstituted on September 26, 2017.

Attendance details of Directors for the Audit Committee Meetings held during FY18 are given below.

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Nityanath Ghanekar	Independent Director	Chairman	4	4
Mr. Bharat Raut	Independent Director	Member	4	4
Mr. Sunil kakar ¹	Nominee of IDFC	Member	1	1
Mr. Pavan Kaushal ²	Nominee of IDFC	Member	2	2

¹ Resigned as a member w.e.f. July 15, 2017

² Appointed as a member w.e.f. September 26, 2017

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of Independent Directors was held on April 24, 2017. Majority of Independent Directors attended the said meeting.

BOARD'S REPORT

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, a detailed questionnaire was prepared and circulated to the Board for Annual evaluation for FY17. The Directors evaluated the Board as a whole, its committee and Individual Directors including Chairman. The exercise of Board evaluation was carried out and completed effectively.

STATUTORY AUDITORS

At the AGM held on July 25, 2017, the Members of the Company appointed Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/E300009) ("PWC") as the Statutory Auditors of the Company for a period of Five years from the 17th AGM of the Company till the conclusion of the 22nd AGM of the Company to be held for FY22. In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018, by the Ministry of Corporate Affairs, the appointment of the Statutory Auditors is not required to be ratified at every Annual General Meeting.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

In all related party transactions that were entered into during the financial year, an endeavour was made consistently that they were on an arm's length basis and were in the ordinary course of business. IDFC Group has always been committed to good corporate governance practices, including matters relating to Related Party Transactions.

RISK MANAGEMENT

The Members of the Audit Committee ensure the measurement and control of risk factors and advice on the same to the Management of the Company.

MATERIAL CHANGES/ COMMITMENTS

There have been no reportable changes and commitments, affecting the financial position of the Company that has occurred during the period from March 31, 2018 till the date of this report.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNAL

There were no significant and material orders passed by the Regulators/Courts/Tribunal which would impact the going concern status of the Company and its future operations.

ANNUAL RETURN

The extract of the Annual Return in the prescribed Form No. MGT 9 is appended as **Annexure I**. The Annual Return of the Company for FY18 has been hosted at www.idfcmf.com.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual financial statements on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

The Board places on record its gratitude to the Securities and Exchange Board of India, Reserve Bank of India, Association of Mutual Funds of India, other regulatory authorities and institutions and Investors in the Mutual Fund schemes for their continued guidance and support.

The Directors also express their gratitude for the unstinted support and guidance received from IDFC Limited, IDFC FHCL and other group companies.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Pavan Kaushal

Chairman

Mumbai, July 17, 2018

ANNEXURE I

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U69990MH1999PLC123190
ii) Registration Date	20/12/1999
iii) Name of the Company	IDFC AMC TRUSTEE COMPANY LIMITED
iv) Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
v) Address of the Registered office and contact details	One India Bulls Centre, 841 Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone (West), Mumbai - 400013, Maharashtra Tel.: +91 22 6628 9999, Fax: +91 22 2421 5051
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011. Tel.: +91 22 6656 8484

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1.	Trustee of Mutual Fund	6619	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IDFC Limited	L65191TN1997PLC037415	Ultimate Holding	Indirectly 100%	Section 2(46)
2	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Holding	100%	Section 2(46)
3	IDFC Investment Managers (Mauritius) Limited	N.A.	Subsidiary	100%	Section 2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. Promoter									
(1) Indian									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	49,994	6	50,000	100%	49,994	6	50,000	100%	NIL
e) Banks/Fl	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	49,994	6	50,000	100%	49,994	6	50,000	100%	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	49,994	6	50,000	100%	49,994	6	50,000	100%	NIL
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	49,994	6	50,000	100%	49,994	6	50,000	100%	NIL

ANNEXURE I

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

(ii) Shareholding of Promoters

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHARE HOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	
1.	IDFC Financial Holding Company Limited	50,000	100%	NIL	50,000	100%	NIL	NIL
TOTAL		50,000	100%		50,000	100%		

(iii) Change in Promoters' Shareholding: NO CHANGE

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
NOT APPLICABLE

(v) Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

B. Remuneration to other directors:

IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS					TOTAL AMOUNT	
		SUNIL KAKAR ¹	PAVAN KAUSHAL ²	BHARAT RAUT	VENKATESAN SRIDAR	NITYANATH GHANEKAR		UDAY PHADKE
1.	Independent Directors							
	Fee for attending board /committee meetings			250,000	75,000	275,000	175,000	775,000
	TOTAL (1)			250,000	75,000	275,000	175,000	775,000
2.	Other Non-Executive Directors	NIL	NIL					NIL
	TOTAL (2)	NIL	NIL					NIL
	TOTAL (B) = (1 + 2)	NIL	NIL	250,000	75,000	275,000	175,000	775,000
	Overall Ceiling as per the Act							Within the ceiling limit

¹ Tendered his resignation w.e.f. July 15, 2017

² Appointed as Nominee Director w.e.f. August 2, 2017

Note: Sitting fees paid to Directors is within the overall Ceiling limit as prescribed under the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NOT APPLICABLE

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC AMC TRUSTEE COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of IDFC AMC Trustee Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 24, 2018, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

INDEPENDENT AUDITOR'S REPORT

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
 - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Sharad Vasant
Partner
Membership Number : 101119

Mumbai, April 26, 2018.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of IDFC AMC Trustee Company Limited on the financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of IDFC AMC Trustee Company Limited ("the Company") as of March 31, 2018 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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.
5. 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

6. 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

7. 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

8. In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number : 101119

Mumbai, April 26, 2018.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 10 OF THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF IDFC AMC TRUSTEE COMPANY LIMITED ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2018

- i. The Company does not hold any fixed assets during the year ended March 31, 2018. Therefore, the provisions of Clause 3(i) of the Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him within the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Chartered Accountants

Sharad Vasant

Partner

Membership Number : 101119

Mumbai, April 26, 2018.

BALANCE SHEET

AS AT MARCH 31, 2018

		AS AT MARCH 31, 2018	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	NOTES	₹	₹	₹
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	4	500,000		500,000
(b) Reserves and surplus	5	1,469,947		952,049
			1,969,947	1,452,049
Non-current liabilities				
(a) Other long-term liabilities	6		30,000	30,000
Current liabilities				
(a) Trade Payable	7	172,680		44,869
(b) Other current liabilities	8	41,900		13,936
(c) Short-term provisions	9	80,134		42,800
			294,714	101,605
TOTAL			2,294,661	1,583,654
ASSETS				
Non-current assets				
(a) Long-term loans and advances	10		86,370	86,370
Current assets				
(a) Trade receivables	11	531,000		517,500
(b) Cash and bank balances	12	1,649,519		956,368
(c) Short-term loans and advances	10	27,772		23,416
			2,208,291	1,497,284
TOTAL			2,294,661	1,583,654
Summary of significant accounting policies	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership No. 101119

Mumbai, April 26, 2018

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Pavan Kausal
Director

Bharat Raut
Director

Mumbai, April 23, 2018

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

	NOTES	YEAR ENDED	YEAR ENDED
		MARCH 31, 2018	MARCH 31, 2017
		₹	₹
I INCOME			
Revenue from operations			
Trusteeship fees		1,800,000	1,800,000
Other income	13	2,354	1,110
TOTAL INCOME (I)		1,802,354	1,801,110
II EXPENSES			
Other expenses	14	1,104,456	1,193,344
TOTAL EXPENSES (II)		1,104,456	1,193,344
III PROFIT BEFORE TAX (I - II)		697,898	607,766
IV TAX EXPENSE			
Current tax		180,000	187,800
Adjustment of tax relating to earlier periods		-	(4,320)
TOTAL TAX EXPENSE (IV)		180,000	183,480
V PROFIT AFTER TAX (III - IV)		517,898	424,286
Basic and diluted earnings per equity share (Nominal value of share ₹10)	16	10.36	8.49
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership No. 101119

Mumbai, April 26, 2018

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Pavan Kausal
Director

Bharat Raut
Director

Mumbai, April 23, 2018

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	₹	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		697,898	607,766
Changes in working capital:			
(Increase)/decrease in loans and advances (short-term)	(4,356)		(18,505)
(Increase)/decrease in trade receivables	(13,500)		(403,000)
Increase/(decrease) in current liabilities	155,775		(270,189)
		137,919	(691,694)
Cash generated from/(used in) operations		835,817	(83,928)
Direct taxes paid (net of refund received)		(142,666)	(43,780)
Net cash flow from operating activities (A)		693,151	(127,708)
Net cash flow from investing activities (B)		-	-
Net cash flow from financing activities (C)		-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)		693,151	(127,708)
Cash and cash equivalents as at beginning of the year (refer note 11)		956,368	1,084,076
Cash and cash equivalents as at end of the year (refer note 11)		1,649,519	956,368
		693,151	(127,708)

Notes:

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership No. 101119

Mumbai, April 26, 2018

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Pavan Kausal
Director

Bharat Raut
Director

Mumbai, April 23, 2018

01 NATURE OF OPERATIONS

IDFC AMC Trustee Company Limited ('the Company') is a public limited company, incorporated in India under the Companies Act, 1956. The Company provides trusteeship service to IDFC Mutual Fund. The Company has been appointed as the Trustee of IDFC Mutual Fund vide Trust Deed dated December 29, 1999.

02 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

03 SIGNIFICANT ACCOUNTING POLICIES**A. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The differences between estimate and actual outcome are recognised in the Statement of Profit and Loss when materialised.

B. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Income from trusteeship services is recognised at price agreed in accordance with the arrangement with the IDFC Mutual Fund.

C. PROVISIONS

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

D. INCOME TAX

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act 1961. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

E. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

G. EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

H. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. Trusteeship Services. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

04 SHARE CAPITAL

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	(₹)	NUMBER	(₹)
AUTHORISED SHARES				
Equity shares of ₹10 each	50,000	500,000	50,000	500,000
ISSUED, SUBSCRIBED & FULLY PAID-UP SHARES				
Equity shares of ₹10 each	50,000	500,000	50,000	500,000
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		500,000		500,000

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	(₹)	NUMBER	(₹)
Outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding company

Out of the equity shares issued by the Company, shares held by its holding company/ultimate holding company are as below:

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	(₹)	NUMBER	(₹)
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	50,000	500,000	37,499	374,990

(d) Details of shareholders holding more than 5% of the equity shares in the Company

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
IDFC Financial Holding Company Limited (of which 6 shares are held jointly with nominees)	50,000	100.00%	37,499	75.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

05 RESERVES AND SURPLUS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	952,049	527,763
Add: Profit for the year	517,898	424,286
Closing balance	1,469,947	952,049

06 OTHER LONG-TERM LIABILITIES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Other payables - Corpus	30,000	30,000
TOTAL	30,000	30,000

07 TRADE PAYABLES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Total outstanding dues of micro enterprises and small enterprises (Refer note 17) and Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Other Trade Payable	172,680	44,869
TOTAL	172,680	44,869

08 OTHER CURRENT LIABILITIES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Statutory dues payable	41,900	13,936
TOTAL	41,900	13,936

09 SHORT TERM PROVISIONS

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Provision for income tax (Net of advance tax of ₹287,666; Previous year ₹145,000)	80,134	42,800
TOTAL	80,134	42,800

10 LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2018		AS AT MARCH 31, 2017	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
	(₹)	(₹)	(₹)	(₹)
Balances with government authorities - Input credit receivable	-	23,580	-	23,416
Advance tax (Net of provision ₹6,492; Previous year ₹6,492)	86,370	-	86,370	-
Prepaid Expenses	-	4,192	-	-
TOTAL	86,370	27,772	86,370	23,416

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

11 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Outstanding for a period less than six months	531,000	517,500
TOTAL	531,000	517,500

12 CASH AND BANK BALANCES

	AS AT MARCH 31, 2018	AS AT MARCH 31, 2017
	(₹)	(₹)
Cash and cash equivalents		
Balances with banks: In current accounts	1,649,519	956,368
TOTAL	1,649,519	956,368

13 OTHER INCOME

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Interest on income tax refund	2,354	1,110
TOTAL	2,354	1,110

14 OTHER EXPENSES

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Travelling and conveyance	94,390	115,600
Professional fees	185,783	12,893
Directors' sitting fees	775,000	1,000,000
Statutory Notice	8,364	-
Miscellaneous expenses	4,759	9,305
Meeting and other expenses	-	19,636
Auditors' remuneration (refer note (a) below)	33,660	33,410
Profession tax paid	2,500	2,500
TOTAL	1,104,456	1,193,344

(a) Break up of auditors' remuneration:

	YEAR ENDED MARCH 31, 2018	YEAR ENDED MARCH 31, 2017
	(₹)	(₹)
Audit fee	18,000	18,000
Other services	15,660	12,000
Out of pocket expenses	-	3,410
TOTAL	33,660	33,410

15 The Company is engaged in the business of providing trusteeship services in India. As such there is no separate reportable primary business segment or geographical segment as required by Accounting Standard 17 on "Segment Reporting" as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

16 RELATED PARTY DISCLOSURES

As per the Accounting Standard 18 on "Related Party Disclosures" the related parties of the Company are as follows:

I. Ultimate Holding Company:

IDFC Limited

II. Holding Company:

IDFC Financial Holding Company Limited

Names of the related parties with which there are transactions during the year:

III. Fellow Subsidiary:

IDFC Asset Management Company Limited

IDFC Bank Limited

IV. Mutual Fund managed by Fellow Subsidiary

IDFC Mutual Fund, managed by IDFC Asset Management Company Limited

NAME OF RELATED PARTY AND NATURE OF RELATIONSHIP	TRANSACTIONS DURING THE YEAR	YEAR ENDED	YEAR ENDED
		MARCH 31, 2018	MARCH 31, 2017
		(₹)	(₹)
a) Details of transactions during the year:			
I. Fellow Subsidiaries:			
IDFC Asset Management Company Limited	Reimbursement of expenses	91,829	134,236
II. Mutual Fund managed by Fellow Subsidiary			
IDFC Mutual Fund	Trusteeship Fees	1,800,000	1,800,000
b) Balances at the year end:			
I. Holding Company/Ultimate Holding Company:			
IDFC Limited	Initial Corpus Payable	30,000	30,000
II. Fellow Subsidiaries:			
IDFC Bank Limited	Current Account Balance	1,000	-
III. Mutual Fund managed by Fellow Subsidiary			
IDFC Mutual Fund	Trusteeship Fees receivable	531,000	517,500

17 THE BASIC AND DILUTED EARNINGS PER SHARE HAS BEEN CALCULATED BASED ON THE FOLLOWING:

	YEAR ENDED	YEAR ENDED
	MARCH 31, 2018	MARCH 31, 2017
	(₹)	(₹)
Net profit after tax	517,898	424,286
Weighted average number of equity shares (Nos.)	50,000	50,000
Basic and diluted earnings per share (₹)	10.36	8.49

18 DISCLOSURES RELATING TO SPECIFIED BANK NOTES ("SBNS")*

(a) The disclosures relating to Specified Bank Notes ("SBN") is not applicable to the Company during the year.

(b) In previous year, the Company did not held and transacted in Specified Bank Notes ("SBN") during the period Novemembr 08, 2016 to December 30, 2016.

*Specified Bank Notes (SBNS) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2017.

19 The figures for the previous year have been regrouped wherever necessary, in order to make them comparable to the current year.

For and on behalf of the Board of Directors of
IDFC AMC Trustee Company Limited

Pavan Kausal
Director

Bharat Raut
Director

Mumbai, April 23, 2018