

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

Dear Unitholders,

We have pleasure in presenting the 5<sup>th</sup> (Fifth) Annual Report of the Schemes of IL&FS Mutual Fund (IDF) for the year ended March 31, 2018, along with the Audited Financial Statements of the Schemes

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

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

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

IL&FS Mutual Fund (IDF) (“the Mutual Fund” or “the Infrastructure Debt Fund”) has been constituted as a Trust on January 21, 2013 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with IL&FS Investment Managers Limited as the Sponsor and IL&FS AMC Trustee Limited as the Trustee. The Trust Deed was amended and restated on September 5, 2013 and further amended on January 16, 2017. The Trust Deed has been registered under the Indian Registration Act, 1908. SEBI on February 1, 2013 registered IL&FS Mutual Fund (IDF) under Registration No. MF/072/13/02

**(b) SPONSOR:**

IL&FS Investment Managers Limited (IIML) is the Sponsor of IL&FS Mutual Fund (IDF)

Established in 1989, IL&FS Investment Managers Limited (IIML) has been an early and in many instances, the first investor across various sectors such as Telecom, City Gas Distribution, Shipyards, Retail, and Media. IIML is one of India’s largest private equity fund management companies and has raised and managed over US\$ 3.5 billion on behalf of leading Indian and International Institutions

IIML has been an active investor in the Indian market with aggregate investment experience spanning nearly two decades and across industry sectors. IIML’s experience covers the entire Private Equity life cycle – right from raising funds, investing, monitoring and planning exits



IIML has a diversified portfolio with a vast experience in managing funds across all the sectors and business cycles. However, broadly IIML's focus can be categorised into a) Infrastructure b) Real Estate and c) Growth Private Equity i.e. manufacturing, technology, retail, media, agriculture & consumer services etc

IIML recognised that Indian infrastructure requirements are humungous and thus over the last decade, IIML has managed 3 infrastructure focused funds and presently manages investments in the sector through the SCI Asia Infrastructure Fund, a joint venture fund in partnership with Standard Chartered Bank. In all, IIML has undertaken 31 infrastructure investments aggregating over ₹ 26 billion and is presently invested across transportation, maritime, power, city gas distribution, agri-warehousing, container logistics and waste management sectors

**(c) THE TRUSTEE:**

IL&FS AMC Trustee Limited, the Trustee Company is a Public Limited Company incorporated under the Companies Act, 1956 on December 4, 2012 and at present having its registered office at The IL&FS Financial Centre, 7<sup>th</sup> Floor, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051, India. The Original Trust Deed between the parties was registered on January 21, 2013 and was amended and restated on September 5, 2013 and further amended on January 16, 2017. The Trustee, through its Board of Directors, shall discharge its obligations as Trustee of the IL&FS Mutual Fund (IDF). The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. IL&FS AMC Trustee Limited is a wholly owned subsidiary of IL&FS Investment Managers Limited. IL&FS Investment Managers Limited holds 100% of the share capital of IL&FS AMC Trustee Limited along with 6 nominee shareholders

<b>DIRECTORS OF IL&amp;FS AMC TRUSTEE LIMITED</b>
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Mr Arun K Saha	Associate Director
Mr Chitranjan Kahlon	Independent Director
Mr Balasubramanian Narasimhan	Independent Director
Mr Ranjan Dhawan	Independent Director

Independent Directors in terms of SEBI (Mutual Funds) Regulations, 1996





(d) **ASSET MANAGEMENT COMPANY (AMC):**

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

This IMA was Amended and Restated on September 5, 2013 and further amended on January 16, 2017. IIAML is a subsidiary of IL&FS Investment Managers Limited. IL&FS Investment Managers Limited along with 6 nominee shareholders holds 86.61% and LIC of India holds 7.72% of IIAML’s share capital. Whereas, General Insurance Corporation of India, United India Insurance Company Limited and National Insurance Co Ltd holds 1.89% each of IIAML’s share capital

**DIRECTORS OF IL&FS INFRA ASSET MANAGEMENT LIMITED**

Mr Ramesh Chander Bawa	Associate Director
Mr Milind Patel*	Associate Director
Mr Rajesh Kotian	Associat Director
Mr R. S. Reddy	Independent Director
Mr Pradip Roy	Independent Director
Mr Kartik Ganapathy	Independent Director
Mr K N Prithviraj	Independent Director
Mrs Nalini M Ratnam**	Nominee Director from LIC

Note: \*Mr Milind Patel resigned w.e.f. March 31, 2018

\*\*Mrs Nalini M Ratnam joined w.e.f. July 27, 2017

(2) **Investment Objectives of the Schemes:**

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

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

IL&FS Infrastructure Debt Fund - Series 3-A having specified maturity of 5 years was launched through Private Placement Offer and the scheme was closed in January 2018 with a corpus of ₹ 140 crore. Currently the Fund is in the process of fund raising for seven year closed ended scheme

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

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

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

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

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

Till date, IL&FS IDF has launched Schemes as mentioned below:

- (a) **IL&FS Infrastructure Debt Fund – Series 1A, 1B and 1C** - with minimum tenure of 5, 7 and 10 years respectively. These schemes got the highest rating of IND AAAidf-mf by India Ratings and CARE AAA (MF-IDF) by CARE. The total corpus raised was ₹ 750 crore and as on March 31, 2018 with net earnings from investment, the corpus has risen to ₹ 1,159 crore. The performance of these schemes since inception is given below:

Scheme Name	Last 1 year		Last 3 year		Last 5 year		Since inception	
	Scheme return	Bench mark *	Scheme return	Bench mark *	Scheme return	Bench mark *	Scheme return	Bench mark *
IIDF Series - 1A	11.95%	5.11%	11.37%	8.36%	NA	NA	10.97%	9.85%
IIDF Series - 1B	11.84%	5.11%	11.26%	8.36%	NA	NA	11.09%	9.85%
IIDF Series - 1C	12.71%	5.11%	11.60%	8.36%	NA	NA	11.22%	9.85%

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

IDF scheme return is net of 1.44% expenses and benchmark return is on a gross basis (IIDF - IL&FS Infrastructure Debt Fund)



- (b) **IL&FS Infrastructure Debt Fund – Series 2-A, 2-B and 2-C** - with minimum tenure of 5, 8 and 12 years respectively. The schemes have been rated IND AAAidf-mf by India Ratings. These schemes were closed on April 17, 2015 for aggregate amount of ₹ 575 crore and has called 70% of the commitment amount as of March 31, 2018
- (c) **IL&FS Infrastructure Debt Fund – Series 3-A** - with minimum tenure of 5 years. The scheme got the highest rating of IND AAAidf-mf by India Ratings and CARE AAA (MF-IDF) by CARE. The scheme closed on January 31, 2018 for aggregate amount of ₹ 140 crore and as on March 31, 2018 with net earnings from investment, the corpus has risen to ₹ 142.30 crore

(d) **Future Outlook:**

The Indian economy has showcased robust growth in the last decade - GDP has grown at a CAGR of 7%. Economic growth is expected to be supported by higher consumer spending, growth in industrial and services sectors and a stable domestic savings rate. This will be further catalyzed by the continuing reform programme across the country's economic, financial and social policies, namely enhancement of the financial sector growth, openness to trade, rural-urban migration, capital formation, education and focus on environment

Investment in Infrastructure development is a key enabler for sustaining the growth momentum of the emerging economies like India. The strong growth of the Indian economy over the past 2 decades has been possible primarily because of growth in Infrastructure linked investment

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

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

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

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

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

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

**(e) Investor Services:**

As stipulated under SEBI circular no. Cir/IMD/DF/2/2010 dated May 13, 2010, there were no investor complaints received during the period April 2017 to March 2018. The report as stipulated by SEBI is provided under **Annexure 1**

**(5) Significant Accounting Policies:**

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

**(6) Unclaimed Dividends & Redemptions as on March 31, 2018:**

The Scheme/s launched are close ended Scheme with investors having a minimum investment horizon of 5 years and has not yet declared any dividend till date. Hence, there are no instances of unclaimed Dividends and Redemptions as on March 31, 2018

**(7) Statutory Information:**

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

Full Annual Report shall be put on the website ([www.ilfsinfrafund.com](http://www.ilfsinfrafund.com)) and shall be available for inspection at the Head Office of the Fund. On written request, present and prospective unitholder/investors can obtain copy of the trust deed, the full annual report of the Fund / AMC at a price and the text of the relevant scheme



**(8) Acknowledgements:**

We wish to thank the unit holders of the Fund for their overwhelming response and support throughout the year and also extend gratitude to the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Association of Mutual Funds in India (AMFI) and the Financial Intelligence Unit (FIU) for the guidance provided by them. Further, we would also like to take this opportunity to express our appreciation towards the Registrar and Transfer Agent, Fund Accountant, Custodian, Banker/s, Auditors, Distributor/s and all Service Provider/s for their support. Further we wish to express our gratitude towards Sponsor to the Fund for their continued trust and support. Lastly, we would like to place on record our appreciation of the contribution made by the dedicated and committed team of employees of IL&FS Infra Asset Management Limited

We look forward to your continued support and assure you of our commitment to quality products and services from the Mutual Fund

For and on behalf of the Board of **IL&FS AMC Trustee Limited**  
(Trustee to IL&FS Mutual Fund (IDF))



**Arun K Saha**  
Chairman



**B Narasimhan**  
Director

Date: April 26, 2018

Place: Mumbai

Annexure 1

Redressal of Complaints received during		2017-2018											
Name of the Mutual Fund		IL&FS Mutual Fund (IDF)											
Total Number of Folios		74											
Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year					Action on (a) and (b)					
			Within 30 days	30-60 days	60-180 days	Beyond 180 days	Non Actionable*	0-3 months	3-6 months	6-9 months	9-12 months		
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

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



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

### Report on the Financial Statements

We have audited the accompanying financial statements of the under mentioned **IL&FS MUTUAL FUND (IDF) – CLOSED ENDED DEBT SCHEMES** (the "Schemes") which comprise the Balance Sheet as at 31 March 2018, the Revenue Account and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Name of the Scheme
IL&FS Infrastructure Debt Fund Series 2A
IL&FS Infrastructure Debt Fund Series 2B
IL&FS Infrastructure Debt Fund Series 2C

### Management's Responsibility for the Financial Statements

The Managements of IL&FS AMC Trustee Limited (the "Trustee") and IL&FS Infra Asset Management Limited (the "AMC") are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemes in accordance with accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended (the "SEBI Regulations") and in accordance with the accounting principles generally accepted in India. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the SEBI Regulations for safeguarding the assets of the scheme 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

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the SEBI Regulations, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the SEBI Regulations. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require



that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

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

(a) in the case of the Balance Sheet, of the state of affairs of the Schemes as at 31 March 2018

(b) in the case of the Revenue Account, of the Surplus of the Schemes for the year ended 31 March 2018 and

(c) in the case of the Cash Flow Statement, of the cash flows of the Schemes for the year ended 31 March 2018.

### **Report on Regulatory Requirements**

1. As required SEBI Regulation 55 and Clause 5 of the Eleventh Schedule to the SEBI Regulations, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Schemes.

(c) The financial statements have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of the SEBI Regulations.



2. As required by clause 2 (ii) of Eighth Schedule of the SEBI Regulations, we report that, Non - traded securities as on 31 March 2018 have been valued following the "Principles of Fair Valuation" approved by the Board of Directors of the Trustee and the AMC, at the face value or at their effective yield as determined appropriate by the Investment Manager. In our opinion, these valuations are fair and reasonable.

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



Pallavi A. Gorakshakar  
Partner  
(Membership No. 105035)

MUMBAI, 26 April 2018  
PG/PA-2018

IL&FS Mutual Fund (IDF)							
Balance sheet as at March 31, 2018							
Particulars	Notes	Series 2A		Series 2B		Series 2C	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Liabilities</b>							
Unit capital	3	1,181,250,000	1,181,250,000	1,575,000,000	1,575,000,000	1,268,750,000	1,268,750,000
Reserves and surplus	4	314,631,917	155,418,298	473,175,407	241,535,285	352,745,660	179,289,960
Current liabilities and provisions	5	2,411,042	1,899,832	3,520,986	2,739,429	2,466,324	2,138,691
<b>Total</b>		<b>1,498,292,959</b>	<b>1,338,568,130</b>	<b>2,051,696,393</b>	<b>1,819,274,714</b>	<b>1,623,959,984</b>	<b>1,444,197,751</b>
<b>Assets</b>							
Investments	6	1,178,000,000	1,306,000,000	1,951,100,000	1,783,000,000	1,574,000,000	1,365,000,000
Other Current assets	7	320,292,959	32,568,130	100,596,393	36,274,714	49,959,984	81,197,751
<b>Total</b>		<b>1,498,292,959</b>	<b>1,338,568,130</b>	<b>2,051,696,393</b>	<b>1,819,274,714</b>	<b>1,623,959,984</b>	<b>1,444,197,751</b>

See accompanying notes 1 to 26 forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
Pallavi A. Gorakshakar  
Partner  
Mumbai, April 26, 2018

For IL&FS Infra Asset Management Limited

  
Rajesh Kotian  
Director  
DIN: 02283475

For IL&FS AMC Trustee Limited

  
Anu K. Sharma  
Director  
DIN: 00002377

  
Pradip Roy  
Director  
DIN: 00026457

  
Neelish Vernekar  
Fund Manager

  
B. Narasimhan  
Director  
DIN: 06360390

IL&FS Infrastructure Debt Fund		Revenue Account				Amount ₹	
Particulars	Notes	Series 2A		Series 2B		Series 2C	
		For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Income and gains</b>							
Interest Income	8	166,727,594	117,601,737	226,712,760	183,352,551	182,934,978	131,209,841
Other Income	9	5,295,892	3,293,064	3,215,812	3,370,893	18,980,934	3,329,564
<b>Total</b>		<b>172,023,486</b>	<b>120,894,801</b>	<b>229,928,572</b>	<b>186,723,444</b>	<b>201,915,912</b>	<b>134,539,405</b>
<b>Expenses and losses</b>							
Investment Management fees		17,137,338	15,330,541	23,315,556	20,903,582	18,499,796	16,690,595
GST/Service tax on Investment Management fees		2,962,171	2,287,125	4,030,291	3,118,641	3,197,737	2,490,045
Trustee fees		141,506	126,750	192,520	172,828	152,756	137,995
Investor Education and Awareness Expenses (Refer Note 2(b))		283,010	253,501	385,039	345,657	305,511	275,991
Custody Charges		131,282	140,356	115,757	140,356	98,259	100,254
Other Operating expenses		90,065	130,380	187,620	152,052	145,586	115,454
Audit Fees		61,667	90,973	61,667	122,683	61,667	97,641
<b>Total</b>		<b>20,807,039</b>	<b>18,359,626</b>	<b>28,008,450</b>	<b>24,955,799</b>	<b>21,461,312</b>	<b>19,907,975</b>
Expenses recoverable from the Asset Management Company		-	(128,730)	-	(97,273)	-	(59,674)
<b>Total</b>		<b>20,807,039</b>	<b>18,230,896</b>	<b>28,008,450</b>	<b>24,858,526</b>	<b>21,461,312</b>	<b>19,848,301</b>
<b>Surplus for the year</b>		<b>151,216,447</b>	<b>102,663,905</b>	<b>201,920,122</b>	<b>161,864,918</b>	<b>179,453,600</b>	<b>114,691,104</b>
Revenue Reserve brought forward		155,418,298	40,751,565	241,535,285	79,670,367	173,287,060	38,297,956
<b>Net Surplus transferred to Revenue Reserve</b>		<b>306,634,745</b>	<b>143,415,470</b>	<b>443,455,407</b>	<b>241,535,285</b>	<b>352,740,660</b>	<b>152,989,060</b>
<b>Refer note 14 for the total income and expenditure expressed as a percentage of the Average daily net assets</b>							

See accompanying notes 1 to 26 forming part of the financial statements in terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Pallavi A. Goralkhakar  
Partner  
Mumbai, April 26, 2018

For IL&FS Infra Asset Management Limited

Pradip Roy  
Director  
DIN: 00026457

Nitesh Varnikar  
Fund Manager

For IL&FS AMC Trustee Limited

Arun K. Sha  
Director  
DIN: 00002177

B. Narasimhan  
Director  
DIN: 06360390

IL&FS Mutual Fund (IDF)		Cash flow statement					Amount ₹
Particulars		Series 2A		Series 2B		Series 2C	
		For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2017	
<b>A. Cash flow from Operating Activities</b>							
Surplus for the year		159,213,619	114,666,733	231,640,122	161,864,918	114,991,104	
Adjustment for:-		(166,727,594)	(127,601,737)	(226,712,760)	(183,352,551)	(131,509,841)	
Interest Income		517,932	362,127	772,668	561,788	311,864	
Change in assets and liabilities:		128,000,000	(1,120,000,000)	(168,100,000)	(839,000,000)	447,914	
Increase in current liabilities and provisions		(236,148,538)	1,034,531,265	(1,360,951)	693,736,045	(768,000,000)	
(Decrease)/Increase in other current assets		(115,144,581)	(98,041,612)	(163,760,921)	(166,189,800)	652,882,677	
Cash used in Operations	(A)					(131,188,146)	
<b>B. Cash flow from investing activities</b>							
Interest received		116,809,416	98,237,901	173,502,384	162,574,994	131,450,826	
Net cash Generated from investing activities	(B)	116,809,416	98,237,901	173,502,384	162,574,994	131,450,826	
Net Increase/(Decrease) in cash and cash equivalents	(A+B)	1,664,835	196,289	9,741,462	(3,614,806)	262,680	
Cash and cash equivalents at the beginning of the year		523,368	327,079	721,081	4,335,887	322,806	
Cash and cash equivalents at the end of the year		2,188,203	523,368	10,462,544	721,081	585,486	
<b>Note</b>							
Cash and bank balance as per Note No 7		2,258,830	956,352	10,880,745	1,335,681	2,820,832	
Less:- Cash and bank balance earmarked for Investor Education and Awareness		70,627	77,349	114,228	105,338	84,046	
Less:- Cash and bank balance earmarked for Collateralised Borrowing and Lending Obligation ("CBL0")		-	355,635	303,973	509,262	2,151,300	
Cash & Cash Equivalent as per AS 3 Cash Flow Statements		2,188,203	523,368	10,462,544	721,081	585,486	

See accompanying notes 1 to 26 forming part of the financial statements  
In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Pallavi A. Gorakshakar  
Partner  
Mumbai, April 26, 2018

For IL&FS Infra Asset Management Limited

Pradip Roy  
Director  
DIN: 00026457

Jignesh Shah  
CEO

Neelesh Vernekar  
Fund Manager

For IL&FS AMC Trustee Limited

Arun K Saha  
Director  
DIN: 00002377

B Narasimhan  
Director  
DIN: 06360390

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(1) Background**

IL&FS Mutual Fund (IDF) ('the Fund') has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 with IL&FS Financial Services Limited ("IFIN") as the Sponsor, IL&FS Infra Asset Management Limited as the Investment Manager and IL&FS AMC Trustee Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908 on January 21, 2013 and amended through Deed of amendment on September 5, 2013. The Investment Management Agreement between IL&FS Infra Asset Management Limited (the AMC), IL&FS AMC Trustee Limited (the Trustee) and the trust was executed on January 21, 2013 and amended on September 5, 2013. The Fund has been registered with SEBI on February 1, 2013 under Registration Code MF/072/13/02. With effect from January 1, 2017, sponsor of the Fund was changed from IFIN to IL&FS Investment Managers Limited ("IIML"), consequently Trust Deed and Investment Management Agreement were amended on January 16, 2017

IL&FS Infrastructure Debt Fund Series 2A, 2B and 2C is a closed ended Scheme for 5 Years, 8 Years and 12 Years respectively. The scheme was launched on March 3, 2014 and units were allotted on April 17, 2015 being first draw down of the commitments. Units are having face value of ₹ 1,000,000 and partly paid-up as on March 31, 2017 and as on March 31, 2018.

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

**(2) Significant accounting policies**

**a) Basis of preparation of financial statements**

The financial statements are prepared and presented under the historical cost convention, as modified for investments which are stated at fair value at the balance sheet date, on accrual basis of accounting and in accordance with the accounting policies and standards specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) SEBI Regulations, 1996 as amended (the "SEBI Regulations")

**b) Use of estimates**

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

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

**c) Investments**

**(i) Basis of accounting**

- Transactions for purchase and sale of investments are recorded on trade date. The cost of investments includes all costs incurred in acquiring the investments and incidental to acquisition of investments. Any front end-



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discount on privately placed investments is reduced from the cost of such investments.

- Broken period interest paid/received is not included in the cost of purchase of investments.

(ii) Valuation

- Investments for the purpose of valuation are classified as traded and non-traded in accordance with the provisions of the SEBI Regulations. Investments are valued following the “Principles of Fair Valuation” approved by the Trustees and AMC.

**i. Debt, Money Market and related securities-**All debt, money market and related securities with residual maturity  $\leq$  60 days:-

All traded investments are valued at price derived from the weighted average Yield to Maturity (YTM) of the traded security for the day. All non-traded investments are valued at amortised price which is computed on straight line basis using the last valuation price so long as their valuation remains within  $\pm 0.10\%$  band of the price derived from the reference rate provided by CRISIL Limited (CRISIL) and ICRA Management Consulting Services Ltd (IMACS). In case of amortized value falling outside the above band, the YTM of the asset is adjusted in order to bring the price within the  $\pm 0.10\%$  band with suitable justification.

**ii. Debt, Money Market and related securities -**All debt, money market and related securities with residual maturity  $>$  60 days :-

All debt, money market and related securities with residual maturity  $>$  60 days. All traded and non-traded investments are valued at average of scrip level prices provided by CRISIL & IMACS for individual securities. In case CRISIL & IMACS are unable to provide Scrip level prices for the investments due to unavailability of market inputs such as - trades, polls and primary issuances for securities, the securities will be valued at face value or at their effective yield, as determined appropriate by the Investment Manager.

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

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

d) **Revenue recognition**

Interest income is recorded on a period proportionate basis.

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

Transfer of Investments from one scheme to another scheme shall be made as per the valuation policy in conformity with the investment objective of the scheme to which such transfer has been made.



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- e) **Unrealised appreciation/depreciation on investments**  
 Net unrealized appreciation/depreciation in value of investments is determined for each investments, wherein the cost is compared with the fair value and the resultant appreciation is disclosed under appropriation account and any depreciation is charged to the revenue account
- f) **Expenses**  
 The total expense ratio charged to scheme are within the limits prescribed under Regulation 52 of the SEBI Regulations
- All expenses identifiable with any particular scheme are accounted on an accrual basis. Expenses not identifiable with any particular scheme are generally allocated to the schemes in proportion to the number of folios in the schemes or Average Assets under management (AAUM), whichever is more appropriate
- g) **Computation of Net Asset Value (NAV)**  
 The NAV of a scheme is computed separately for units issued under the various options of the relevant plans of the IL&FS Infrastructure Debt Fund
- Series 2A, 2B and 2C, although the corresponding scheme's investments and other net assets are managed as a single portfolio. For computing the NAV for various plans/options, daily income earned, including realized and unrealized gains or losses in the value of investments and expenses incurred by the corresponding scheme are allocated to the plans/options in proportion to the net assets of each plan/option.
- h) **Investor Education and Awareness Expenses**  
 In compliance with SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012; the scheme has charged 0.02 % of daily net assets within the maximum limit of total expense ratio as per the SEBI Regulations for investor education and awareness initiatives. Pursuant to the letter dated January 8, 2016, issued by SEBI to AMFI mandating all members to transfer 50% of the Investor Education and Awareness fund balance as at March 31, 2016 and from April 1, 2016 onwards, 50% of the 0.02% of daily net assets aside by the Mutual fund, accordingly the fund has transferred 50% of Investor Education and Awareness Fund balance to AMFI. The balance amounts are utilized towards investor education and awareness initiative taken by the Mutual Fund/AMC Allocation for utilization is done in different schemes based on the available balance in each scheme.

**Movement for the Year ended March 31, 2018 is as follows:-**

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year ended March 31, 2018			
	Opening balance	Additions	Utilisation/ Transfer to AMFI	Closing balance
Series 2A	77,349	283,010	289,732	70,627
Series 2B	105,338	385,039	376,149	114,228
Series 2C	84,046	305,511	309,741	79,816



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Movement for the Year ended March 31, 2017 is as follows:-

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year ended March 31, 2017			
	Opening balance	Additions	Utilisation/ Transfer to AMFI	Closing balance
Series 2A	87,595	253,501	263,747	77,349
Series 2B	118,265	345,657	358,584	105,338
Series 2C	94,939	275,991	286,884	84,046

\*The closing balance is earmarked with designated bank account in name of Fund. (Refer Note 5 and Note 7). Pending transfer to Investor Education and Awareness Fund, the amount is included in the operating account.

i) **Load**

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



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3 Unit Capital

Particulars	Series 2A		Series 2B		Series 2C			
	As at March 31, 2018		As at March 31, 2017		As at March 31, 2018		As at March 31, 2017	
	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹
Initial Capital Issued and subscribed:								
Units of ₹ 1,000,000	1,688	1,687,500,000	1,688	1,687,500,000	2,250	2,250,000,000	1,813	1,812,500,000
Direct Plan - Growth								
Paid-Up:								
Direct Plan - Growth Face Value ₹ 1,000,000								
Units at beginning of year (Paid-up ₹ 700,000)	1,688	1,181,250,000	1,688	1,181,250,000	2,250	1,575,000,000	1,813	1,268,750,000
Units outstanding at end of the year-paid up ₹ 700,000 each	1,688	1,181,250,000	1,688	1,181,250,000	2,250	1,575,000,000	1,813	1,268,750,000
<b>Unit Capital at the end of the Year/</b>	<b>1,688</b>	<b>1,181,250,000</b>	<b>1,688</b>	<b>1,181,250,000</b>	<b>2,250</b>	<b>1,575,000,000</b>	<b>1,813</b>	<b>1,268,750,000</b>

Units have been partly paid up to 70% of the committed amount as at March 31, 2018 and as at March 31, 2017

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4 Reserves and surplus

IL&FS Infrastructure Debt Fund Particulars	Series ZA		Series 2B		Series 2C	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Revenue Reserve						
At the beginning of the year	155,418,298	40,751,565	241,535,285	79,670,367	173,289,060	58,297,956
Transferred to Revenue account	(155,418,298)	(40,751,565)	(241,535,285)	(79,670,367)	(173,289,060)	(58,297,956)
Surplus transferred from Revenue account	314,631,917	155,418,298	473,175,407	241,535,285	352,743,660	173,289,060
<b>At the end of the year</b>	<b>314,631,917</b>	<b>155,418,298</b>	<b>473,175,407</b>	<b>241,535,285</b>	<b>352,743,660</b>	<b>173,289,060</b>

5 Current liabilities and provisions

IL&FS Infrastructure Debt Fund Particulars	Series ZA		Series 2B		Series 2C	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Creditors for						
-Investment Management fee payable	1,655,904	1,429,996	2,266,483	1,948,886	1,794,706	1,546,950
-Trustee fee payable	13,671	11,827	18,706	16,124	14,812	12,799
-Other payable*	68,960	115,717	150,248	157,785	129,051	125,977
Income received in advance	3,739	115,932	307,904	307,904	227,500	227,500
Investor Education and Awareness (Refer Note 2(b))	70,627	77,349	114,228	105,338	79,816	84,046
Statutory dues	598,141	149,511	663,417	203,392	220,439	161,419
<b>Total</b>	<b>2,411,042</b>	<b>1,899,832</b>	<b>3,520,986</b>	<b>2,739,429</b>	<b>2,466,324</b>	<b>2,158,691</b>

\* Other payable includes: audit fees; internal audit fees and custody fees outstanding as at 31 March 2018



6 Investments

Particulars	Series 2A		Series 2B		Series 2C		Amount ₹
	As at March 31, 2018		As at March 31, 2018		As at March 31, 2018		
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	
IL&FS Infrastructure Debt Fund							
Non Convertible Debentures Listed On Recognised Stock Exchange	343,000,000	343,000,000	623,000,000	623,000,000	557,000,000	557,000,000	230,000,000
Non Convertible Debentures- Privately Placed	835,000,000	835,000,000	1,328,100,000	1,328,100,000	1,017,000,000	1,017,000,000	1,133,000,000
<b>Total</b>	<b>1,178,000,000</b>	<b>1,178,000,000</b>	<b>1,951,100,000</b>	<b>1,951,100,000</b>	<b>1,574,000,000</b>	<b>1,574,000,000</b>	<b>1,363,000,000</b>

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**7 Current assets**

IL&FS Infrastructure Debt Fund Particulars	Series 2A		Series 2B		Series 2C	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balances with a bank in current account@* (Refer Note 2(h))	2,258,830	956,352	10,880,745	1,335,681	8,734,227	2,820,832
Interest accrued but not due on Investment in Non Convertible Debentures	79,227,014	29,363,836	76,959,131	23,781,255	17,223,073	1,619,674
Interest accrued and due on Investment in Non Convertible Debentures	55,000	-	32,500	-	-	-
Recoverable from the AMC	-	107,638	-	76,181	-	44,608
Collateralised Borrowing and Lending Obligations (CBLO)**	235,677,115	2,000,304	9,504,017	10,501,597	21,512,684	75,447,637
CBLO margin	3,075,000	140,000	3,220,000	580,000	2,490,000	1,265,000
<b>Total</b>	<b>320,292,959</b>	<b>32,508,130</b>	<b>106,596,393</b>	<b>36,274,714</b>	<b>49,959,984</b>	<b>81,197,751</b>

@ Includes earmarked balance in CBLO account place with CCL as margin for dealing in CBLO

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

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

**8 Interest Income**

IL&FS Infrastructure Debt Fund Particulars	Series 2A		Series 2B		Series 2C	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	As at March 31, 2018	For the Year ended March 31, 2017
On Investment in Non Convertible Debentures	159,145,302	94,905,339	220,673,871	159,148,292	179,409,818	95,981,968
On CBLO	7,582,292	32,696,398	6,038,889	24,204,259	3,525,160	35,527,873
<b>Total</b>	<b>166,727,594</b>	<b>127,601,737</b>	<b>226,712,760</b>	<b>183,352,551</b>	<b>182,934,978</b>	<b>131,509,841</b>

**9 Other Income**

IL&FS Infrastructure Debt Fund Particulars	Series 2A		Series 2B		Series 2C	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	As at March 31, 2018	For the Year ended March 31, 2017
Interest on CBLO Margin	25,804	30,893	25,804	30,893	18,432	22,064
Upfront fee	2,475,000	4,800,000	2,725,000	680,000	800,000	1,480,000
Advisor and Other Fees	10,792,260	464,999	30,485,908	2,660,000	18,162,502	1,827,500
<b>Total</b>	<b>13,293,064</b>	<b>5,295,892</b>	<b>33,235,812</b>	<b>3,370,893</b>	<b>18,980,934</b>	<b>3,329,564</b>



**(10) Investment Management fees**

The Scheme has paid or provided for investment management fees in accordance with the agreement with the AMC as amended from time to time and the Scheme Information Documents read with Statement of Additional Information. For the current year the Scheme has accrued Investment Management Fees at the rate of 1.24% (excluding Service Tax/GST) of average daily net assets as follows:

(Amount in ₹)

Infrastructure Debt Fund Series	For the Year ended March 31, 2018	Management Fees	For the Year ended March 31, 2017	Management Fees
2A	1,415,013,233	17,137,338	1,267,456,934	15,330,541
2B	1,925,139,866	23,315,556	1,728,216,087	20,903,582
2C	1,527,509,091	18,499,796	1,379,901,068	16,690,595

**(11) Trustee fees**

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

**(12) Custodian fees**

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

**(13) Other Expenses**

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

**(14) Income/Expenditure**

The total income and expenditure as a percentage of the Average daily net assets

**For the Year ended March 31, 2018-**

Series	Income		Expense Ratio	
	(Amount ₹)	(%Annualised)	(Amount ₹)	(%Annualised)
Series 2A – Direct Plan	180,020,658	12.72%	20,807,039	1.47%
Series 2B – Direct Plan	259,948,572	13.50%	28,308,450	1.47%
Series 2C – Direct Plan	201,915,912	13.22%	22,461,312	1.47%

**For the Year ended March 31, 2017-**

Series	Income		Expense Ratio	
	(Amount ₹)	(%Annualised)	(Amount ₹)	(%Annualised)
Series 2A – Direct Plan	132,897,629	10.49%	18,230,896	1.44%
Series 2B – Direct Plan	186,723,444	10.80%	24,858,526	1.44%
Series 2C – Direct Plan	134,839,405	9.77%	19,848,301	1.44%

**(15) Income tax**

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



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(16) Net Asset Value per unit

(Amount ₹)

Series	Plan	Face Value	Paid-up amount	As at March 31, 2018	As at March 31, 2017
Series 2A – Direct Plan	Growth	1,000,000	700,000	886,448.5435	792,099.7319
Series 2B – Direct Plan	Growth	1,000,000	700,000	910,300.1812	807,349.0162
Series 2C – Direct Plan	Growth	1,000,000	700,000	894,617.1902	795,607.7571

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

As at March 31, 2018

IL&FS Infrastructure Debt Fund	Series 2A			Series 2B			Series 2C		
Particulars	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
<b>Non Convertible Debentures Listed On Recognised Stock Exchange</b>									
<b>Infrastructure Sector</b>									
IL&FS Wind Energy Ltd	338,000,000	22.60%	98.54%	331,000,000	16.16%	53.13%	5,000,000	0.31%	0.90%
IL&FS Solar Power Ltd	-	0.00%	0.00%	232,000,000	11.33%	37.24%	472,000,000	29.11%	84.74%
Babcock Borsig Limited	5,000,000	0.33%	1.46%	60,000,000	2.93%	9.63%	80,000,000	4.93%	14.36%
<b>A</b>	<b>343,000,000</b>	<b>22.93%</b>	<b>100.00%</b>	<b>623,000,000</b>	<b>30.42%</b>	<b>100.00%</b>	<b>557,000,000</b>	<b>34.35%</b>	<b>100.00%</b>
<b>Non Convertible Debentures Privately Placed</b>									
<b>Infrastructure Sector</b>									
AMRI Hospitals Ltd	6,000,000	0.40%	0.72%	494,000,000	24.12%	37.20%	365,000,000	22.51%	35.89%
Kanchanjunga Power Company Private Ltd	190,000,000	12.70%	22.75%	180,000,000	8.79%	13.55%	280,000,000	17.27%	27.53%
Abhitech Developers Pvt Ltd	-	0.00%	0.00%	396,100,000	19.34%	29.82%	372,000,000	22.94%	36.58%
Janaadhar private Ltd	85,000,000	5.68%	10.18%	60,000,000	2.93%	4.52%	-	0.00%	0.00%
GHV Hospitality India Pvt Ltd	220,000,000	14.71%	26.35%	130,000,000	6.35%	9.79%	-	0.00%	0.00%
Babcock Borsig Limited	334,000,000	22.33%	40.00%	68,000,000	3.32%	5.12%	-	0.00%	0.00%
<b>B</b>	<b>835,000,000</b>	<b>55.82%</b>	<b>100.00%</b>	<b>1,328,100,000</b>	<b>64.84%</b>	<b>100.00%</b>	<b>1,017,000,000</b>	<b>62.72%</b>	<b>100.00%</b>
<b>Total Investment (A+B)</b>	<b>1,178,000,000</b>	<b>78.75%</b>		<b>1,951,100,000</b>	<b>95.26%</b>		<b>1,574,000,000</b>	<b>97.07%</b>	
Net Current Assets	317,881,917	21.25%		97,075,407	4.74%		47,493,660	2.93%	
<b>Net Assets</b>	<b>1,495,881,917</b>	<b>100.00%</b>		<b>2,048,175,407</b>	<b>100.00%</b>		<b>1,621,493,660</b>	<b>100.00%</b>	

As at March 31, 2017

IL&FS Infrastructure Debt Fund	Series 2A			Series 2B			Series 2C		
Particulars	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
<b>Infrastructure Sector</b>									
<b>Non Convertible Debentures Listed On Recognised Stock Exchange</b>									
IL&FS Wind Energy Ltd	440,000,000	32.92%	68.75%	331,000,000	18.22%	42.38%	-	-	-
Velankani Information Systems Ltd	200,000,000	14.96%	31.25%	450,000,000	24.77%	57.62%	230,000,000	15.95%	100.00%
<b>A</b>	<b>640,000,000</b>	<b>47.88%</b>	<b>100.00%</b>	<b>781,000,000</b>	<b>42.99%</b>	<b>100.00%</b>	<b>230,000,000</b>	<b>15.95%</b>	<b>100.00%</b>
<b>Infrastructure Sector</b>									
<b>Non Convertible Debentures Privately Placed</b>									
AMRI Hospitals Ltd	186,000,000	13.92%	27.93%	494,000,000	27.19%	49.30%	365,000,000	25.31%	32.22%
Abhitech Developers Pvt Ltd	-	-	-	440,000,000	24.22%	43.91%	390,000,000	27.05%	34.42%
Bhilangana Hydro Power Ltd	-	-	-	-	-	-	230,000,000	15.95%	20.30%
Babcock Borsig Limited	480,000,000	35.91%	72.07%	68,000,000	3.74%	6.79%	148,000,000	10.26%	13.06%
<b>B</b>	<b>666,000,000</b>	<b>49.83%</b>	<b>100.00%</b>	<b>1,002,000,000</b>	<b>55.15%</b>	<b>100.00%</b>	<b>1,133,000,000</b>	<b>78.57%</b>	<b>100.00%</b>
<b>Total Investment (A+B)</b>	<b>1,306,000,000</b>	<b>97.71%</b>		<b>1,783,000,000</b>	<b>98.14%</b>		<b>1,363,000,000</b>	<b>94.52%</b>	
Net Current Assets	30,668,298	2.29%		33,535,286	1.86%		79,039,060	5.48%	
<b>Net Assets</b>	<b>1,336,668,298</b>	<b>100.00%</b>		<b>1,816,535,286</b>	<b>100.00%</b>		<b>1,442,039,060</b>	<b>100.00%</b>	



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As on March 31, 2017 and as on March 31, 2018, 70% of commitment amount has been called. Since units are partly-paid-up, the requirement to comply for 90% of the net assets of the scheme in the infrastructure debt investment is not applicable

**(18) Aggregate value of purchases and sales**

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

**For the Year ended March 31, 2018**

IL&FS Infrastructure Debt Fund Series	For the Year ended March 31, 2018			
	Aggregate value of Purchases (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales/Redemption (Amount ₹)	Percentage of Average Net Assets
2A	610,000,000	43.11%	738,000,000	52.15%
2B	712,000,000	36.98%	543,900,000	28.25%
2C	107,700,000	10.77%	866,000,000	86.6%

**For the Year ended March 31, 2017**

IL&FS Infrastructure Debt Fund Series	For the Year ended March 31, 2017			
	Aggregate value of Purchases (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales/Redemption (Amount ₹)	Percentage of Average Net Assets
2A	1,540,000,000	121.50%	420,000,000	33.14%
2B	839,000,000	48.55%	-	-
2C	768,000,000	55.66%	-	-

**(19) Aggregate Fair value of Non-Traded Investments**

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

Infrastructure Fund	Debt	(Amount ₹)	
		As at March 31, 2018	As at March 31, 2017
Series 2A		1,178,000,000	1,306,000,000
Series 2B		1,951,100,000	1,783,000,000
Series 2C		1,574,000,000	1,363,000,000



*Am*

**(20) Investment in the Securities of the Sponsors and Group Companies of the Sponsors**

During the year, the Company has made following investment in the securities of group companies of the Sponsors

(Amount ₹)

Infrastructure Debt Fund	Particulars	Fair Value
Series 2A	Non-Convertible Debentures of IL&FS Wind Energy Limited	338,000,000
Series 2B		331,000,000
Series 2C		5,000,000
Series 2B	Non-Convertible Debentures of IL&FS Solar Power Ltd	232,000,000
Series 2C		472,000,000

- (21) There are no unpaid redemption and unclaimed dividend as at March 31, 2018
- (22) (a) There are no unit holders holding over 50% of the net assets in the Schemes as at the Balance Sheet dates.
- (b) There are no amounts to be disclosed as required under SEBI Regulation 25 (11) as the Schemes have not made any investments in the Companies or their Subsidiaries which have invested more than 5% of the Net Asset Value for the year ended March 31, 2018 and for the year ended March 31, 2017.

**(23) Segment reporting**

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

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

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

- a) The following are the related parties by control with whom transaction have been entered during the year:
- Investment Manager:- IL&FS Infra Asset Management Limited
  - Trustee:- IL&FS AMC Trustee Limited
  - Sponsor:- IL&FS Investment Managers Limited (IL&FS Financial Services Limited till December 31, 2017)

*Am*



b) Details of transactions during the year:-

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	2A		2B		2C	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Management fees	17,137,338	15,330,541	23,315,556	20,903,582	18,499,796	16,690,595
Trusteeship fees	141,506	126,750	192,520	172,828	152,756	137,995
Expenses Recoverable from AMC	-	128,730	-	97,273	-	59,674

c) Year-end Payables/Receivables

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	2A		2B		2C	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
<b>Payable</b>						
Management fees payable	1,655,90	1,429,496	2,266,483	1,948,886	1,794,706	1,546,950
Trusteeship fees payable	13,671	11,827	18,706	16,124	14,812	12,799
<b>Receivable</b>						
Receivable from AMC	-	107,638	-	76,181	-	44,608

(25) Details of Contingent Liabilities are as follows:

(Amount ₹)

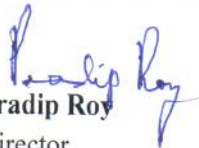
Details	March 31, 2018	March 31, 2017
Underwriting Commitment	Nil	Nil
Uncalled liability on partly paid-up shares	Nil	Nil
Investment Commitment	Nil	Nil



A<sub>24</sub>

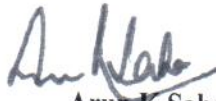
(26) Previous year's figures have been regrouped and /or rearranged wherever necessary, to correspond to figures of current year


**For IL&FS Infra Asset Management Limited**

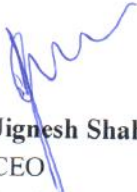
  
**Pradip Roy**  
Director  
DIN: 00026457

  
**Rajesh Kotian**  
Director  
DIN: 02283475

**For IL&FS AMC Trustee Limited**

  
**Arun K Saha**  
Director  
DIN: 00002377

  
**B Narasimhan**  
Director  
DIN: 06360390

  
**Jignesh Shah**  
CEO  
Mumbai, April 26, 2018

  
**Neelesh Vernekar**  
Fund Manager

