

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

Dear Unitholders,

We have pleasure in presenting the Second Annual Report of the Schemes of IL&FS Mutual Fund (IDF) for the year ended March 31, 2015, along with the Audited Financial Statements of the Schemes

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

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

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

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

(b) SPONSOR:

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

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

(c) **THE TRUSTEE:**

IL&FS AMC Trustee Limited, the Trustee Company is a Public Limited Company incorporated under the Companies Act, 1956 on December 4, 2012, having its registered office at The IL&FS Financial Centre, 3rd Floor, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051, India. The Amended and Restated Trust Deed dated September 5, 2013 has been entered into between IL&FS AMC Trustee Limited and IL&FS Infra Asset Management Limited. The original Trust Deed was registered on January 21, 2013. The Trustee, through its Board of Directors, shall discharge its obligations as Trustee of the IL&FS Mutual Fund (IDF). The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC. IL&FS AMC Trustee Limited is a wholly owned subsidiary of IL&FS Financial Services Limited. IL&FS Financial Services Limited holds 100% of the share capital of IL&FS AMC Trustee Limited along with 6 nominee shareholders

DIRECTORS OF IL&FS AMC TRUSTEE LIMITED

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

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

IL&FS Infra Asset Management Limited (IIAML) is a Public Limited Company incorporated under the Companies Act, 1956 on January 8, 2013 having its Registered Office at “The IL&FS Financial Center, 3rd 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 between the Trustee Company and IIAML. IIAML is a subsidiary of IL&FS Financial Services Limited. IL&FS Financial Services Limited along with 6 nominee shareholders holds 86.61% and LIC of India holds 7.72% of IIAML's share capital. Whereas, General Insurance Corporation of India, United India Insurance Company Limited and National Insurance Co Ltd holds 1.89% each of IIAML's share capital

DIRECTORS OF IL&FS INFRA ASSET MANAGEMENT LIMITED	
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Mr Ramesh Chander Bawa	Associate Director
Mr R. S. Reddy	Independent Director
Mr Pradip Roy	Independent Director
Mr Milind Patel	Associate Director
Mr Rajesh Kotian	Associate Director
Mr Kartik Ganapathy	Independent Director
Mr V Chandrasekaran*	Associate Director
Mr K N Prithviraj	Independent Director

*Nominee Director from Life Insurance Corporation of India

(2) Investment Objectives of the Schemes:

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

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

In January 2015, the third Scheme, IL&FS Infrastructure Debt Fund - Series 3-A, 3-B and 3-C having specified maturity of 5, 7 and 10 years has been launched

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

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

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

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

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

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

- (a) IL&FS Infrastructure Debt Fund – Series 1A, 1B and 1C with minimum tenure of 5, 7 and 10 years respectively. These schemes got the highest rating of IND AAAidf-mf by India Ratings and CARE AAA (MF-IDF) by CARE. The total corpus raised was ₹ 7.50 billion and as on March 31, 2015 with earnings from investment, the corpus has risen to ₹ 8.44 billion. 5 investments have been made through this fund for aggregate amount of ₹ 6.95 billion. The balance corpus is likely to be deployed in the near term as investments for the same have already been identified. The performance of these schemes since inception is given below:

Scheme Name	Returns since inception of the Scheme
IIDF Series -1A	10.85%
IIDF Series -1B	11.57%
IIDF Series -1C	11.17%

* Net of expenses and annualised return

The units of the schemes were initially partly paid up and were fully paid on April, 28, 2014, hence the comparison with benchmark Crisil Composite Bond Fund Index will be provided after completion of one year

- (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 ₹ 5.75 billion and has called 40% of the commitment amount in the first tranche

IDF is an initiative of national importance and its main objective is to facilitate the flow of funds from domestic and offshore pension / insurance sector into infrastructure sector in India. This is very important for the healthy development of infrastructure debt market as currently the entire load of funding domestic infrastructure sector is with domestic banking sector and it is the short term public deposits of banking sector, which has funded infrastructure sector instead of international best practice of long term bond market doing the same

Equally important is the fact that the corpus of domestic pension and insurance sector, which is estimated to be about ₹ 3.00 trillion currently is likely to rise to ₹ 5.00 trillion by FY 2018. This corpus has been mainly deployed in Government of India securities and AAA bonds and its contribution to infrastructure debt financing is miniscule. Since corpus would increase significantly going ahead it is imperative that this investor class finds a new asset class, where it can generate the required risk adjusted real return. This asset class has to be Infrastructure debt given the fact that it provides long term stable returns, which pension fund and insurance funds seek

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

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

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 2014 to March 2015. 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, 2015:

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, 2015

(7) Statutory Information:

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

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

(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 IL&FS Financial Services Limited, 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))

Sd/-
Arun K Saha
Chairman

Sd/-
B Narasimhan
Director

Date: April 24, 2015
Place: Mumbai

Redressal of Complaints received during		2014-2015												
Name of the Mutual Fund		IL&FS Mutual Fund (IDF)												
Total Number of Folios		24												
Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)				Pending						
				Within 30 days	30-60 days	60-180 days	Beyond 180 days	0-3 months	3-6 months	6-9 months	9-12 months			
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (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 March 31, 2015, the Revenue Account and Cash Flow Statement for the year ended March 31, 2015 and a summary of the significant accounting policies and other explanatory information.

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Schemes as at March 31, 2015
- (b) in the case of the Revenue Account, of the Surplus of the Schemes for the year ended March 31, 2015 and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Schemes for the year ended March 31, 2015.

Report on Regulatory Requirements

1. As required by paragraph 55 of the Regulations, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) The Balance Sheet, the Revenue Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Schemes.
- (c) The financial statements have been prepared in accordance with accounting policies and standards as specified in the Ninth Schedule of the SEBI Regulations.

2. As required by clause 2 (ii) of Eighth Schedule of the SEBI Regulations, we report that, Non - traded securities have been valued following the "Principles of Fair Valuation" approved by the Board of Directors of the Trustee and the AMC, at the effective yield as determined 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)

Sd/-
Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, April 24, 2015
KJM/VNP

IL&FS Mutual Fund (IDF)

Balance Sheet

Amount ₹

Notes	IL&FS Infrastructure Debt Fund Series 1A		IL&FS Infrastructure Debt Fund Series 1B		IL&FS Infrastructure Debt Fund Series 1C	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Liabilities						
Unit capital	2,38,16,00,000	1,78,62,00,000	2,35,91,00,000	1,76,93,25,000	2,75,93,00,000	2,06,94,75,000
Reserves and surplus	29,17,97,312	4,11,84,166	30,83,96,092	4,05,65,947	34,80,09,399	5,43,81,007
Current liabilities and provisions	64,30,285	50,30,635	64,15,190	49,96,019	74,41,684	58,82,140
Total	2,67,98,27,597	1,83,24,14,801	2,67,39,11,282	1,81,48,86,966	3,11,47,51,083	2,12,97,38,147
Assets						
Investments	2,67,26,06,408	1,82,72,18,788	2,66,54,33,645	1,81,14,64,607	3,10,31,91,959	2,12,71,82,233
Other Current assets	72,21,189	51,96,013	84,77,637	34,22,359	1,15,59,124	25,55,914
Total	2,67,98,27,597	1,83,24,14,801	2,67,39,11,282	1,81,48,86,966	3,11,47,51,083	2,12,97,38,147

Notes 1 to 25 annexed hereto integrated part of Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For IL&FS Infra Asset Management Limited

For IL&FS AMC Trustee Limited

Sd/-
Kaipesh J Mehta
Partner
Mumbai, April 24, 2015

Sd/-
Ramesh C Bawa
Director
DIN: 00040523

Sd/-
Rajesh Kotian
Director
DIN: 02283475

Sd/-
Arun K Saha
Director
DIN: 00002377

Sd/-
B Narasimhan
Director
DIN: 06360390

Sd/-
Jignesh Shah
Fund Manager

IL&FS Mutual Fund (IDF)

Revenue Account

Amount: ₹

	Notes	Revenue Account				Amount: ₹
		IL&FS Infrastructure Debt Fund Series 1A	IL&FS Infrastructure Debt Fund Series 1B	IL&FS Infrastructure Debt Fund Series 1C		
		For the Year From Apr 1, 2014 to March 31, 2015	For the Year From Apr 1, 2014 to March 31, 2015	For the Year From Apr 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014	
Income and gains						
Interest income	8	24,17,25,408	24,76,59,264	32,24,75,126	5,35,45,640	
Other income	9	74,67,760	54,32,355	81,48,235	-	
Profit on redemption of debentures		1,77,444	-	-	-	
Total		24,93,70,612	25,30,91,619	33,06,23,361	5,35,45,640	
Expenses and losses						
Investment Management fees		3,02,17,923	3,00,98,326	43,96,437	52,19,250	
Service tax on Investment Management fees		37,34,935	37,20,153	5,43,400	6,45,099	
Trusteeship fees		2,61,181	2,60,159	37,362	43,819	
Investor Education and Awareness Expenses (Refer Note 2(g))		4,99,316	4,97,341	74,723	87,637	
Custodian fees		2,96,506	2,96,506	54,619	54,619	
Other Operating expenses		3,12,601	3,06,583	1,30,758	1,30,538	
Audit Fees		2,05,993	2,05,993	1,87,267	1,87,266	
Total		3,55,28,455	3,53,85,061	54,24,566	63,68,228	
Expenses recoverable from the Asset Management Company		(3,74,930)	(5,71,897)	(3,35,282)	(3,28,604)	
Total		3,49,53,525	3,48,13,164	50,89,284	60,39,624	
Surplus Before Provision		21,44,17,087	21,82,78,455	3,47,56,370	4,75,06,016	
Provision for diminution in value of Investment / reversal of excess provision for previous period		(61,305)	(87,455)	94,103	53,889	
Net Surplus transferred to the Revenue Reserve		21,44,78,392	21,83,65,910	3,46,62,267	4,74,52,127	

Notes 1 to 25 annexed hereto forms part of Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For IL&FS Infra Asset Management Limited

For IL&FS AMC Trustee Limited

Sd/-
Kalpesh J Mehta
Partner
Mumbai, April 24, 2015

Sd/-
Ramesh C Bawa
Director
DIN: 00040523

Sd/-
Arun K Saha
Director
DIN: 00002377

Sd/-
B Narasimhan
Director
DIN: 06360390

Sd/-
Jignesh Shah
Fund Manager

IL&FS Mutual Fund (IDF)

Cash flow statement

IL&FS Infrastructure Debt Fund Particulars	Series IA			Series IB		Series IC		Amount ₹
	For the Year From April 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014	For the Year From April 1, 2014 to March 31, 2015	For the Year From April 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014	For the Year From April 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014	
A. Cashflow from Operating Activities								
Surplus for the year / period	21,44,78,392	3,57,22,466	21,83,65,910	3,46,62,267	29,00,37,399	4,74,52,127		
Adjustment for:-	(61,305)	87,622	(87,455)	94,103	(32,922)	53,889		
Provision for diminution in value of Investment / reversal of excess provision for previous period								
Operating profit before working capital changes								
Adjustments for:-								
Increase in current liabilities and provisions	13,99,650	50,30,635	14,19,170	49,96,019	15,59,544	58,82,140		
Increase in investments	(80,91,91,561)	(1,82,18,44,710)	(80,44,17,348)	(1,80,56,55,030)	(97,23,85,812)	(2,12,03,07,242)		
Increase in other current assets	(28,05,249)	(28,76,547)	(18,35,668)	(30,85,595)	(54,91,797)	(18,32,785)		
Net cash used in operating activities	(59,61,80,073)	(1,78,38,80,534)	(58,65,55,391)	(1,76,89,88,236)	(68,63,13,588)	(2,06,87,51,871)		
B. Cashflow from financing activities								
Units issued	59,54,00,000	1,78,62,00,000	58,97,75,000	1,76,93,25,000	68,98,25,000	2,06,94,75,000		
Net cash generated from financing activities	59,54,00,000	1,78,62,00,000	58,97,75,000	1,76,93,25,000	68,98,25,000	2,06,94,75,000		
Net (Decrease)/ increase in cash and cash equivalents	(7,80,073)	23,19,466	32,19,609	3,36,764	35,11,412	7,23,129		
Cash and cash equivalents at the beginning of the year / period	23,19,466	-	3,36,764	-	7,23,129	-		
Cash and cash equivalents at the end of the year / period	15,39,393	23,19,466	35,56,373	3,36,764	42,34,541	7,23,129		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For IL&FS Infra Asset Management Limited

For IL&FS AMC Trustee Limited

Sd/-
Kajpesh J Mehta
Partner
Membership No 48791
Mumbai, April 24, 2015

Sd/-
Ramesh C Bawa
Director
DIN: 00040523

Sd/-
Arun K Saha
Director
DIN: 0002377

Sd/-
B Narasimhan
Director
DIN: 06360390

Jignesh Shah
Fund Manager

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(1) Background

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

IL&FS Infrastructure Debt Fund Series 1A, 1B and 1C is a closed ended Scheme for 5 Years, 7 Years and 10 Years respectively. The scheme was launched on June 18, 2013 and units were allotted on December 16, 2013 being first draw down of the commitments. Units are having face value of ₹ 10,00,000 and were fully paid-up as on March 31, 2015. The units were listed on the National Stock Exchange of India on May 7, 2014

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

(2) Significant accounting policies

a) Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, as modified for investments which are stated that fair value at the balance sheet date, on accrual basis of accounting and in accordance with the accounting policies and standards specified in the Ninth Schedule of the Regulations, and the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India ('ICAI').

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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-discount on privately placed investments is reduced from the cost of such investments.
- Broken period interest paid/received is not included in the cost of purchase of investments.

(ii) Valuation

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

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

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

1. FIMMDA
2. NSE WDM
3. BSE WDM

A security will qualify as traded security if:

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

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

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

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

With effect from July 01, 2012 all Traded / Non-Traded / Thinly Traded Debt and related instruments (Money Market Securities and Floating Rate Debt Securities (with put/call options, Interest reset, floor and caps on coupon rate)) with residual maturity of up to sixty days are valued on a straight line amortisation basis to maturity from cost or last valuation price whichever is most recent subject to the price computed being within + / - 0.10% band of reference price derived from the aggregate of matrix of spread over the risk free benchmark yield curves obtained from approved agencies. In case the price of a particular security falls outside the band, valuation price of the security shall be brought within + / - 0.10% of reference price so as to reflect fair value.

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

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

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

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

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

As per best practice guidelines issued by AMFI vide circular dated, November 19, 2013, and adopted by the Board of AMC and Trustee Company, Debt Securities and Related Instruments (Money Market Securities and Floating Rate Debt Securities (with put/call options, Interest reset, floor and caps on coupon rate)) having maturity greater than sixty days are valued at the average of prices provided for individual security by CRISIL and ICRA (without any discretionary spread). In case of security purchases for which prices are not provided by CRISIL & ICRA, valuation shall be carried out at yield of trades.

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

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

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

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

v. 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.

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

e) Expenses

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.

f) 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, 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.

g) Investor Education and Awareness Expenses

In compliance with SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012; the scheme has charged 0.02 % of daily net assets within the maximum limit of total expense ratio as per the Regulations for investor education and awareness initiatives. The amounts are utilized towards investor education and awareness initiative taken by the Mutual Fund/AMC. Movement for the financial year ended March 31, 2015 is as follows:-

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

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year April 1, 2014 to March 31, 2015			
	Opening balance	Additions	Utilisation	Closing balance
Series 1A	75,271	4,99,316	(2,27,437)	3,47,150
Series 1B	74,723	4,97,341	(2,27,437)	3,44,627
Series 1C	87,637	5,80,277	(2,27,437)	4,40,477

During the period December 16, 2013 to March 31, 2014

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year December 6, 2013 to March 31, 2014			
	Opening balance	Additions	Utilisation	Closing balance
Series 1A	-	75,271	-	75,271
Series 1B	-	74,723	-	74,723
Series 1C	-	87,637	-	87,637

h) Load

Pursuant to SEBI circular no SEBI/IMD/CIR NO .4/168230/09 dated June 30, 2009 with effect from August 1, 2009, no entry load is charged.

i) New Fund Offer

New fund offer expenses for IL&FS Infrastructure Debt Fund Series 1A, 1B and 1C have been borne by the IL&FS Infra Asset Management Company (AMC).

3 Unit Capital

IL&FS Infrastructure Debt Fund Particulars	Series 1A				Series 1B				Series 1C			
	As at March 31, 2015		As at March 31, 2014		As at March 31, 2015		As at March 31, 2014		As at March 31, 2015		As at March 31, 2014	
	Units	Amount ₹	Units	Amount ₹	Units	Amount ₹	Units	Amount ₹	Units	Amount ₹	Units	Amount ₹
Initial Capital Issued and subscribed:												
Units of ₹ 1,000,000	2,381.60	2,38,16,00,000	2,381.60	2,38,16,00,000	2,359.10	2,35,91,00,000	2,359.10	2,35,91,00,000	2,759.30	2,75,93,00,000	2,759.30	2,75,93,00,000
Paid-Up:												
Direct Plan - Growth												
Units at beginning of year (Units of ₹ 750,000 each)	2,256.60	1,69,24,50,000	-	-	2,171.60	1,62,87,00,000	-	-	2,571.80	2,57,18,00,000	-	-
Units issued, initial offer	-	56,41,50,000	2,256.60	1,69,24,50,000	-	54,29,00,000	2,171.60	1,62,87,00,000	-	64,29,50,000	2,571.80	1,92,88,50,000
Money called during the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Units outstanding at end of the year-Units of ₹ 1,000,000 each (previous period Units of ₹ 750,000 each)*	2,256.60	2,25,66,00,000	2,256.60	1,69,24,50,000	2,171.60	2,17,16,00,000	2,171.60	1,62,87,00,000	2,571.80	2,57,18,00,000	2,571.80	1,92,88,50,000
Direct Plan - Dividend												
Units at beginning of year (Units of ₹ 750,000 each)	125.00	9,37,50,000	-	-	187.50	14,06,25,000	-	-	187.50	18,75,00,000	-	-
Units issued, initial offer	-	-	125.00	9,37,50,000	-	-	187.50	14,06,25,000	-	4,68,75,000	187.50	14,06,25,000
Money called during the year / period	-	3,12,50,000	-	-	-	-	-	-	-	-	-	-
Units outstanding at end of the year-Units of ₹ 1,000,000 each (previous period Units of ₹ 750,000 each)*	125.00	12,50,00,000	125.00	9,37,50,000	187.50	18,75,00,000	187.50	14,06,25,000	187.50	18,75,00,000	187.50	14,06,25,000
Unit Capital at the end of the year / period	2,381.60	2,38,16,00,000	2,381.60	1,78,62,00,000	2,359.10	2,35,91,00,000	2,359.10	1,76,93,25,000	2,759.30	2,75,93,00,000	2,759.30	2,06,94,75,000

*Units have been fully paid up as at March 31, 2015 (Partly paid up to 75% of the committed amount as at March 31, 2014)

4 Reserves and surplus

IL&FS Infrastructure Debt Fund	Series 1A		Series 1B		Series 1C	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Particulars						
Unrealised appreciation reserve						
Opening balance	54,61,700	-	59,03,680	-	69,28,880	-
Additions during the year / period	3,61,34,754	54,61,700	4,94,64,235	59,03,680	35,90,995	69,28,880
Closing balance	4,15,96,454	54,61,700	5,53,67,915	59,03,680	1,05,19,873	69,28,880
Revenue Reserve						
Opening balance	3,57,22,466	-	3,46,62,267	-	4,74,52,127	-
Additions during the year / period	21,44,78,392	3,57,22,466	21,83,65,910	3,46,62,267	29,00,37,399	4,74,52,127
Closing balance	25,02,00,858	3,57,22,466	25,30,28,177	3,46,62,267	33,74,89,526	4,74,52,127
Total	29,17,97,312	4,11,84,166	30,83,96,092	4,05,65,947	34,80,09,399	5,43,81,007
Reserves and surplus for each option:-						
Direct Plan - Growth	27,64,82,119	3,90,22,585	28,38,84,936	3,73,41,787	32,43,61,458	5,06,85,708
Direct Plan - Dividend Option	1,53,15,193	21,61,581	2,45,11,156	32,24,160	2,36,47,941	36,95,299
Total	29,17,97,312	4,11,84,166	30,83,96,092	4,05,65,947	34,80,09,399	5,43,81,007

Amount ₹

5 Current liabilities and provisions

IL&FS Infrastructure Debt Fund	Amount ₹					
	Series 1A		Series 1B		Series 1C	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Particulars						
Creditors	57,67,741	47,71,718	57,55,778	47,38,639	66,41,006	55,84,050
Investor Education and Awareness (Refer Note 2(g))	3,47,150	75,271	3,44,627	74,723	4,40,477	87,637
Statutory dues	3,15,394	1,83,646	3,14,785	1,82,657	3,60,201	2,10,453
Total	64,30,285	50,30,635	64,15,190	49,96,019	74,41,684	58,82,140

6 Investments

Particulars	Series 1A				Series 1B				Series 1C			
	As at March 31, 2015		As at March 31, 2014		As at March 31, 2015		As at March 31, 2014		As at March 31, 2015		As at March 31, 2014	
	Cost *	Market / Fair Value	Cost *	Market / Fair Value	Cost *	Market / Fair Value	Cost *	Market / Fair Value	Cost *	Market / Fair Value	Cost *	Market / Fair Value
Certificate of deposits / Commercial paper	35,90,15,320	35,89,89,004	1,02,57,54,410	1,02,56,66,788	30,28,63,708	30,28,57,060	89,96,45,710	89,95,51,607	53,45,18,322	53,44,97,355	61,23,71,530	61,23,17,641
Debentures and Bonds Listed/Awaiting Listing On Recognised Stock Exchange	2,10,18,90,950	2,14,34,87,404	79,60,90,300	80,15,52,000	2,17,79,08,670	2,23,32,76,585	90,60,09,320	91,19,13,000	2,46,93,99,127	2,47,99,19,000	1,49,79,00,120	1,50,48,29,000
Collateralised Borrowing and Lending Obligations(CBLO)/ Reverse Repo	17,01,30,000	17,01,30,000	-	-	12,93,00,000	12,93,00,000	-	-	8,87,75,604	8,87,75,604	1,00,35,592	1,00,35,592
Total	2,63,10,36,270	2,67,26,06,408	1,82,18,44,710	1,82,72,18,788	2,61,00,72,378	2,66,54,33,645	1,80,56,55,030	1,81,14,64,607	3,09,26,93,054	3,10,31,91,959	2,12,03,07,242	2,12,71,82,233

CBLO and reverse repo are registered in the name of the Fund.

7 Other Current assets

Amount ₹

IL&FS Infrastructure Debt Fund	Series 1A		Series 1B		Series 1C	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Particulars						
Balances with a bank in current account**	15,39,393	23,19,466	35,56,373	3,36,764	42,34,541	7,23,129
Accrued income	47,88,119	25,42,491	39,10,909	27,50,313	52,72,146	15,04,181
Recoverable from the AMC	4,36,677	3,34,056	4,38,355	3,35,282	4,31,437	3,28,604
CBLO margin	4,57,000	-	5,72,000	-	16,21,000	-
Total	72,21,189	51,96,013	84,77,637	34,22,359	1,15,59,124	25,55,914

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

8 Interest Income

IL&FS Infrastructure Debt Fund	Series 1A		Series 1B		Series 1C	
	For the Year From April 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014	For the Year From April 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014	For the Year From April 1, 2014 to March 31, 2015	For the Period From June 18, 2013 to March 31, 2014
Particulars						
On Debentures	16,88,37,098	2,45,66,194	20,24,02,408	2,24,23,955	24,99,56,429	4,64,82,755
On Commercial Paper	1,12,22,500	97,400	37,36,375	13,23,900	63,97,325	48,700
On Certificate of Deposits	5,32,00,224	1,24,41,611	3,54,51,303	1,22,37,644	5,59,21,905	40,73,108
On Fixed Deposits	-	13,92,616	-	13,60,901	-	9,14,291
On Reverse Repo/CBLO	84,65,586	24,36,617	60,69,178	24,99,254	1,01,99,467	20,26,786
Total	24,17,25,408	4,09,34,438	24,76,59,264	3,98,45,654	32,24,75,126	5,35,45,640

(9) Other Income

Other income consists of income received on account of amendment in terms and conditions of certain investments

(10) Investment Management fees

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

(Amount in ₹)

Infrastructure Debt Fund Series	Average Net Assets for the Year April 1, 2014 to March 31, 2015	Management Fees for the Year April 1, 2014 to March 31, 2015	Average Net Assets for the Period December 16, 2013 to March 31, 2014	Management Fees for the Period December 16, 2013 to March 31, 2014
1A	2,49,80,02,789	3,02,17,923	1,28,71,19,574	44,26,672
1B	2,48,92,57,676	3,00,98,326	1,27,80,53,932	43,96,437
1C	2,90,42,68,881	3,51,16,884	1,49,94,00,120	52,19,250

(11) Trusteeship fees

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

(12) Custodian fees

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

(13) Other Expenses

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

(14) Income/Expenditure

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

During the Year April 01, 2014 to March 31, 2015:-

Infrastructure Debt Fund	Income		Expense Ratio	
	(Amount ₹)	(%)	(Amount ₹)	(%)
Series 1A	24,93,70,612	10.85%	3,49,53,526	1.40%
Series 1B	25,30,91,619	11.57%	3,48,13,165	1.40%
Series 1C	33,06,23,361	11.17%	4,06,18,884	1.40%

During the period December 16, 2013 to March 31, 2014:-

Infrastructure Debt Fund	Income		Expense Ratio	
	(Amount ₹)	(% Annualised)	(Amount ₹)	(% Annualised)
Series 1A	4,09,34,438	10.46%	51,24,350	1.40%
Series 1B	3,98,45,654	10.25%	50,89,284	1.40%
Series 1C	5,35,45,640	11.74%	60,39,624	1.40%

(15) Income tax

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

(16) Net Asset Value per unit

(Amount ₹)

Infrastructure Debt Fund	Plan	Face Value	Paid-up amount	NAV per Unit	Paid-up amount	NAV per Unit
			As at March 31, 2015	As at March 31, 2014	As at March 31, 2014	As at March 31, 2014
Series 1A	Dividend	10,00,000	10,00,000	11,22,521.54	7,50,000	7,67,291.81
	Growth	10,00,000	10,00,000	11,22,521.54	7,50,000	7,67,291.81
Series 1B	Dividend	10,00,000	10,00,000	11,30,726.16	7,50,000	7,67,195.52
	Growth	10,00,000	10,00,000	11,30,726.16	7,50,000	7,67,195.52
Series 1C	Dividend	10,00,000	10,00,000	11,26,122.35	7,50,000	7,69,707.90
	Growth	10,00,000	10,00,000	11,26,122.35	7,50,000	7,69,707.90

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

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

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

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year April 1, 2014 to March 31, 2015			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales (Amount ₹)	Percentage of Average Net Assets
Series 1A	26,61,91,92,563	1,065.61	25,01,59,77,440	1,001.44
Series 1B	15,26,42,67,294	613.21	13,55,74,00,000	544.64
Series 1C	23,92,75,41,608	823.87	21,97,30,00,000	756.58

* Excludes CBLO, reverse repo and fixed deposits

During the period December 16, 2013 to March 31, 2014

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Period December 16, 2013 to March 31, 2014			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales (Amount ₹)	Percentage of Average Net Assets
Series 1A	5,48,18,50,190	425.90	3,67,00,00,000	285.13
Series 1B	5,96,48,43,800	466.71	4,17,00,00,000	326.28
Series 1C	3,13,96,82,166	209.40	1,01,00,00,000	67.36

* Excludes reverse repo/CBLO and fixed deposits

(18) **Appreciation / Depreciation on Investments**

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

(Amount ₹)

IL&FS Infrastructure Debt Fund	As at March 31, 2015		As at March 31, 2014	
	Appreciation	Depreciation	Appreciation	Depreciation
Series 1A				
Corporate Bonds	4,15,96,454	-	54,61,700	-
Certificate Of Deposit	-	(26,316)	10,586	(98,208)
Series 1B				
Corporate Bonds	5,53,67,915	-	59,03,680	-
Certificate Of Deposit	-	(6,648)	-	(94,103)
Series 1C				
Corporate Bonds	1,05,19,873	-	69,28,880	-
Certificate Of Deposit	-	(20,967)	-	(53,889)

(19) Disclosure under regulation 25(8) of SEBI Regulations

- a) No brokerage and commission has been paid to associates / related parties / group companies of the sponsor / AMC.
- b) No investments have been made by the scheme in the issues where associate companies has lead the issues.

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

As on March 31, 2015

IL&FS Infrastructure Debt Fund	Series 1A			Series 1B			Series 1C		
	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
Certificate of Deposit									
Central Bank Of India	19,94,08,738	7.46%	55.55%	4,98,52,185	1.87%	16.46%	24,93,13,150	8.02%	46.64%
Punjab National Bank	15,95,80,266	5.97%	44.45%	5,38,58,340	2.02%	17.78%	3,59,05,560	1.16%	6.72%
Andhra Bank	-	-	-	19,91,46,536	7.47%	65.76%	-	-	0.00%
Bank Of Baroda	-	-	-	-	-	-	24,92,78,645	8.02%	46.64%
A	35,89,89,004	13.43%	100.00%	30,28,57,060	11.35%	100.00%	53,44,97,355	17.20%	100.00%
Debentures and Bonds Listed/Awaiting Listing On Recognised Stock Exchange									
Brahmani River Pellets Ltd	44,79,70,000	16.76%	20.90%	32,58,68,000	12.22%	14.59%	48,87,88,000	15.73%	19.71%
Bhilangana Hydro Power Ltd	31,20,00,000	11.67%	14.56%	18,00,00,000	6.75%	8.06%	70,80,00,000	22.78%	28.55%
Ad Hydro Power Ltd	13,09,82,000	4.90%	6.11%	69,42,07,000	26.02%	31.08%	48,46,35,000	15.60%	19.54%
Sadbhav Infrastructure Project Ltd	68,47,15,841	25.61%	31.94%	69,60,58,585	26.09%	31.17%	-	-	-
Bhilwara Green Energy LTD	56,78,19,563	21.24%	26.49%	33,71,43,000	12.64%	15.10%	79,84,96,000	25.70%	32.20%
B	2,14,34,87,404	80.18%	100.00%	2,23,32,76,585	83.72%	100.00%	2,47,99,19,000	79.81%	100.00%
Collateralised Borrowing and Lending Obligations(CBLO)									
CBLO	17,01,30,000	6.36%	100.00%	12,93,00,000	4.85%	100.00%	8,87,75,604	2.86%	100.00%
C	17,01,30,000	6.36%	100.00%	12,93,00,000	4.85%	100.00%	8,87,75,604	2.86%	100.00%
Total Investments (A+B+C)	2,67,26,06,407	99.97%		2,66,54,33,645	99.92%		3,10,31,91,959	99.87%	
Net Current Assets	7,90,905	0.03%	100.00%	20,62,447	0.08%	100.00%	41,17,440	0.13%	100.00%
Net Assets	2,67,33,97,312	100.00%		2,66,74,96,092	100.00%		3,10,73,09,399	100.00%	

As on March 31, 2014

IL&FS Infrastructure Debt Fund	Series 1A			Series 1B			Series 1C		
	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
Certificate of Deposit									
State Bank Of Mysore	29,92,61,669	16.38%	29.18%	22,44,53,460	12.40%	24.95%	2,49,61,698	1.18%	4.08%
Bank Of Baroda	24,90,92,336	13.63%	24.29%	-	-	-	-	-	-
The Jammu And Kashmir Bank Ltd.	14,96,54,891	8.19%	14.59%	-	-	-	9,97,69,927	4.70%	16.29%
IDBI Bank Ltd.	14,88,29,228	8.14%	14.51%	34,72,68,199	19.19%	38.60%	-	-	-
Central Bank Of India	9,94,56,733	5.44%	9.70%	9,94,56,733	5.50%	11.06%	4,97,28,366	2.34%	8.12%
ICICI Bank Ltd.	7,93,71,931	4.34%	7.74%	19,84,29,828	10.96%	22.06%	21,82,72,811	10.28%	35.65%
Indian Bank	-	-	-	2,99,43,387	1.65%	3.33%	21,95,84,838	10.34%	35.86%
A	1,02,56,66,788	56.13%	100.00%	89,95,51,607	49.70%	100.00%	61,23,17,641	28.83%	100.00%
Debentures and Bonds Listed/Awaiting Listing On Recognised Stock Exchange									
Brahmani River Pellets Ltd	44,79,70,000	24.51%	55.89%	32,58,68,000	18.00%	35.73%	48,87,88,000	23.01%	32.48%
Bhilangana Hydro Power Ltd	22,26,00,000	12.18%	27.77%	23,34,00,000	12.90%	25.59%	74,40,00,000	35.03%	49.44%
Ad Hydro Power Ltd	13,09,82,000	7.17%	16.34%	10,07,56,000	5.57%	11.05%	17,12,85,000	8.06%	11.38%
Ad Hydro Power Ltd	-	-	-	25,18,89,000	13.92%	27.62%	10,07,56,000	4.74%	6.70%
B	80,15,52,000	43.86%	100.00%	91,19,13,000	50.38%	100.00%	1,50,48,29,000	70.85%	100.00%
Reverse Repo Investments									
Reverse Repo	-	-	-	-	-	-	1,00,35,592	0.47%	0.00%
C	-	-	-	-	-	-	1,00,35,592	0.47%	-
Total Investments (A+B+C)	1,82,72,18,788	99.99%		1,81,14,64,607	100.09%		2,12,71,82,233	100.16%	
Net Current Assets	1,65,377	0.01%	100.00%	(15,73,659)	-0.09%	100.00%	(33,26,226)	-0.16%	100.00%
Net Assets	1,82,73,84,166	100.00%		1,80,98,90,947	100.00%		2,12,38,56,007	100.00%	

- (21) There are no unpaid redemption and unclaimed dividend as at March 31, 2015.
- (22) There are no unit holders holding over 50% of the net assets in the Schemes as at the Balance Sheet dates.
- (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**

Related party disclosures pursuant to Accounting Standard 18 "Related Party disclosure" issued by the ICAI are made as under:

- a) The following are the related parties by control:
- Asset Management Company (AMC):- IL&FS Infra Asset Management Limited
 - Trustee:- IL&FS AMC Trustee Limited

b) Details of transactions during the year / period:-

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1A		1B		1C	
	For the Period From April 1, 2014 to March 31, 2015	For the period from June 18, 2013 to March 31, 2014	For the Period From April 1, 2014 to March 31, 2015	For the period from June 18, 2013 to March 31, 2014	For the Period From April 1, 2014 to March 31, 2015	For the period from June 18, 2013 to March 31, 2014
Management fees	3,02,17,923	44,26,672	3,00,98,326	43,96,437	3,51,16,884	52,19,250
Trusteeship fees	2,61,181	37,635	2,60,159	37,362	3,03,847	43,819
Expenses recoverable from AMC	5,74,930	3,34,056	5,71,897	3,35,282	5,43,578	3,28,604

c) Year-end payables/Receivables:

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1A		1B		1C	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Payable						
Management fees payable	53,11,549	45,09,604	52,99,734	44,78,806	61,73,990	53,16,641
Trusteeship fees payable	66,656	38,322	66,508	38,054	77,480	44,631
Receivable						
Expenses Receivable from AMC	4,36,677	3,34,056	4,38,355	3,35,282	4,31,437	3,28,604

(25) The schemes have been launched during the previous period on June 18, 2013, thus previous year figures are not comparable.

For IL&FS Infra Asset Management Limited

For IL&FS AMC Trustee Limited

Sd/-
Ramesh C Bawa
Director
DIN: 00040523

Sd/-
Rajesh Kotian
Director
DIN: 00040523

Sd/-
Arun K Saha
Director
DIN: 00002377

Sd/-
B Narasimhan
Director
DIN: 06360390

Sd/-
Jignesh Shah
Fund Manager

Mumbai, April 24, 2015