

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

Dear Unitholders,

We have pleasure in presenting the Fourth Annual Report of the Schemes of IL&FS Mutual Fund (IDF) for the year ended March 31, 2017, 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) acquired controlling stake in IL&FS Infra Asset Management Limited and IL&FS AMC Trustee Limited from IL&FS Financial Services Limited (IFIN) with effect from January 1, 2017. Accordingly, 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 with assets under management 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, 7th 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

DIRECTORS OF IL&FS AMC TRUSTEE LIMITED

Mr Arun K Saha	Associate Director
Mr Chitranjan Kahlon	Independent Director
Mr Balasubramanian Narasimhan	Independent Director
Mr Ranjan Dhawan*	Independent Director

*Mr Ranjan Dhawan joined w.e.f. December 23, 2016

Note: Mr Sunil Mehta, Independent Director resigned w.e.f. close of business hours on December 23, 2016




(d) ASSET MANAGEMENT COMPANY (AMC):

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

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
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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 K N Prithviraj	Independent Director

Note: Mr V Chandrasekaran, Nominee Director from Life Insurance Corporation of India resigned w.e.f. June 15, 2016

(2) Investment Objectives of the Schemes:

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

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

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




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

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

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

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

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

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

- (a) **IL&FS Infrastructure Debt Fund – Series 1A, 1B and 1C** - with minimum tenure of 5, 7 and 10 years respectively. These schemes got the highest rating of IND AAAidf-mf by India Ratings and CARE AAA (MF-IDF) by CARE. The total corpus raised was ₹ 750 crore and as on March 31, 2017 with net earnings from investment, the corpus has risen to ₹ 1,033 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	10.62%	11.09%	10.57%	11.26%	NA	NA	10.66%	11.33%
IIDF Series - 1B	10.26%	11.09%	10.77%	11.26%	NA	NA	10.85%	11.33%
IIDF Series - 1C	10.92%	11.09%	10.58%	11.26%	NA	NA	10.75%	11.33%

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

The above benchmark are on a gross basis without deduction of total expenses

- (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, 2017

(c) **Future Outlook:**

The Indian economy has showcased robust growth in the last decade - GDP has grown at a CAGR of 7.5%. India's emergence as the third largest economy in the world in terms of purchasing power parity has been on the back of wide ranging reforms, demographic dividend and consumption growth. Tighter monetary policy and domestic policy measures such as limited increase in mandated minimum procurement prices for grains resulted in lower inflation over the past year. India is expected to continue to be one of the fastest growing economies in the world with an expected GDP growth at 8.25% over the next 10 years as per the RBI Survey of Professional Forecasters. 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

A

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

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

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

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

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

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

(d) Investor Services:

As stipulated under SEBI circular no. Cir/IMD/DF/2/2010 dated May 13, 2010, there were no investor complaints received during the period April 2016 to March 2017. 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, 2017:

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, 2017

(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 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 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 24, 2017
Place: Mumbai

Annexure 1

Redressal of Complaints received during		2016-2017														
Name of the Mutual Fund		IL&FS Mutual Fund (IDF)														
Total Number of Folios		46														
Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)							Non Actionable*					
				Within 30 days	30-60 days	60-180 days	Beyond 180 days	Resolved	0-3 months	3-6 months	6-9 months	9-12 months	Pending			
I A	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II C	Data corrections in Investor details	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV	Others **	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Example : Complaint number from I A to III E is 1000 and Others alone is 500 and transmission linked complaints (within others) are 200 then provide Transmission as separate reason (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 2017, 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 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 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. 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 31 March 2017
- (b) in the case of the Revenue Account, of the Surplus of the Schemes for the year ended 31 March 2017 and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Schemes for the year ended 31 March 2017 .

Report on Regulatory Requirements

1. As required by 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 2017 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)



Pallavi A. Gorakshakar
Partner
(Membership No. 105035)

MUMBAI, 24 April 2017
PG/SB-2017

IL&FS Mutual Fund (IDF)						
Balance Sheet as at March 31, 2017						
Amount ₹						
Notes	IA IL&FS Infrastructure Debt Fund Series		IB IL&FS Infrastructure Debt Fund Series		IC IL&FS Infrastructure Debt Fund Series	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Liabilities						
3	2,381,600,000	2,381,600,000	2,359,100,000	2,359,100,000	2,759,300,000	2,759,300,000
4	888,826,699	574,821,781	898,323,270	595,290,753	1,039,904,220	683,520,746
5	4,524,055	4,432,809	4,472,776	4,383,297	5,204,904	5,086,691
Total	3,274,950,754	2,960,854,590	3,261,896,046	2,958,774,050	3,804,409,124	3,447,907,437
Assets						
6	3,156,399,079	2,532,274,076	3,197,308,000	2,812,308,000	3,771,459,000	3,318,459,000
7	118,551,675	428,580,514	64,588,046	146,466,050	32,950,124	129,448,437
Total	3,274,950,754	2,960,854,590	3,261,896,046	2,958,774,050	3,804,409,124	3,447,907,437


Notes 1 to 27 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


Pallavi A. Gorakshakar
Partner
Mumbai, April 24, 2017


Ramesh C Bawa
Director
DIN: 00040523


Milind Patel
Director
DIN: 00058358


Arun K. Subudhi
Director
DIN: 00002377


B Narasimhan
Director
DIN: 06360390


Jignesh Shah
Fund Manager



Rachit Nagpal
Fund Manager

IL&FS Mutual Fund (IDF)						Revenue Account		Amount ₹	
Notes	IL&FS Infrastructure Debt Fund Series 1A		IL&FS Infrastructure Debt Fund Series 1B		IL&FS Infrastructure Debt Fund Series 1C		For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2016
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016			
Income and gains									
Interest income	357,164,174	302,492,730	345,797,004	317,198,121	402,254,443	374,741,208			
Other income	472,806	2,247,977	1,835,305	1,505,520	6,160,306	7,278,515			
Profit on sale/redemption of investments	3,084,089	717,228	-	814,600	-	814,600			
Increase/(Decrease) in unrealised gain in the value of investments	(1,984,192)	17,489,972	-	7,216,815	-	(814,600)			
Total	358,736,877	322,947,907	347,632,309	326,735,056	408,414,749	382,013,723			
Expenses and losses									
Investment Management fees	37,614,806	34,076,871	37,503,837	33,989,370	43,752,859	39,689,131			
Service tax on Investment Management fees	5,611,986	4,748,049	5,595,355	4,735,728	6,327,712	5,530,127			
Trusteeship fees	310,996	281,208	310,078	280,486	361,744	327,520			
Investor Education and Awareness Expenses (Refer Note 2(h))	621,992	562,417	620,156	560,972	723,489	655,043			
Custody Charges	160,407	158,979	160,407	158,979	160,407	158,979			
Other Operating expenses	227,919	221,477	227,568	221,433	251,794	228,024			
Audit Fees	218,303	223,630	217,629	223,630	253,270	223,630			
Increase/(Decrease) in unrealised loss in the value of investments	-	(26,316)	-	(6,648)	-	(20,967)			
Total	44,766,409	40,246,315	44,634,830	40,163,950	52,031,275	46,791,487			
Less: Expenses recoverable from the Asset Management Company	(34,450)	(322,877)	(35,038)	(323,553)	-	(283,111)			
Surplus for the year	44,731,959	39,923,438	44,599,792	39,840,195	52,031,275	46,508,376			
Revenue Reserve brought forward	314,004,918	283,024,469	303,032,517	286,894,661	356,383,474	335,511,347			
Unrealised Appreciation Reserve at the beginning of the year	515,735,355	250,200,838	532,706,023	253,028,177	673,815,473	337,489,526			
Unrealised Appreciation Reserve at the end of the year	829,740,273	533,225,337	835,738,540	539,922,838	1,030,198,947	673,000,873			
Net Surplus transferred to Revenue Reserve	59,086,426	41,596,454	62,584,730	55,367,915	9,705,273	10,519,873			
	57,102,234	59,086,426	62,584,730	62,584,730	9,705,273	9,705,273			
	(1,984,192)	17,489,972	-	7,216,815	-	(814,600)			
Total	831,724,465	515,735,355	835,738,540	532,706,023	1,030,198,947	673,815,473			


Notes 1 to 27 annexed hereto forms part of Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner
Mumbai, April 24, 2017

For IL&FS Infra Asset Management Limited


Ramesh C Bawa
Director
DIN: 00040523


Milind Patel
Director
DIN: 00058358


Jignesh Shah
Fund Manager


Rachit Nagpal
Fund Manager

For IL&FS AMC Trustee Limited


Arun K. Shukla
Director
DIN: 0002377


B Narasimhan
Director
DIN: 06360390

IL&FS Mutual Fund (IDF)		Cash flow statement				Amount ₹
IL&FS Infrastructure Debt Fund		Series IA		Series IB		Series IC
Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
A. Cash flow from Operating Activities						
Surplus for the year	314,004,918	283,024,469	303,032,517	286,894,661	356,383,474	335,511,347
Adjustment for:-						
Interest Income	(357,164,174)	(302,492,730)	(345,797,004)	(317,198,121)	(402,254,443)	(374,741,208)
Increase/(Decrease) in unrealised gain in the value of investments	(1,984,192)	17,489,972	-	7,216,815	-	(814,600)
Increase/(Decrease) in unrealised loss in the value of investments	-	(26,316)	-	(6,648)	-	(20,967)
Change in assets and liabilities:						
Increase/(Decrease) in current liabilities and provisions	423,244	(2,209,688)	419,851	(2,244,201)	524,336	(2,587,451)
Increase in investments	(622,140,811)	(46,743,303)	(385,000,000)	(282,634,256)	(453,000,000)	(302,499,023)
Decrease/(Increase) in other current assets	352,461,287	(214,759,581)	84,432,192	36,642,029	97,608,781	(17,176,627)
Cash generated from/(used in) Operations	(314,399,728)	(265,717,177)	(342,912,444)	(271,329,721)	(400,737,852)	(362,328,529)
Interest received	310,138,011	276,771,723	340,022,339	279,346,355	388,270,359	371,995,655
Net cash (used in) / generated from operating activities	(4,261,717)	11,054,546	(2,890,105)	8,016,634	(12,467,493)	9,667,126
Net (Decrease) / increase in cash and cash equivalents	(4,261,717)	11,054,546	(2,890,105)	8,016,634	(12,467,493)	9,667,126
Cash and cash equivalents at the beginning of the year	12,246,789	1,192,243	11,228,380	3,211,746	13,461,190	3,794,064
Cash and cash equivalents at the end of the year	7,985,072	12,246,789	8,338,275	11,228,380	993,697	13,461,190
(Refer: Note below)						
Note						
Cash and bank balance as per Note No 7	8,212,436	12,806,151	8,564,838	11,785,315	1,260,509	14,134,126
Less:- Cash and bank balance earmarked for Investor Education and Awareness	227,364	559,362	226,563	556,935	266,812	672,936
Cash & Cash Equivalent as per Cash flow	7,985,072	12,246,789	8,338,275	11,228,380	993,697	13,461,190
In terms of our report attached						

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ramesh Ch Bawa
Ramesh C Bawa
Director
DIN: 00040523

Pallavi A. Gorakshakar
Pallavi A. Gorakshakar
Partner
Mumbai, April 24, 2017

For IL&FS Infra Asset Management Limited

Milind Patel
Milind Patel
Director
DIN: 00038358

Rachit Nagpal
Rachit Nagpal
Fund Manager

For IL&FS AMC Trustee Limited

Arun K Saha
Arun K Saha
Director
DIN: 00002377

B Narasimhan
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 Trust Company Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908 on January 21, 2013 and amended through Deed of amendment on September 5, 2013. The Investment Management Agreement between IL&FS Infra Asset Management Limited (the AMC), IL&FS AMC Trustee Limited (the Trustee) and the trust was executed on January 21, 2013 and amended on September 5, 2013. The Fund has been registered with SEBI on February 1, 2013 under Registration Code MF/072/13/02. 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 1A, 1B and 1C is a closed ended Scheme for 5 Years, 7 Years and 10 Years respectively. The scheme was launched on June 18, 2013 and units were allotted on December 16, 2013 being first draw down of the commitments. Units are having face value of ₹ 1,000,000 and are fully paid-up. The units are listed on the National Stock Exchange of India on May 7, 2014

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

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

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

b) Use of estimates

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

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

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. 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 ≤ 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

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 (Mutual Funds) Regulations, 1996

All expenses identifiable with any particular scheme are accounted on an accrual basis. Expenses not identifiable with any particular scheme are generally allocated to the schemes in proportion to the number of folios in the schemes 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 1A, 1B and 1C, although the corresponding scheme's investments and other net assets are managed as a single portfolio. For computing the NAV for various plans/options, daily income earned, including realized and unrealized gains or losses in the value of investments and expenses incurred by the corresponding scheme are allocated to the plans/options in proportion to the net assets of each plan/option

h) Investor Education and Awareness Expenses

In compliance with SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012; the scheme has charged 0.02 % of daily net assets within the maximum limit of total expense ratio as per the Regulations for investor education and awareness initiatives. Pursuant to 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 opening balance and additions for current year 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, 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 1A	559,362	621,992	953,990	227,364
Series 1B	556,935	620,156	950,228	226,563
Series 1C	672,936	723,489	1,129,613	266,812

Movement for the year ended March 31, 2016 is as follows:-

(Amount ₹)

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

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

j) New Fund Offer

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





3 Unit Capital

Particulars	Series IA		Series IB		Series IC			
	As at March 31, 2017		As at March 31, 2016		As at March 31, 2017		As at March 31, 2016	
	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹	Units Nos.	Amount ₹
Initial Capital Issued and subscribed:								
Units of ₹ 1,000,000								
Direct Plan - Growth	2,256.60	2,256,600,000	2,171.60	2,171,600,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Direct Plan - Dividend	125.00	125,000,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000
Paid-Up:								
Direct Plan - Growth Face Value ₹ 1,000,000								
Units at beginning and end of the year	2,256.60	2,256,600,000	2,171.60	2,171,600,000	2,571.80	2,571,800,000	2,571.80	2,571,800,000
Direct Plan - Dividend Face Value ₹ 1,000,000								
Units at beginning and end of the year	125.00	125,000,000	187.50	187,500,000	187.50	187,500,000	187.50	187,500,000
Unit Capital at the end of the year	2,381.60	2,381,600,000	2,359.10	2,359,100,000	2,759.30	2,759,300,000	2,759.30	2,759,300,000

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4 Reserves and surplus

Particulars	Amount ₹					
	Series IA As at March 31, 2017	Series IA As at March 31, 2016	Series IB As at March 31, 2017	Series IB As at March 31, 2016	Series IC As at March 31, 2017	Series IC As at March 31, 2016
IL&FS Infrastructure Debt Fund						
Unrealised Appreciation Reserve						
At the beginning of the year	59,086,426	41,596,454	62,584,730	55,367,915	9,705,273	10,519,873
Increase/(Decrease) in unrealised gain in the value of investments	(1,984,192)	17,489,972	-	7,216,815	-	(814,600)
At the end of the year	57,102,234	59,086,426	62,584,730	62,584,730	9,705,273	9,705,273
Revenue Reserve						
At the beginning of the year	515,735,355	250,200,858	532,706,023	253,028,177	673,815,473	337,489,526
Transferred to Revenue account	(515,735,355)	(250,200,858)	(532,706,023)	(253,028,177)	(673,815,473)	(337,489,526)
Surplus transferred from Revenue account	831,724,465	515,735,355	835,738,540	532,706,023	1,030,198,947	673,815,473
At the end of the year	831,724,465	515,735,355	835,738,540	532,706,023	1,030,198,947	673,815,473
Total	888,826,699	574,821,781	898,323,270	595,290,753	1,039,904,220	683,520,746

Reserves and surplus for each option:-						
Direct Plan - Growth	842,175,986	544,651,844	826,925,020	547,977,364	969,240,631	637,074,133
Direct Plan - Dividend Option	46,650,713	30,169,937	71,398,251	47,313,389	70,663,589	46,446,613
Total	888,826,699	574,821,781	898,323,270	595,290,753	1,039,904,220	683,520,746





5 Current liabilities and provisions

Particulars	Amount ₹					
	Series 1A		Series 1B		Series 1C	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Creditors for						
-Investment Management fee payable	3,509,243	3,163,597	3,495,448	3,151,995	4,075,148	3,684,259
-Trustee fee payable	29,034	22,445	28,920	22,362	33,716	26,137
-Other payable	283,924	248,187	283,045	248,186	330,262	248,186
Income received in advance	109,076	109,075	74,794	74,795	74,794	74,795
Investor Education and Awareness (Refer Note 2(h))	227,364	559,362	226,563	556,935	266,812	672,936
Statutory dues	365,414	330,143	364,006	329,024	424,172	380,378
Total	4,524,055	4,432,809	4,472,776	4,383,297	5,204,904	5,086,691

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6 Investments

Fund	Series 1A						Series 1B			Series 1C			
	As at March 31, 2017		As at March 31, 2016		As at March 31, 2017		As at March 31, 2016		As at March 31, 2017		As at March 31, 2016		
	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	Cost	Market / Fair Value	
IL&FS Infrastructure Debt													
Non Convertible Debentures Listed On Recognised Stock Exchange	2,175,296,845	2,231,197,079	1,859,187,650	1,917,072,076	1,724,723,270	1,780,713,000	1,489,723,270	1,545,713,000	2,756,754,720	2,762,824,000	2,477,754,720	2,483,824,000	
Non Convertible Debentures-Privately Placed	924,000,000	925,202,000	614,000,000	615,202,000	1,410,000,000	1,416,595,000	1,260,000,000	1,266,595,000	1,004,999,008	1,008,635,000	830,999,008	834,635,000	
Total	3,099,296,845	3,156,399,079	2,473,187,650	2,532,274,076	3,134,723,270	3,197,308,000	2,749,723,270	2,812,308,000	3,761,753,728	3,771,459,000	3,308,753,728	3,318,459,000	

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Amount ₹

7 Other Current assets

Particulars	Amount ₹					
	Series IA		Series IB		Series IC	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Balances with a bank in current account* (Refer Note 2(h))	8,212,436	12,806,151	8,564,838	11,785,315	1,260,509	14,134,126
Interest /redemption premium accrued but not due on Debenture	76,882,771	25,098,865	46,634,802	37,931,713	21,242,094	3,597,541
Interest accrued and due on Debenture Recoverable from the AMC	-	4,757,743	-	2,928,424	-	3,660,469
Collateralised Borrowing and Lending Obligations (CBLO)**	34,450	270,729	35,038	271,036	-	255,364
	33,005,018	383,765,026	9,001,368	93,057,562	10,001,521	107,069,937
CBLO margin	417,000	1,882,000	352,000	492,000	446,000	731,000
Total	118,551,675	428,580,514	64,588,046	146,466,050	32,950,124	129,448,437

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

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

8 Interest Income

Particulars	Amount ₹					
	Series IA		Series IB		Series IC	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
On Debentures	336,439,621	279,961,351	338,872,089	310,598,673	394,149,737	363,049,654
On Commercial Paper	-	-	-	252,928	-	1,080,822
On Certificate of Deposits	-	752,498	-	386,026	-	2,344,583
On Reverse Repo/CBLO	20,724,553	21,778,881	6,924,915	5,960,494	8,104,706	8,266,149
Total	357,164,174	302,492,730	345,797,004	317,198,121	402,254,443	374,741,208

9 Other Income

Particulars	Amount ₹					
	Series IA		Series IB		Series IC	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Interest on CBLO Margin	35,306	57,157	35,306	34,107	35,306	43,987
Upfront fee	-	437,500	1,500,000	300,000	4,040,000	5,655,000
Advisory and Other Fees	437,500	1,753,320	299,999	1,171,413	2,085,000	1,579,528
Total	472,806	2,247,977	1,835,305	1,505,520	6,160,306	7,278,515

(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% (excluding Service Tax) of average daily net assets as follows:

(Amount in ₹)

Infrastructure Debt Fund Series	Average Net Assets for the Year ended March 31, 2017	Management Fees for the Year ended March 31, 2017	Average Net Assets for the Year ended March 31, 2016	Management Fees for the Year ended March 31, 2016
1A	3,109,838,993	37,614,806	2,811,978,893	34,076,871
1B	3,100,658,797	37,503,837	2,804,762,179	33,989,370
1C	3,617,304,401	43,752,859	3,275,094,752	39,689,131

(11) Trusteeship fees

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

(12) Custodian fees

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

(13) Other Expenses

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

(14) Income/Expenditure

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

For the Year ended March 31, 2017:-

Infrastructure Debt Fund	Income		Expense Ratio	
	(Amount ₹)	(%)	(Amount ₹)	(%)
Series 1A – Direct Plan	358,736,877	11.54%	44,731,959	1.44%
Series 1B – Direct Plan	347,632,309	11.21%	44,599,792	1.44%
Series 1C – Direct Plan	408,414,749	11.29%	52,031,275	1.44%





For the Year ended March 31, 2016:-

Infrastructure Debt Fund	Income		Expense Ratio	
	(Amount ₹)	(%)	(Amount ₹)	(%)
Series 1A – Direct Plan	322,947,907	09.97%	39,923,438	1.42%
Series 1B – Direct Plan	326,735,056	10.04%	39,840,395	1.42%
Series 1C – Direct Plan	382,019,723	11.69%	46,508,376	1.42%

(15) Income tax

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

(16) Net Asset Value per unit

(Amount ₹)

Infrastructure Debt Fund	Plan	Face Value	As at March 31, 2017	As at March 31, 2016
Series 1A-Direct Plan	Dividend	1,000,000	1,373,205.7017	1,241,359.4980
	Growth	1,000,000	1,373,205.7017	1,241,359.4980
Series 1B-Direct Plan	Dividend	1,000,000	1,380,790.6704	1,252,338.0750
	Growth	1,000,000	1,380,790.6704	1,252,338.0750
Series 1C-Direct Plan	Dividend	1,000,000	1,376,872.4750	1,247,715.2700
	Growth	1,000,000	1,376,872.4750	1,247,715.2700

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

As at March 31, 2017

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
Infrastructure Sector									
Non Convertible Debentures Listed On Recognised Stock Exchange									
Brahmani River Pellets Ltd	325,839,954	9.96%	14.60%	325,868,000	10.00%	18.30%	407,328,000	10.72%	14.74%
Bhilangana Hydro Power Ltd	186,000,000	5.69%	8.34%	180,000,000	5.53%	10.11%	708,000,000	18.64%	25.63%
Bhilwara Green Energy Ltd	301,654,125	9.22%	13.52%	337,143,000	10.35%	18.93%	798,496,000	21.02%	28.90%
Sadbhav Infrastructure Project Ltd	702,703,000	21.49%	31.49%	702,702,000	21.57%	39.46%	-	-	-
Velankani Information Systems Ltd	-	-	-	-	-	-	570,000,000	15.00%	20.63%
IL&FS Wind Energy Ltd	715,000,000	21.85%	32.05%	235,000,000	7.21%	13.20%	279,000,000	7.34%	10.10%
A	2,231,197,079	68.21%	100.00%	1,780,713,000	54.66%	100.00%	2,762,824,000	72.72%	100.00%
Non Convertible Debentures Privately Placed									
Infrastructure Sector									
Ad Hydro Power Ltd	130,982,000	4.01%	14.16%	694,207,000	21.31%	49.01%	484,635,000	12.76%	48.05%
Abhitech Developers Pvt Ltd	420,000,000	12.84%	45.40%	-	-	-	-	-	-
Bhilangana Hydro Power Ltd	155,000,000	4.74%	16.75%	175,000,000	5.37%	12.35%	-	-	-
Bhilwara Green Energy Ltd	44,220,000	1.35%	4.78%	277,388,000	8.52%	19.58%	-	-	-
AMRI Hospitals Ltd	175,000,000	5.35%	18.91%	120,000,000	3.68%	8.47%	120,000,000	3.16%	11.90%
Babcock Borsig Limited	-	-	-	150,000,000	4.60%	10.59%	404,000,000	10.63%	40.05%
B	925,202,000	28.29%	100.00%	1,416,595,000	43.48%	100.00%	1,008,635,000	26.55%	100.00%
Total Investment	3,156,399,079	96.50%		3,197,308,000	98.14%		3,771,459,000	99.27%	
Net Current Assets	114,027,620	3.50%		60,115,270	1.86%		27,745,220	0.73%	
Net Assets	3,270,426,699	100.00%		3,257,423,270	100.00%		3,799,204,220	100.00%	

As at March 31, 2016

IL&FS Infrastructure Debt Fund	Series 1A			Series 1B			Series 1C		
	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total	Fair value (Amount ₹)	% to Net Assets	% to Category Total
Infrastructure Sector									
Non Convertible Debentures Listed On Recognised Stock Exchange									
Brahmani River Pellets Ltd	488,760,013	16.53%	25.50%	325,868,000	11.03%	21.08%	407,328,000	11.83%	16.40%
Bhilangana Hydro Power Ltd	282,000,000	9.54%	14.71%	180,000,000	6.09%	11.65%	708,000,000	20.56%	28.50%
Bhilwara Green Energy Ltd	443,609,063	15.00%	23.14%	337,143,000	11.41%	21.81%	798,496,000	23.19%	32.15%
Sadbhav Infrastructure Project Ltd	702,703,000	23.77%	36.65%	702,702,000	23.79%	45.46%	-	-	-
Velankani Information Systems Ltd	-	-	-	-	-	-	570,000,000	16.56%	22.95%
A	1,917,072,076	64.84%	100.00%	1,545,713,000	52.32%	100.00%	2,483,824,000	72.14%	100.00%
Non Convertible Debentures Privately Placed									
Infrastructure Sector									
Ad Hydro Power Ltd	130,982,000	4.43%	21.29%	694,207,000	23.50%	54.81%	484,635,000	14.08%	58.06%
Bhilangana Hydro Power Ltd	265,000,000	8.96%	43.07%	175,000,000	5.92%	13.82%	230,000,000	6.68%	27.56%
Bhilwara Green Energy Ltd	44,220,000	1.50%	7.19%	277,388,000	9.39%	21.90%	-	-	-
AMRI Hospitals Ltd	175,000,000	5.92%	28.45%	120,000,000	4.06%	9.47%	120,000,000	3.49%	14.38%
B	615,202,000	20.81%	100.00%	1,266,595,000	42.87%	100.00%	834,635,000	24.25%	100.00%
Total Investment	2,532,274,076	85.65%		2,812,308,000	95.19%		3,318,459,000	96.39%	
Net Current Assets	424,147,705	14.35%		142,082,753	4.81%		124,361,746	3.61%	
Net Assets	2,956,421,781	100.00%		2,954,390,753	100.00%		3,442,820,746	100.00%	

(18) Aggregate value of purchases and sales

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

For the Year ended March 31, 2017

(Amount ₹)

IL&FS Infrastructure Debt Fund	For the Year ended March 31, 2017			
	Aggregate value of Purchase (Amount ₹)	Percentage of Average Net Assets	Aggregate value of Sales (Amount ₹)	Percentage of Average Net Assets
Series 1A	1,135,000,000	36.50%	510,874,998	16.43%
Series 1B	385,000,000	12.42%	-	-
Series 1C	683,000,000	18.88%	230,000,000	6.36%

For the Year ended March 31, 2016

(Amount ₹)

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

(19) Appreciation / Depreciation on Investments

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

(Amount ₹)

Scheme Name	As at March 31, 2017		As at March 31, 2016	
	Appreciation	Depreciation	Appreciation	Depreciation
IL&FS Infrastructure Debt Fund Series 1A				
Non-Convertible Debentures	57,102,234	-	59,086,426	-
IL&FS Infrastructure Debt Fund Series 1B				
Non-Convertible Debentures	62,584,730	-	62,584,730	-
IL&FS Infrastructure Debt Fund Series 1C				
Non-Convertible Debentures	9,705,272	-	9,705,272	-

(20) Aggregate Fair value of Non-Traded Investments

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

(Amount ₹)

Infrastructure Debt Fund	As at March 31, 2017	As at March 31, 2016
Series 1A	3,156,399,079	2,532,274,076
Series 1B	3,197,308,000	2,812,308,000
Series 1C	3,771,459,000	3,318,459,000

(21) 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 1A	Non-Convertible Debentures of IL&FS Wind Energy Limited	715,000,000
Series 1B		235,000,000
Series 1C		279,000,000

(22) There are no unpaid redemption and unclaimed dividend as at March 31, 2017.

(23) (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, 2017 and for the year ended March 31, 2016.





(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 Financial Services Limited, till December 31, 2016

b) Details of transactions during the year:-

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1A		1B		1C	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Particulars						
Management fees	37,614,806	34,076,871	37,503,837	33,989,370	43,752,859	39,689,131
Trusteeship fees	310,996	281,208	310,078	280,486	361,744	327,520
Expenses recoverable from AMC	34,450	322,877	35,038	323,555	-	283,111

c) Year-end payables/Receivables:

(Amount ₹)

IL&FS Infrastructure Debt Fund Series	1A		1B		1C	
	As At March 31, 2017	As At March 31, 2016	As At March 31, 2017	As At March 31, 2016	As At March 31, 2017	As At March 31, 2016
Units capital held by Sponsor	-	250,000,000	-	250,000,000	-	750,000,000
Payable						
Management fees payable	3,509,243	3,163,597	3,495,448	3,151,995	4,075,148	3,684,259
Trusteeship fees payable	29,034	22,445	28,920	22,362	33,716	26,137
Receivable						
Recoverable from AMC	34,450	270,729	35,038	271,036	-	255,364





(25) Contingent Liabilities details are as under

Details	March 31, 2017	March 31, 2016
Underwriting Commitment	Nil	Nil
Uncalled liability on partly paid-up shares	Nil	Nil
Investment Commitment*	250,000,000	Nil

*The allocation between different schemes of the mutual fund will be done by the fund manager

(26) **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.

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

For IL&FS Infra Asset Management Limited

For IL&FS AMC Trustee Limited



Ramesh C Bawa
Director
DIN: 00040523



Milind Patel
Director
DIN: 00058358



Arun K Saha
Director
DIN: 00002377



B Narasimhan
Director
DIN: 06360390



Jignesh Shah
Fund Manager



Rachit Nagpal
Fund Manager

Mumbai, April 24, 2017