



## DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 9<sup>TH</sup> Annual Report of IIFL Asset Management Limited (*formerly India Infoline Asset Management Company Limited*) ('the Company') together with the Audited Financial Statements for the year ended March 31, 2019.

### 1. Financial Results:

The highlights of the financial results for the year under review are as under:

(INR In million)

Particulars	2018-19*	2017-18*
Gross Total Income	1,582.11	1,031.82
Less: Expenditure	855.41	697.96
Profit /(Loss) Before Taxation	726.70	333.86
Less: Taxation - Current	130.64	36.00
- Deferred	0.97	0.16
- Mat Credit Gains	-	-
- Short or Excess Provision of Income Tax	0.10	-
Net Profit / (Loss) After Tax	595.00	297.69

\* Figure are as per Indian AS

### 2. Review of Business and Operations:

During FY 2018-2019, the company accelerated across business platforms enhancing product suite and building capabilities across product platforms. In this endeavor, company recruited a few senior members across departments; an essential step to build a strong franchise.

Total revenue grew by ~54% to INR 158.08 Crore, while Net Profit (after tax) nearly doubled, increasing by ~99%, to INR 59.38 Crore.

Supplementing to continued growth in revenues and profits, onshore Assets Under Management grew by 48% on a YoY basis and have now crossed INR 20,102 Crore. AIF AUM has grown by ~34% on a YoY basis and IIFL AMC now manages INR 15,661 Crore in AIFs alone. New product launches across categories has led to AUM growth. IIFL Asset Management Company Limited (IIFL AMC) also received its first offshore mandate in the last quarter of the year.

### 3. Macro-economic overview (FY 2018-2019)

After a sedate 2017, the year 2018 marked the return of higher volatility. This was mainly due to a lot of change in views on the global economic outlook. The year 2018 started with a much more optimistic view on growth and concerns were more around rising interest rates and balance sheet reduction by the Federal Reserve (Fed).

During the course of the year, this view started changing – the US-China trade war and the Fed's actions resulted in weak consumer data and used home sales in the US. Similar signs of slowdown were seen in other

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
www.iifl.com

CIN: U74900MH2010PLC201113



developed markets like EU and Japan. As a result of all this, the Fed has paused on taking rate hikes. This has interesting implications for emerging markets – a potentially weaker dollar and cheaper valuations could attract global flows into these markets. The only caveat to this is that global growth should not slow down substantially.

Back home in India, there is uncertainty around the central elections and most investors have taken a wait & watch approach. Fundamentally, the economy seems to be in the “Goldilocks” phase – characterised by low inflation, steady GDP growth, moderate interest rates and gradually rising asset prices. Assuming food inflation remains benign and oil prices stay in a range, overall inflation and interest rates should be under control. Such a scenario should also lead to some pick up in the private capex cycle later in the year. Interestingly, we are already seeing lead indicators for an uptick in private sector capex. After witnessing nil to negative growth over the last four years, short cycle industrial sales and capital goods imports have begun to record 15-20% growth consistently over the past few quarter. Also, India’s capacity utilisation level has increased by 300bps to ~75% over the same period. On the consumption side, we are witnessing a short-term slowdown in automobile and consumer durable sales. But we see this as an aberration in a secular trend of consumption in India. The retail credit-to-GDP ratio (a good indicator of potential consumption demand) is at 14%. For most emerging markets, this ratio is between 30-50% and for most developed markets it is between 70-100%. This suggests that there is enough scope for consumers in India to borrow and spend.

### Equity Markets

Irrespective of the outcome of the central elections, we expect corporate earnings growth to move up by ~15-18% over the next 2-3 years. We are painfully aware that this has been the view amongst analysts for the past few years and has consistently met with disappointment. However, simple maths suggests that a reversion to profitability by the corporate lenders (Axis, ICICI Bank and SBI) would alone drive up to a 10% growth in earnings. Added to this, a pickup in private sector capex, and recovery in consumption could further improve earnings. While the composition of the next government matters from a long-term perspective, medium term earnings growth would be a function of reforms executed over the last few years and an improvement in the business cycle. Do remember that corporate India’s profits as a proportion of GDP is currently at 2.8%. This is a 15-year low, and considerably lower than the long-term rate of 4.5%. A shift from single digit corporate earnings growth over the last seven years to potentially 15-18% over the next 2-3 years bodes well for the equity market, especially when valuations are in line with long term averages

### Fixed Income Markets

Like equity, 2018 saw higher volatility across fixed income markets as well. RBI raised rates by 50 bps in H1FY19 due to higher inflation projections, particularly for core inflation. Concerns on higher fiscal deficits due to upcoming elections, liquidity concerns for NBFCs as well as monetary tightening by the federal reserve led to higher rates across the yield curve. In sharp contrast, H2FY19 saw a number of these concerns ease out. RBI chose to balance economic growth and inflation concerns and cut rates by 50 bps between Feb-April 19. On the global front expectations of lower growth and inflation due to trade tensions led to the US fed adopt a more dovish stance and lower rate hike expectations for the rest of 2019. System liquidity continued to be weak as credit growth outpaced deposits and reached a 5 years high. This led to a limited transmission of rate cuts.

### IIFL ASSET MANAGEMENT LIMITED

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113



Going ahead, RBI is likely to prioritise growth over benign inflation and is likely to deliver rate cuts in coming months. On the global front US Fed halted its rate hike cycle for the rest of the year, resulting in sharp correction of US Treasury yields but the global commodity prices and Crude prices kept shooting high, which will keep the pressure on rates. Higher supply of government bonds may keep yields under pressure in the near term. Seasonal trends in inflation and concerns around a normal monsoon due to the higher probability of 'el-nino' forecasts may keep yields volatile going forward.

#### Outlook for the business:

In the year 2018, our AUM grew by ~58%. This growth was due to continuous expansion in the product portfolio across all the asset classes. In 1QFY19, we raised INR 470 Crores and INR 952 Crores for IIFL Capital Enhancer Fund (a mutual fund scheme) and IIFL Private Equity Fund (a category II AIF) respectively.

In 2QFY19 we launched IIFL Multi-Strategy Fund (a category III AIF) which has raised ~INR 328 Crores. Apart from IIFL Multi-Strategy Fund, we also saw sales momentum in the existing PMS strategies with higher contribution from IIFL Multicap Advantage PMS.

In 3QFY19 we diversified our product offerings by launching two more AIFs – IIFL High Growth Companies Fund (a category III AIF) and IIFL Income Opportunities Fund Series 2 (a category II AIF). IIFL High Growth Companies Fund and IIFL Income Opportunities Fund Series 2 have raised ~INR 495 Crores and ~INR 840 Crores respectively.

In 4QFY19, the successful merger of Ashburton's UCITS fund helped us in expanding our product portfolio further. We also received an advisory mandate of USD 220 mio from a US based endowment. FY19 ended with a successful launch of IIFL Income Opportunities PMS raising a corpus of ~INR 265 Crores.

We plan to identify further investment opportunities and strategies over the coming year. We aim to maintain our position as the largest alternative asset manager in India and build the widest range of offerings across the segment.

#### 4. Dividend:

The Directors do not recommend any dividend for the year under consideration.

#### 5. Transfer to Reserves:

During the FY 2018-2019, the Company has not transferred any amount to the General Reserve.

#### 6. Share Capital:

The total paid up share capital of the Company is INR 32,10,00,000/-.

#### 7. Details of Subsidiary:

There are no subsidiaries of the Company.

#### 8. Directors and Key Managerial Personnel:

##### a. Directors:

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113



The Board consists of Ms. Homai Daruwalla, Mr. Pranab Pattanayak, and Mr. Anup Maheshwari. Ms. Daruwalla and Mr. Pattanayak have submitted their declaration under section 149(6) of the Companies Act, 2013 and are independent directors on the Board. Mr. Anup Maheshwari, Whole Time Director of your Company, retires by rotation and being eligible, offers himself for re-appointment. In terms of the provisions of the Companies Act, 2013 independent directors are not liable to retire by rotation.

During the period under review, Mr. Anup Maheshwari was appointed as Whole Time Director with effective from November 14, 2018 and Mr. Amit Shah resigned as Director with effective from January 24, 2019.

**i. Board Meetings:**

The Board met six times during the year, discussed and approved various matters concerning new products, financials, and appointment of director and key managerial personnel, audit reports, SEBI inspection reports, compliance reports and other board businesses.

**ii. Committees of the Board**

There are currently three Committees of the Board, as follows:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

**• Audit Committee**

The Audit Committee comprises of Ms. Homai Daruwalla, Mr. Pranab Pattanayak and Mr. Anup Maheshwari. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013 & internal policies. The Committee met six times during the year under review and discussed on financials, audit issues and appointment of auditor. All the recommendations of the Audit committee were accepted by the Board.

The terms of reference of audit committee, inter alia, includes;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval of quarterly and annual financials and recommend the same to the Board;
  - Review and comment on observation(s) of Internal Auditors and Statutory Auditors;
  - Review and comment on observation(s) raised under any regulatory inspections;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
- Nomination and Remuneration Committee:**

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

The Nomination and Remuneration Committee comprises of Ms. Homai Daruwalla, Mr. Pranab Pattanayak and Mr. Anup Maheshwari. As per the provisions of Section 178 of the Companies Act, 2013, the Committee has formulated a nomination and remuneration policy. The same is annexed as an Annexure I to this Report.

• **Corporate Social Responsibility Committee:**

As per the provision of Section 135 of Companies Act, 2013, Ms. Homai Daruwalla, Mr. Pranab Pattanayak and Mr. Anup Maheshwari are members of the Corporate Social Responsibility Committee ("CSR Committee"). The CSR Committee has approved CSR Policy of the Company. IIFL group has set-up India Infoline Foundation (referred as "IIFL Foundation") a Section 8 Company under the Companies Act, 2013, which will acts as the principal arm to undertake CSR initiatives on behalf of the IIFL Group.

**Separate meeting of Independent Directors:**

In compliance with provisions of Companies Act, 2013, a separate meeting of Independent Directors was held on March 11, 2019 inter alia, to discuss the following:

- a) to review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board/ Committees of the Board from time to time.

iii. **Formal Annual Evaluation:**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

iv. **Declaration by Independent Directors -**

The Company has received declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in section 149(6) of the Companies Act 2013.

b. **Key Managerial Personnel:**

Mr. Anup Maheshwari is Whole Time Director and Chief Executive Officer and Mr. Prashasta Seth is the Chief Executive Officer of the Company, managing the operational and business affairs of the Company. Ms. Priya Biswas is the Chief Financial Officer of the Company, managing the financial affairs of the Company. Mr.

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
{An IIFL Group Company}  
[www.iiflmf.com](http://www.iiflmf.com)

CIN: U74900MH2010PLC201113



Chinmay Joshi is the Company Secretary of the company managing the Secretarial and Compliance Function of the Company.

#### **9. Corporate Social Responsibility (CSR):**

During the financial year, your Company deployed 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding three years on CSR projects, refer Annexure I of the Annual Report on CSR activities annexed with this report.

All CSR efforts have been directed towards identifying and undertaking projects that hold the potential to create long-term social impact, to empower marginalized communities and enhance their quality of life. In alignment with this objective, in FY18-19, the Company undertook a number of projects in the core areas of encouraging entrepreneurship, tribal developments, woman empowerment and healthcare and education.

To ensure that CSR projects undertaken are implemented and monitored in a systematic manner, during the year, efforts were focused on establishing systems and processes for the same. Going forward, your Company seeks to broaden the scope of CSR projects and employ more funds towards a larger number of projects.

The Annual Report on CSR activities by the Company is annexed as **Annexure – II**.

#### **10. Managerial Remuneration:**

During the year under review, the employees were drawing remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the details of the same will be made available if a written request is received from the shareholders. Further, if the request is received prior to the date of Annual General Meeting the details will be made available within 3 days and if the request is received post the date of Annual General Meeting then such particulars will be made available within 7 days.

#### **11. Employee Stock Option/ Purchase Scheme:**

The Company does not have an employee stock option / stock purchase scheme. However, employees of the Company are granted options of IIFL Wealth Management Limited, holding company.

#### **12. Risk Management Policy and Internal Adequacy:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

#### **IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
{An IIFL Group Company}  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

**13. Internal Financial Control:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Board of Directors of the Company.

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

**14. Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure III".

**15. Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the going concern status of the company:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

**16. Material changes and commitments affecting the financial position of the Company:**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**17. Comments on auditors' report:**

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

**18. Secretarial Audit:**

Pursuant to applicable provisions of the Companies Act, 2013, the Company is not required to undertake Secretarial Audit for the financial year 2018 -2019.

**19. Particulars of loans, guarantees or investments under section 186:**

The details of loans, guarantees or investments made are provided in the Financial Statement (Please refer Note No. 6 and 7 of the Financial Statement).

**20. Particulars of contracts or arrangements with related parties:**

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were at arm's length. No contract/ arrangement have been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related party are disclosed by way of notes to accounts vide note no. 33 in the standalone financial results of the Company for the financial year ended March 31, 2019.

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
{An IIFL Group Company}  
[www.iiflmm.com](http://www.iiflmm.com)

CIN: U74900MH2010PLC201113



**Justification for entering into Related Party Transactions:**

The Company usually enters into Related Party Transaction to ensure timely availability of products/ services required.

**21. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended below:

**Conservation of energy:**

The Company is engaged in providing financial services and as such its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power,
- Installed Thin Film Transistor (TFT) monitors that saves power,
- Light Emitting Diode (LED) lights,
- Automatic power shutdown of idle monitors,
- Creating environmental awareness by way of distributing the information in electronic form,
- Minimising air-conditioning usage,
- Shutting off all the lights when not in use, and
- Education and awareness programs for employees.

The management frequently puts circulars on corporate intranet, IWIN for the employees educating them on ways and means to conserve the electricity and other natural resources and ensures strict compliance of the same.

**Technology absorption and innovation:**

The management understands the importance of technology in the business segments it operates and lays utmost emphasis on system development and use of best technology available in the industry. The management keeps itself abreast of technological advancements in the industry and ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet the business needs and objectives.

The management invested considerable resources in deploying the latest technologies in the areas of wide area networking using MPLS, video communications, VoIP, automated dialers and other customer relationship management (CRM) tools and software. The Company also made significant strides in using cloud technology for customer-facing servers providing rapid and inexpensive ramp-up or down of capacity in line with business requirements.

The management is aware of increasing threats in the Information Security domain and has taken several steps to ensure that the Company is safe guarded against hacking attacks, data leakage and security breaches. IT and certain business processes have been recertified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitoring violations, if any.

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iiflmf.com](http://www.iiflmf.com)

CIN: U74900MH2010PLC201113





Foreign exchange earnings/outgo:

- a.) The Foreign exchange earnings: No disclosure required under IndAS
- b.) The Foreign exchange expenditure: No disclosure required under IndAS

Research and Development (R & D): The Company is engaged in distribution of various financial products and advising clients on wealth management through mutual fund and alternative investment fund platform, which entails internal research of investment products, sectors and markets.

**22. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013:**

The Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its women employees are not subjected to any form of harassment.

Your Directors further state that during the year under review your Company has formulated and adopted a '*Policy for Prevention / Prohibition / Redressal of Sexual Harassment of Women at the Workplace*', and that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**23. Frauds:**

The Auditors of the Company have not reported any frauds under Section 143(12) of the Companies Act, 2013.

**24. Directors Responsibility Statement:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and Secretarial Standards and that such system were adequate and operating effectively.

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

**Corporate & Registered Office:**

6<sup>th</sup> floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

The Directors further confirm that, they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

**25. Downstream Investment:**

During the financial year 2018-19, the Company has not made any downstream investments in terms Foreign Direct Investment Policy.

**26. Green Initiative:**

Section 136 of the Companies Act 2013 and the Rules framed there under allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the Depositories. A physical copy of the Annual Report will be sent to those Members who have not registered their email addresses with the Depositories for receiving electronic communication. A physical copy of this Annual Report can also be obtained free of cost by any member from the registered office of the Company on any working day during the business hour.

A copy of this Annual Report for FY 2018-19 is available on website of the Company, <https://www.iiflmf.com>

**27. Acknowledgements:**

We are thankful for the significant contribution made by our employees and also express our sincere thanks and appreciation to Securities and Exchange Board of India, Association of Mutual Fund of India, the Company's Bankers, Auditors and Counsels for their continued support and co-operation.

We also acknowledge the support and the continued co-operation received from IIFL Wealth Management Limited, sponsor during the year under review. We look forward to the same going forward.

**28. Annexure(s) forming part of this Report of Directors:**

The Annexure(s) referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

- Nomination and Remuneration Policy of the Company as Annexure I.
- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19 – Annexure - II.
- Form No. MGT-9 – Extract of Annual Return as on the financial year ended March 31, 2019 – Annexure – III.

For and on behalf of the Board of Directors



Homai Daruwalla  
Chairman  
DIN: 00365880



Anup Maheshwari  
Whole Time Director & CEO  
DIN: 08258671

Date: May 10, 2019

Place: Mumbai

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iiflmf.com](http://www.iiflmf.com)

CIN: U74900MH2010PLC2011113

**ANNEXURES TO THE DIRECTORS REPORT**  
**ANNEXURE I**  
**NOMINATION AND REMUNERATION POLICY**

I. **OBJECTIVE:** This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Director.

II. **DEFINITIONS:**

1. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
  - Managing Director, or Chief Executive Officer or Manager
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary; and such other officer as may be prescribed.
4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
5. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as maybe amended from time to time shall have the meaning respectively assigned to them therein.

III. **ROLE OF COMMITTEE:**

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board on policy on Remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.

IV. **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

1. **Appointment Criteria and Qualifications:**

a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.

b) **Independent Director:**

(i) **Qualifications of Independent Director:**

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013

Tel: (91-22) 39585600 | Fax: (91-22) 46464706

(An IIFL Group Company)

www.iifl.com

CIN: U74900MH2010PLC201113



An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

**(ii) Positive attributes of Independent Directors:**

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

**2. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**3. Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**V. REMUNERATION:**

**A. Directors:**

**a. Executive Directors (Managing Director, Manager or Whole Time Director):**

- (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- (iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
  - the relationship of remuneration and performance benchmark;
  - balance between fixed and incentive pay reflecting short- and long-term performance objectives, appropriate to the working of the Company and its goals;
  - responsibility required to be shouldered, the industry benchmarks and the current trends;
  - the Company's performance vis-à-vis the annual budget achievement and individual performance.

**b. Non-Executive Director:**

- (i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- (ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
- (iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- (iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- (v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- (vi) The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

**B. KMP & Senior Managerial Personnel:**

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

- a. maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company;
- b. compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- c. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the company;
- d. Remuneration shall be also considered in form of long-term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

**C. Research Analysts:**

- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee
- (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
  - a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and
  - b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

**VI. EVALUATION:**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

**VII. OTHER DETAILS:**

**Membership**

The Committee shall consist of minimum 3 non-executive directors, majority of them being independent. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company shall not be a

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113



Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Director.

#### **Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

#### **IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

#### **Corporate & Registered Office:**

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

**ANNEXURE II**  
**Corporate Social Responsibility (CSR)**

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has in place a CSR Policy, approved by the Directors of the Company. The CSR Policy has been uploaded on website <a href="http://www.iiflmf.com">www.iiflmf.com</a> .
2. The Composition of the CSR Committee.	The CSR Committee of the Company consist of Ms. Homai Daruwalla, Mr. Pranab Pattanayak and Mr. Anup Maheshwari
3. Average net profit of the company for last three financial years	INR 28,43,87,706/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	INR 56,87,754/-
5. Details of CSR spent during the financial year.	
a) Total amount to be spent for the financial year;	INR 56,87,754/-
b) Amount unspent, if any;	Nil
Manner in which the amount spent during the financial year is detailed below:	

Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent : Direct or through Implementing Agency
1	Skill development of the youths	Education	West Bengal	75,000/-	Direct - 75,000/-	75,000/-	75,000/- Through India Infoline Foundation
2	Sanitation facility at Govt. Schools	Health	West Bengal	2,25,000/-	Direct - 2,25,000/-	2,25,000/-	2,25,000/- Through India Infoline Foundation

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
{An IIFL Group Company}  
[www.iiflmf.com](http://www.iiflmf.com)

CIN: U74900MH2010PLC201113





3	Health and Hygiene Drives for School Children	Health	Mumbai	2,50,000/-	Direct - 2,50,000/-	2,50,000/-	2,50,000/- Through India Infoline Foundation
4	Support to Mid-day meal programme	Education	Maharashtra	3,00,000/-	Direct - 3,00,000/-	3,00,000/-	3,00,000/- Through India Infoline Foundation
5	Skill Development for women	Skill Development	West Bengal	20,00,000/-	Direct - 20,00,000/-	20,00,000/-	20,00,000/- Through India Infoline Foundation
6	Skill Development for Youth	Skill Development	West Bengal	9,00,000/-	Direct - 9,00,000/-	9,00,000/-	9,00,000/- Through India Infoline Foundation
7	Water Conservation	Environment	Rajasthan	1,02,000/-	Direct - 1,02,000/-	1,02,000/-	1,02,000/- Through India Infoline Foundation
8	Development of National level Sports	Promotion of sports	Across India	40,871/-	Direct - 40,871/-	40,871/-	40,871/- Through India Infoline Foundation
9	Development of National level Sports	Promotion of sports	Across India	4,00,000/-	Direct - 4,00,000/-	4,00,000/-	4,00,000/- Through India Infoline Foundation
10	Support to Children with Learning Disability	Differently Aabled	Chennai (Tamil Nadu)	7,00,000/-	Direct - 7,00,000/-	7,00,000/-	7,00,000/- Through India Infoline Foundation
11	Support and nurturing to players from under	Promotion of Sports	Across India	5,00,000/-	Direct - 5,00,000/-	5,00,000/-	5,00,000/- Through India Infoline Foundation

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,

Lower Parel, Mumbai – 400 013

Tel: (91-22) 39585600 | Fax: (91-22) 46464706

(An IIFL Group Company)

www.iifl.com

CIN: U74900MH2010PLC201113

	privileged backgrounds						
12	Eradication of Girl Child Illiteracy	Education	Udaipur (Rajasthan)	1,94,883/-	Direct - 1,94,883/-	1,94,883/-	1,94,883/- Through India Infoline Foundation

<p>6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report</p>	<p>During the financial year 2018-19, the Company successfully deployed 2% of its average net profits of the preceding three years on CSR projects.</p> <p>In line with the company's CSR strategy, the Company has focused its efforts on identifying and undertaking CSR projects that support the overarching mission of contributing proactively towards Nation building. Women Empowerment, Education and Health continue to be one of the key focus areas. The Company has utilized part of the accrued CSR expenses and is reviewing new projects, to enable substantial CSR activities in financial year 2018-19.</p>
---	---

**Brief description of the projects:**

- 1) **Skill development of the Youths:** Gaining and upgrading skills gives leverage to our youths to build and pursue a career of their dream. It's equally important for development of the employability of working population. IIFL Foundation specifically targeted youths through skill development courses in various industry verticals.
- 2) **Sanitation facility at Govt. Schools:** Providing access to toilets in schools by constructing new toilets or renovating existing facilities. The initiative included clubbing the construction of toilets with comprehensive health and hygiene education to ensure awareness among the community and the children, alike.
- 3) **Health and Hygiene Drives for School Children:** Health and hygiene is an issue of paramount importance in a city as Mumbai, which is so densely populated. Our intervention aimed at spreading awareness among school children over - prevention, detection and best practices to personal and community hygiene.
- 4) **Support to Mid-day Meal Programme:** Provision of fresh and nutritious meals to govt. school children on every single school day.
- 5) **Skill Development:** The intervention aims to empower Women and Youth through skill development. As a livelihood intervention, is a crucial step in ensuring long-term positive social impact in communities. Through a holistic approach of integrating education and community development with employability and entrepreneurship, we ensure sustainable livelihood for individuals from disadvantaged backgrounds.

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

**Corporate & Registered Office:**

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

6) **Water Conservation:** Initiative to build ground water resources through construction of check-dams, that result in recharging of ground wells.

7) **Development of National level Sports:** India has always lacked behind in sports despite having no dearth of talent and people. What is needed is adequate exposure, proper coaching and support to the playeINR India Infoline Foundation organizes grass root level yet International class sports tournaments to not only identify but nurture talent and provide necessary platform for the budding sports enthusiast to excel and move up the charts.

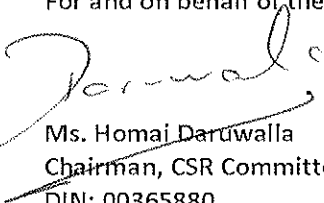
8) **Children with Learning Disability:** Children with brain damage have difficulty developing on par with their neuro-typical peers in all categories of development, e.g. mental, intellectual, physical and emotional. As a result, they need external support and stimulus to develop these skills. The designed intervention helps to create self-awareness in the child; builds social skills, communication and cognition.

9) **Girl Child illiteracy eradication program:** It is a matter of great concern and shame that girls in large number continue to be out of school and remain illiterate. This problem is particularly severe in northern state of Rajasthan. India Infoline Foundation has vowed to change this in next few years through starting community schools which are multi grade multi-level schools started in the villages as per the convenience of the girls to enable them to get educated. With 1156 such schools called "*Sakhion ki Baadi*" across 10 districts, India Infoline foundation has already brought back over 34,452 girls into the fold of education. By 2020, we are aiming towards 100% eradication of Illiteracy from Villages that we work at.

#### 5. Responsibility statement of the CSR Committee

Through this report, IIFL Asset Management Limited seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcomes for marginalized segments of society. The company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135, the company has also established a monitoring mechanism to track the progress of its CSR projects.


For and on behalf of the Board of Directors



Ms. Homai Daruwalla  
Chairman, CSR Committee & Director  
DIN: 00365880

Date: May 10, 2019

Place: Mumbai



Mr. Anup Maheshwari  
Whole Time Director & CEO  
DIN: 06765300

#### IIFL ASSET MANAGEMENT LIMITED

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iiflmf.com](http://www.iiflmf.com)

CIN: U74900MH2010PLC201113

**ANNEXURE III**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on **March 31, 2019**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. Registration and other details:**

i) CIN:	U74900MH2010PLC201113
ii) Registration Date	22-Mar-10
iii) Name of the Company	IIFL Asset Management Limited
iv) Category / Sub-Category of the Company	Public Limited Company, Limited by Shares
v) Address of the Registered office and contact details	IIFL Centre, 6th Floor, Kamala City, S. B. Marg, Lower Parel (West) Mumbai - 400013
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime Private Limited Address : C-101, 247 Park, LBS Marg, Vikhroli (West) - 400083 Tel: +91 22 4918 6000 Fax: +91 22 49186060 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in

**II. Principal business activities of the company:**

All the business activities contributing 10 % or more of the total turnover of the company are:-

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Management Fees	66301	74.15%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

**III. Particulars of holding, subsidiary and associate companies:**

Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
IIFL Holdings Limited	L74999MH1995PLC093797	Ultimate Holding	-	2(46)
IIFL Wealth Management Limited	U74140MH2008PLC177884	Holding Company	100%	2(46)

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013

Tel: (91-22) 39585600 | Fax: (91-22) 46464706

(An IIFL Group Company)

www.iifl.com

CIN: U74900MH2010PLC201113

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01 <sup>st</sup> April 2018)				No. of Shares held at the end of the year (31 <sup>st</sup> March 2019)			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>								
(1) Indian	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-
d) Bodies Corporate	3,21,00,000	-	3,21,00,000	100	3,21,00,000	-	3,21,00,000	100
e) Banks / FI	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3,21,00,000	-	3,21,00,000	100	3,21,00,000	-	3,21,00,000	100
<b>B. Public Shareholding</b>								
<b>1. Institutions</b>								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
www.iifl.com

CIN: U74903MH2010PLC201113

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR 1 lakh	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3,21,00,000</b>	<b>-</b>	<b>3,21,00,000</b>	<b>100</b>	<b>3,21,00,000</b>	<b>-</b>	<b>3,21,00,000</b>	<b>100</b>

(ii) Shareholding of Promoters

Shareholder's Name	Share holding at the beginning of the year (01 <sup>st</sup> April 2018)	Share holding at the end of the year (31 <sup>st</sup> March 2019)	% change in share holding during the year

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
IIFL Wealth Management Limited	3,21,00,000	100	NIL	3,21,00,000	100	NIL	NIL
<b>Total</b>	<b>3,21,00,000</b>	<b>100</b>	<b>Nil</b>	<b>3,21,00,000</b>	<b>100</b>	<b>Nil</b>	<b>NIL</b>

\*Note: 6 equity shares held by nominee shareholders, on behalf of IIFL Wealth Management Limited.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year (01 <sup>st</sup> April 2018)		Cumulative Shareholding during the year (1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	3,21,00,000	100%	3,21,00,000	100%
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil			
At the end of the year	3,21,00,000	100%	3,21,00,000	100%

Note: There is no change in the promoters' shareholding during the period from 01-04-2018 to 31-03-2019.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)\*:

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. Of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Top 10 Shareholders				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying	-	-	-	-

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
www.iifl.com

CIN: U74900MH2010PLC201113

the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year (or on the date of separation, if separated during the year	-	-	-	-

*\*IIFL Wealth Management Limited holds 100% of the shares of the company.*

**iv) Shareholding of Directors and Key Managerial Personnel\*:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	--	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the year	-	-	-	-

*\*IIFL Wealth Management Limited holds 100% of the shares of the company.*

**V. Indebtedness:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payments (INR In Millions)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	175.00	-	175.00
ii) Interest due but not paid	-	0.04	-	0.04
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	175.04	-	175.04
Change in Indebtedness during the financial year		-		-
• Addition	-	414.10	-	414.10

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
{An IIFL Group Company}  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113



• Reduction	-	(589.10)	-	(589.10)
Net Change	-	(175.00)	-	(175.00)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iiflmf.com](http://www.iiflmf.com)

CIN: U74900MH2010PLC201113

VI. Remuneration of directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Name of WTD (Mr. Anup Maheshwari appointed as WTD w.e.f. November 14, 2018)	Total Amount (INR)
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,26,77,007	1,26,77,007
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission - as % of profit - others, specify	-	-
Others, please specify	6,65,972.34	6,65,972.34
<b>Total (A)</b>	<b>1,33,42,979.34</b>	<b>1,33,42,979.34</b>
Ceiling as per the Act		INR 74,28,70,872/-

B. Remuneration to other directors:

Particulars	Name of Directors			Total Amount (INR)
	Ms. Homai Daruwalla	Mr. Pranab Pattanayak	Mr. Amit Shah (Resigned with effect from January 24, 2019)	
<b>Independent Directors</b>				
Fee for attending board/ committee meetings (Sitting Fee)	4,50,000	3,75,000	Nil	8,25,000
Commission*	10,00,000	10,00,000	Nil	20,00,000
<b>Total (1)</b>	<b>14,50,000</b>	<b>13,75,000</b>	<b>Nil</b>	<b>28,25,000</b>
<b>Other Non-Executive Directors</b>				
Fee for attending board /committee	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil
<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
www.iifl.com

CIN: U74900MH2010PLC201113

Total (B)=(1+2)	14,50,000	13,75,000	Nil	28,25,000
Total Managerial Remuneration*	INR 20,00,000 /- (includes commission paid to other Director, i.e., an Independent Director)			
Overall Ceiling as per the Act	INR 74,28,70,872/-			

*Note: \*Total Managerial Remuneration includes remuneration to Managing Director, Whole- Time Directors and other Directors.*

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Particulars of Remunerations	Key Managerial Personnel				
	Chief Executive officer (Prashasta Seth)	Chief Executive Officer (Anup Maheshwari) (Appointed with effect from August 27, 2018)	Company Secretary (Chinmay Joshi)	CFO (Priya Biswas)	Total (INR)
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,45,63,079	1,98,66,606	23,63,330	79,41,937	5,47,34,952
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
Stock Option	-	-	-	-	-
Sweat Equity	-	-	-	-	-
Commission	-	-	-	-	-
- as % of profit	-	-	-	-	-
- others	7,53,900.021	10,44,355.205	30,783.54	86,769.375	1,915,808.14
<b>Total</b>	<b>2,53,16,979.02</b>	<b>2,09,10,961.21</b>	<b>24,50,099.375</b>	<b>79,72,720.54</b>	<b>5,66,50,760.14</b>

**IIFL ASSET MANAGEMENT LIMITED**

(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
[www.iifl.com](http://www.iifl.com)

CIN: U74900MH2010PLC201113

VII. Penalties / Punishment/Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors



Homai Daruwalla  
Chairman  
DIN: 00365880



Anup Maheshwari  
Whole Time Director & CEO  
DIN: 06765300

Date: May 10, 2019  
Place: Mumbai

**IIFL ASSET MANAGEMENT LIMITED**  
(FORMERLY KNOWN AS INDIA INFOLINE ASSET MANAGEMENT COMPANY LIMITED)

Corporate & Registered Office:

6<sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013  
Tel: (91-22) 39585600 | Fax: (91-22) 46464706  
(An IIFL Group Company)  
www.iifl.com

CIN: U74900MH2010PLC201113

## INDEPENDENT AUDITOR'S REPORT

### To The Members of IIFL Asset Management Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of IIFL Asset Management Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' report, but does not include the financial statements and our auditor's report thereon. The Directors' report including Annexures to Directors' report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. [If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
- When we read the Directors' report including Annexures to Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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



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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of information and explanations given to us, the remuneration to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)

Place: Mumbai  
Date: 10 May 2019



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of IIFL Asset Management Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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



**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)

Place: Mumbai  
Date: 10 May 2019

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:



- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Custom Duty, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Employees' State Insurance is not applicable to the Company.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Custom Duty, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty and Value Added Tax as on 31 March 2019 on account of disputes.
- (viii) The Company has not taken loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
  - (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
  - (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
  - (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
  - (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
  - (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
  - (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
  - (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors



**Deloitte  
Haskins & Sells LLP**

or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Pallavi A. Gorakshakar  
(Partner)  
(Membership No. 105035)

Place: Mumbai,  
Date: 10 May 2019

**IIFL ASSET MANAGEMENT LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(₹ in Mn)

SR. No.	Particulars	Note No.	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
<b>ASSETS</b>					
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	4	3.45	28.97	897.53
(b)	Receivables	5			
	(I) Trade receivables		422.12	192.23	199.25
	(II) Other receivables		1.07	1.12	0.12
(c)	Loans	6	1,402.48	1,132.55	20.98
(d)	Investments	7	30.51	23.18	21.67
(e)	Other financial assets	8	4.17	139.20	0.01
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current tax assets (net)		59.09	59.57	41.84
(b)	Deferred tax assets (net)	9	3.46	3.99	3.38
(c)	Property, plant and equipment	10	0.08	0.17	0.27
(d)	Capital work-in-progress	11	6.32	6.32	-
(e)	Other intangible assets	12	10.50	14.13	0.82
(f)	Other non-financial assets	13	139.84	71.90	1.99
<b>Total Assets</b>			<b>2,083.09</b>	<b>1,673.33</b>	<b>1,187.86</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Payables				
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	115.53	159.84	111.19
(b)	Borrowings	15	-	175.00	-
(c)	Other financial liabilities	16	19.80	20.46	56.99
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities (net)		14.74	1.63	-
(b)	Provisions	17	17.58	19.61	14.72
(c)	Other non-financial liabilities	18	51.76	27.04	31.02
<b>3</b>	<b>EQUITY</b>				
(a)	Equity share capital	19	321.00	321.00	321.00
(b)	Other equity	20	1,542.68	948.75	652.94
<b>Total Liabilities and Equity</b>			<b>2,083.09</b>	<b>1,673.33</b>	<b>1,187.86</b>

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



Pallavi A. Gorakshakar  
Partner

For and on behalf of the Board of Directors



Homal Daruwala  
Chairman  
(DIN: 00365980)



Anup Maheshwari  
Whole Time Director  
(DIN: 08258671)



Priya Biswas  
Chief Financial Officer



Chinmay Joshi  
Company Secretary

Place : Mumbai  
Dated: May 10, 2019

**IIFL ASSET MANAGEMENT LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Mn)

SR. No.	Particulars	Note No.	2018-19	2017-18
1	<b>Revenue from operations</b>			
(a)	Fees and commission income	21	1,173.07	615.03
(b)	Dividend & Distribution income on investments	22	249.77	205.83
	<b>Total revenue from operations</b>		<b>1,422.84</b>	<b>820.86</b>
2	<b>Other income</b>	23	159.27	210.95
3	<b>Total income (1+2)</b>		<b>1,582.11</b>	<b>1,031.81</b>
	<b>Expenses</b>			
(a)	Finance costs	24	1.20	5.23
(b)	Fees and commission expenses		249.02	191.88
(c)	Employee benefits expenses	25	398.98	299.65
(d)	Depreciation, amortization and impairment	10,12	6.18	2.90
(e)	Others expenses	26	200.03	198.29
4	<b>Total expenses</b>		<b>855.41</b>	<b>697.95</b>
5	<b>Profit before tax (3-4)</b>		<b>726.70</b>	<b>333.86</b>
6	<b>Tax expense:</b>			
(a)	Current tax	27	130.74	36.00
(b)	Deferred tax	27	0.97	0.17
7	<b>Profit for the year (5-6)</b>		<b>594.99</b>	<b>297.69</b>
8	<b>Other comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss	25.1		
	- Remeasurements of Employee Benefits		(1.51)	(2.67)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.44	0.78
	<b>Other comprehensive income</b>		<b>(1.07)</b>	<b>(1.89)</b>
9	<b>Total comprehensive income for the year (7+8) (Comprising profit and other comprehensive income for the year)</b>		<b>593.92</b>	<b>295.80</b>
10	<b>Earnings per equity share</b>			
	Basic (Rs.)	28	18.54	9.27
	Diluted (Rs.)	28	18.54	9.27

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants



Pallavi A. Gorakshakar  
Partner

Place : Mumbai  
Dated: May 10, 2019


For and on behalf of the Board of Directors



Homal Daruwala  
Chairman  
(DIN: 00365880)



Priya Biswas  
Chief Financial Officer



Anup Maheshwari  
Whole Time Director  
(DIN: 08258671)



Chinmay Joshi  
Company Secretary

**IIFL ASSET MANAGEMENT LIMITED**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

(₹ in Mn)

Particulars	2018-19	2017-18
<b>A. Cash flows from operating activities</b>		
Profit before tax	726.70	333.86
Adjustments for:		
Depreciation & amortisation	6.18	2.90
Provision for employee benefits	(0.99)	4.48
Net changes in fair value through Profit and Loss of investments		
- Realised	(27.50)	(123.20)
- Unrealised	(2.45)	(1.45)
Employee share based payments	1.95	2.68
Interest income	(129.32)	(86.30)
Interest expenses	1.20	5.23
Dividend Income from investments	(0.24)	(1.29)
Distribution fee-exempt	(249.53)	(204.54)
<b>Operating profit before working capital changes</b>	<b>326.00</b>	<b>(67.63)</b>
Changes in working Capital :		
(Increase)/ Decrease in Financial/Non-financial Assets	(173.62)	(221.47)
Increase/ (Decrease) in Financial/Non-financial Liabilities	(11.63)	20.93
<b>Cash generated from operations</b>	<b>140.75</b>	<b>(268.18)</b>
Net income tax(paid) / refunds	(117.68)	(51.49)
<b>Net cash (used in)/ generated from operating activities (A)</b>	<b>23.07</b>	<b>(319.66)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of investments	(3,721.17)	(25,308.37)
Sale of investments	3,993.33	25,636.06
Interest received	130.80	84.78
Dividend income	0.24	1.29
Purchase/sale of Property, plant and equipment (includes intangible assets) (Net)	(2.46)	(22.43)
Intercompany Deposit - given	(6,612.40)	(8,198.50)
Intercompany Deposit - received	6,339.28	7,088.50
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>127.62</b>	<b>(718.67)</b>
<b>C. Cash flows from financing activities</b>		
Borrowings - taken	414.10	3,537.13
Borrowings - repaid	(589.11)	(3,362.13)
Interest paid	(1.20)	(5.23)
<b>Net cash (used in)/ generated from financing activities (C)</b>	<b>(176.21)</b>	<b>169.77</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(25.52)</b>	<b>(868.56)</b>
Opening Cash & cash equivalents	28.97	897.53
<b>Closing Cash &amp; cash equivalents</b>	<b>3.45</b>	<b>28.97</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants


  
Pallavi A. Gorakshakar  
Partner

Place : Mumbai  
Dated: May 10, 2019

For and on behalf of the Board of Directors

  
Homai Daruwala  
Chairman  
(DIN: 00365880)

  
Priya Biswas  
Chief Financial Officer

  
Anup Maheshwari  
Whole Time Director  
(DIN: 08258671)

  
Chinmay Joshi  
Company Secretary



IIFL ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Mn)

Particulars	Equity attributable to owners of the Company				Total
	Equity Share Capital	Reserves & Surplus		Total Other Equity	
		Securities Premium	Retained Earnings		
Balance at the Apr 1, 2018	321.00	204.00	744.75	948.75	1,269.75
Profit for the year	-	-	594.99	594.99	594.99
Other comprehensive income	-	-	(1.07)	(1.07)	(1.07)
Balance at the Mar 31, 2019	321.00	204.00	1,338.67	1,542.67	1,863.67

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Mn)

Particulars	Equity Attributable to Owners of the Company				Total
	Equity Share Capital	Reserves & Surplus		Total Other Equity	
		Securities Premium	Retained Earnings		
Balance at the Apr 1, 2017*	321.00	204.00	448.94	652.94	973.94
Profit for the year	-	-	297.69	297.69	297.69
Other Comprehensive income	-	-	(1.89)	(1.89)	(1.89)
Balance at the Mar 31, 2018	321.00	204.00	744.75	948.75	1,269.75

\*Refer Note 3

**Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities premium reserve.

**Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors



Pallavi A. Gorakshakar  
Partner



Homai Daruwala  
Chairman  
(DIN: 00365880)



Anup Maheshwari  
Whole Time Director  
(DIN: 08258671)

Place : Mumbai  
Dated: May 10, 2019



Priya Biswas  
Chief Financial Officer



Chinmay Joshi  
Company Secretary

**IIFL ASSET MANAGEMENT LIMITED**

**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Note 1. Corporate Information:**

IIFL Asset Management Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956. The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 ('the Regulations') and acts as an investment manager to 'IIFL Mutual Fund'. Pursuant to Regulation 24(b) of the Regulations, SEBI gave its No Objection to the Company to undertake Investment Management and Advisory Services to pooled assets including Alternative Investment Funds / Offshore Funds and to undertake Portfolio Management Services. Pursuant to the same, the Company acts as an Investment Manager to the Alternative Investments Funds and Venture Capital Fund. The Company has also obtained Portfolio Management services license from Securities Exchange Board of India (SEBI) and carries out the said services. The Company is registered with Securities and Exchange Commission as an Investment Adviser.

**Note 2. Significant Accounting Policies**

**a) Statement of Compliance:**

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of Indian GAAP (IGAAP), as per standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. Refer note 3 for the details of first-time adoption exemptions availed by the Company.

b) These financial statements have been approved for issue by the Board of Directors of the Company at their meeting held on May 10, 2019.

**c) Revenue Recognition**

Revenue is recognised when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The following is a description of principal activities from which the Group generates its revenue.

- Investment/Fund Management fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are recognised in accordance with the arrangements entered into with the respective customers.
- Portfolio Management fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.
- Others: Revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.
- Investments related Income

- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective Interest rate including Interest on investments that may be classified as fair value through profit or loss or fair value through other comprehensive income.

- Dividend/ distribution Income is accounted in the period in which the right to receive the same is established.

**d) Property, plant and equipment**

**Measurement at recognition:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.



**IIFL ASSET MANAGEMENT LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2019

**Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed

**Depreciation:** Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Combined Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life. Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease. Individual assets / group of similar assets costing up to Rs.5,000 has been depreciated in full in the year of purchase.

**Estimated useful life of the assets is as under:**

Class of assets	Useful life in years
Computers*	3
Office equipment	5
Furniture and fixtures* #	5

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

# Furniture and fixtures includes leasehold improvements, which is depreciated on a straight-line basis over the period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the combined Statement of Profit and Loss when the item is derecognized.

**e) Intangible assets****Measurement at recognition:**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles are not capitalized and the related expenditure is recognized in the Combined Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

**Amortization:**

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Combined Statement of Profit and Loss.

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**Estimated useful economic life of the assets is as under:**

Class of assets	Useful life in years
Software	3

**Derecognition:**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Combined Statement of Profit and Loss when the asset is derecognized.



**IIFL ASSET MANAGEMENT LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2019

**f) Impairment**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the combined Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the combined Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

**g) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement:**

the Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. the Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

**i. Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) the Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

**ii. Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- the Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above category, income by way of interest and dividend, provision for impairment are recognized in profit or loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity. On disposal of such debt instruments at FVOCI financial assets, the cumulative gain or loss previously accumulated in other equity is reclassified to combined Statement of Profit and Loss.



## IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

### III. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Combined Statement of Profit and Loss.

#### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. the Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. the Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. the Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Combined Statement of Profit and Loss.

#### Impairment of financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not measured at FVTPL. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables and financial assets arising from transactions with in the scope of Ind AS 115 the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and forward-looking information.

The Company writes off a financial asset when there is information indicating that the obligor is in severe financial difficulty and there is no realistic prospect of recovery.

#### Financial Liabilities

##### Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorized as follows

- (i) recognized at amortised costs
- (ii) recognized at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.



**IIFL ASSET MANAGEMENT LIMITED**

**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Subsequent measurement:**

(i) All financial liabilities of the Company are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.

(ii) All financial liabilities of the Company categorized at fair value are subsequently measured at fair value through profit and loss statement.

(iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

**Derecognition:** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**h) Derivative financial instruments**

The Company enters into derivative financial contracts, which are initially recognized at fair value at the date the contracts are entered into and subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument

In a financial instrument involving embedded derivative, which is separated from the host contract, such embedded derivative component is accounted separately from the underlying host contract and is initially recognized at fair value and is subsequently remeasured at fair value at each reporting period and the resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

**i) Fair Value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the combined financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the combined financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**j) Measurement of foreign currency items at reporting date**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.



**IIFL ASSET MANAGEMENT LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2019

**k) Income Taxes**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Combined Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

**Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the combined financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective group company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Combined Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

the Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**l) Provisions and Contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**m) Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.



**n) Employee Benefits**

**Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Post-Employment Benefits:**

**I. Defined contribution plans:**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognized in the Combined Statement of Profit and Loss in the financial year to which they relate. The Holding Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Holding Company operates a Superannuation scheme for eligible employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

Recognition and measurement of defined contribution plans: the Company recognizes contribution payable to a defined contribution plan as an expense in the Combined Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**II. Defined benefit plans:**

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

**Recognition and measurement of defined benefit plans:**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Combined Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Combined Statement of Profit and Loss in the subsequent periods.

**o) Lease accounting**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Assets taken on lease:**

In respect of operating leases, lease rentals are recognized as an expense in the Combined Statement of Profit and Loss on straight line basis over the lease term unless

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

**p) Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.





**IIFL ASSET MANAGEMENT LIMITED**

**Notes forming part of Financial Statements for the year ended March 31, 2019**

**q) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**r) Share-based Compensation**

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

**s) Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

**t) Recent Accounting pronouncements**

The Ministry of Corporate Affairs has notified the Indian Accounting Standard (Ind AS) - 116, Leases effective April 1, 2019. The Company is in the process of studying the impact on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit /loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments that the companies have to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / tax loss, tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating impact of the above amendment.

Amendment of Ind AS 12 – Income taxes in connection with accounting of dividend distribution - The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensives income or equity according to where the entity originally recognized those past transactions or events. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the above.



**IIFL ASSET MANAGEMENT LIMITED**

**Notes forming part of Financial Statements for the year ended March 31, 2019**

**2.1 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**- Property, Plant and Equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets and are based on changes in technical or commercial obsolescence.

**- Defined Benefit Obligation**

The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**- Fair value measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**- Expected Credit Loss**

The provision for expected credit loss involves estimating the probability of default and loss given default based on the past experience and other factors.



**IIFL ASSET MANAGEMENT LIMITED**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Note 3. First time adoption of Ind AS**

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

(i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant and equipment and intangible assets as deemed cost of such assets at the transition date.

(ii) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

**Equity Reconciliation**

Particulars	(₹ in Mn)		
	As at 1st April 2017	As at 31st March 2018	Notes
As per IGAAP	975.90	1,273.16	
Fair value of investments	3.50	4.96	1
ESOP Compensation Cost	(4.25)	(6.93)	2
Deferred tax impact on above adjustments	(1.21)	(1.44)	3
As per Ind AS	973.94	1,269.75	

**Reconciliation of Total Comprehensive Income**

Particulars	(₹ in Mn)	
	As at 31st March 2018	Notes
Net income under Indian GAAP	297.25	
Change in fair value of investments	1.46	1
Actuarial gain/ loss recognised in other comprehensive income	2.66	4
ESOP Compensation Cost	(2.67)	2
Deferred tax impact on above adjustments	(1.01)	3
Net Income as per Ind AS	297.69	
Other Comprehensive Income	(1.89)	4
Total Comprehensive Income as per Ind AS	295.80	



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2018 (₹ in Mn)

Sr. No.	Particulars	As at March 31, 2018			Notes
		As per IGAAP	Ind AS adjustments	As per Ind AS	
	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	28.97		28.97	
(b)	Receivables	-		-	
	(I) Trade receivables	192.23		192.23	
	(II) Other receivables	1.12		1.12	
(c)	Loans	1,132.55		1,132.55	
(d)	Investments	18.22	4.96	23.18	1
(e)	Other financial assets	139.20		139.20	
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current tax assets (net)	59.57		59.57	
(b)	Deferred tax assets (net)	5.43	(1.44)	3.99	3
(c)	Property, plant and equipment	0.17		0.17	
(d)	Capital work-in-progress	6.32		6.32	
(e)	Other intangible assets	14.13		14.13	
(f)	Other non-financial assets	71.90		71.90	
	<b>Total Assets</b>	<b>1,669.81</b>	<b>3.52</b>	<b>1,673.33</b>	
	<b>LIABILITIES AND EQUITY</b>				
	<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Payables				
	Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-		-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	159.84		159.84	
(b)	Borrowings (other than debt securities)	175.00		175.00	
(c)	Other financial liabilities	13.53	6.93	20.46	2
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities (net)	1.63		1.63	
(b)	Provisions	19.61		19.61	
(c)	Other non-financial liabilities	27.04		27.04	
<b>3</b>	<b>EQUITY</b>				
(a)	Equity share capital	321.00		321.00	
(b)	Other equity	952.16	(3.41)	948.75	
	<b>Total Liabilities and Equity</b>	<b>1,669.81</b>	<b>3.52</b>	<b>1,673.33</b>	



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2017

(₹ in Mn)

Sr. No.	Particulars	As at April 1, 2017			Notes
		As per IGAAP	Ind AS adjustments	As per Ind AS	
	<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	897.53		897.53	
(b)	Receivables				
	(i) Trade receivables	199.25		199.25	
	(ii) Other receivables	0.12		0.12	
(c)	Loans	20.98		20.98	
(d)	Investments	18.17	3.50	21.67	1
(e)	Other financial assets	0.01		0.01	
<b>2</b>	<b>Non-Financial Assets</b>				
(a)	Current tax assets (net)	41.84		41.84	
(b)	Deferred tax assets (net)	4.59	(1.21)	3.38	3
(c)	Property, plant and equipment	0.27		0.27	
(e)	Other intangible assets	0.82		0.82	
(f)	Other non-financial assets	1.99		1.99	
	<b>Total Assets</b>	<b>1,185.57</b>	<b>2.29</b>	<b>1,187.86</b>	
	<b>LIABILITIES AND EQUITY</b>				
	<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Payables				
	Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-		-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	111.19		111.19	
(b)	Other financial liabilities	52.74	4.25	56.99	2
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Provisions	14.72		14.72	
(b)	Other non-financial liabilities	31.02		31.02	
<b>3</b>	<b>EQUITY</b>				
(a)	Equity share capital	321.00		321.00	
(b)	Other equity	654.90	(1.96)	652.94	
	<b>Total Liabilities and Equity</b>	<b>1,185.57</b>	<b>2.29</b>	<b>1,187.86</b>	

**Notes**

- As per IGAAP, Investments were valued at lower of Cost and Market Value. However as per Ind AS, Investments classified at Fair value through Profit and loss are to recognised at Fair Value and hence the Company has restated its investments to reflect the market value and corresponding impact being taken to Statement of Profit and Loss.
- ESOP charge is accounted for using fair value method. The portion of ESOP charge payable to holding company is accordingly measured and recognised at fair value. Under I-GAAP ESOP charge was calculated based on intrinsic value method.
- Deferred tax is the tax impact of all the adjustments between IGAAP and Ind AS.
- Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss.
- The Company has adjusted on Apr 1, 2017 (the transition date) IGAAP numbers. Assets and Liabilities as per IGAAP are reconciled with numbers as per Ind AS by reclassification or as required by Ind AS and applying Ind AS in measurement of recognised assets and liabilities.
- There is no impact on Cash Flow due to first time adoption of Ind AS.



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 4. Cash and Cash Equivalents

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
<b>Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)</b>			
Cash on hand	0.22	0.60	0.01
Cheques in hand	0.03	-	-
Balance with banks			
- In current accounts	3.20	28.37	527.48
In Deposit accounts (with original maturity of three months or less)	-	-	370.04
<b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b>	<b>3.45</b>	<b>28.97</b>	<b>897.53</b>

Note 5. Receivables

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
<b>(i) Trade receivables</b>			
Receivables considered good - Secured	-	-	-
Receivables considered good - Unsecured	422.12	192.23	199.25
<b>Total (i)- Gross</b>	<b>422.12</b>	<b>192.23</b>	<b>199.25</b>
Less: Impairment loss allowance	-	-	-
<b>Total (i)- Net</b>	<b>422.12</b>	<b>192.23</b>	<b>199.25</b>
<b>(ii) Other receivables</b>			
Receivables considered good - Secured	-	-	-
Receivables considered good - Unsecured	1.07	1.12	0.12
<b>Total (ii)- Gross</b>	<b>1.07</b>	<b>1.12</b>	<b>0.12</b>
Less: Impairment loss allowance	-	-	-
<b>Total (ii)- Net</b>	<b>1.07</b>	<b>1.12</b>	<b>0.12</b>

- No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2019, 31st March 2018, 1st April 2017.
- There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2019, 31st March 2018, 1st April 2017.
- There are no credit impaired receivables as at 31st March 2019, 31st March 2018, 1st April 2017.
- No trade receivables and other receivables are interest bearing.



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 6. Loans

(₹ in Cro)

Loans	As at Mar 31, 2019				As at Mar 31, 2018				As at Apr 01, 2017			
	At Fair value		Designated at fair value through profit or loss	Subtotal	At Fair value		Designated at fair value through profit or loss	Subtotal	At Fair value		Designated at fair value through profit or loss	Subtotal
	Amortised cost	Through Other Comprehensive Income			Through profit or loss	Amortised cost			Through Other Comprehensive Income	Through profit or loss		
(A)												
(i) Term loans *	1,399.16	-	-	1,399.16	1,127.52	-	-	1,127.52	16.00	-	-	16.00
(ii) Others	3.32	-	-	3.32	5.03	-	-	5.03	4.98	-	-	4.98
Total (A) - Gross	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(B)												
(i) Secured	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
Total (B) - Gross	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(C)												
(i) Loans in India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Public Sector	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (i) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(D)												
Total (D) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(E)												
Total (E) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(F)												
Total (F) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(G)												
Total (G) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(H)												
Total (H) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98
(I)												
Total (I) - Net	1,402.48	-	-	1,402.48	1,132.55	-	-	1,132.55	20.98	-	-	20.98

\* Includes Loan to related parties. Refer Note 33



RFL ASSET MANAGEMENT LIMITED  
 Notes forming part of Financial Statements for the year ended March 31, 2019

Note 7: Investments

Investments	As at Mar 31, 2019						As at Mar 31, 2018						As at Apr 01, 2017								
	At Fair value		At Fair value		At Fair value		At Fair value		At Fair value		At Fair value		At Fair value		At Fair value						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	
Mutual funds	-	-	28.72	-	28.72	-	28.72	-	22.27	-	32.27	-	22.27	-	20.82	-	30.82	-	20.82	-	20.82
Equity instruments	-	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50
Alternative investment funds	-	-	0.29	-	0.29	-	0.29	-	0.41	-	0.41	-	0.41	-	0.35	-	0.35	-	0.35	-	0.35
Total (A)	-	-	30.51	-	30.51	-	30.51	-	23.18	-	23.18	-	23.18	-	21.67	-	21.67	-	21.67	-	21.67
(B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	-	-	30.51	-	30.51	-	30.51	-	23.18	-	23.18	-	23.18	-	21.67	-	21.67	-	21.67	-	21.67
Total (B) + (C)	-	-	30.51	-	30.51	-	30.51	-	23.18	-	23.18	-	23.18	-	21.67	-	21.67	-	21.67	-	21.67
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (D) = A-C	-	-	30.51	-	30.51	-	30.51	-	23.18	-	23.18	-	23.18	-	21.67	-	21.67	-	21.67	-	21.67





IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

(₹ in Mn)

Investments at FVTPL Name of Investment	As at March 31, 2019		As at March 31, 2018		As at Apr 01, 2017	
	No. of Units	Total Amount	No. of Units	Total Amount	No. of Units	Total Amount
<b>Investment in Mutual Funds include :</b>						
IIFL CAPITAL ENHANCER FUND - SERIES 1 - DIRECT - GROWTH	500,000.00	5.27	-	-	-	-
IIFL DYNAMIC BOND FUND DIRECT PLAN - GROWTH	563,624.61	8.58	563,624.61	8.04	563,624.61	7.45
IIFL FOCUSED EQUITY FUND - DIRECT PLAN - GROWTH	533,063.45	8.89	-	-	-	-
IIFL INDIA GROWTH FUND - DIRECT PLAN - GROWTH	-	-	533,063.45	7.71	533,063.45	7.23
IIFL LIQUID FUND - DIRECT PLAN - GROWTH	4,769.07	6.98	4,769.07	6.53	4,769.07	6.14
		29.72		22.27		20.82
<b>Investment in Equity Instrument include :</b>						
MF UTILITIES INDIA PRIVATE LIMITED	500,000	0.50	500,000	0.50	500,000	0.50
		0.50		0.50		0.50
<b>Investment in Alternate investment funds include :</b>						
IIFL ASSET REVIVAL FUND SERIES 2 - CLASS C UNITS	-	-	2,500.00	0.03	2,500.00	0.03
IIFL ASSET REVIVAL FUND SERIES 3 - CLASS C UNITS	-	-	2,500.00	0.03	2,500.00	0.02
IIFL BEST OF CLASS FUND 1 - CLASS C UNITS	-	-	2,500.00	0.01	2,500.00	0.02
IIFL BEST OF CLASS FUND II - CLASS C UNITS	-	-	2,500.00	0.03	2,500.00	0.02
IIFL CASH OPPORTUNITIES FUND - CLASS C UNITS	-	-	100.00	0.01	100.00	0.01
IIFL NATIONAL DEVELOPMENT AGENDA FUND - CLASS C UNITS	-	-	-	-	9,466.56	0.09
IIFL INVESTMENT OPPORTUNITIES FUND - SPECIAL SERIES 1	-	-	-	-	2,500.00	0.02
IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS - CLASS B UNITS	1,684.61	0.01	1,684.61	0.01	1,684.61	0.01
IIFL LONG TERM GROWTH FUND I - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL PHOENIX CASH OPPORTUNITIES FUND - CLASS C UNITS	-	-	1,500.00	0.02	2,500.00	0.03
IIFL REAL ESTATE FUND DOMESTIC SERIES 1 - CLASS B UNITS	-	-	-	-	230.00	0.00#
IIFL REAL ESTATE FUND DOMESTIC SERIES 2 - CLASS C UNITS	2,370.00	0.02	2,370.00	0.02	2,370.00	0.02
IIFL REAL ESTATE FUND DOMESTIC SERIES 4 - CLASS C UNITS	2,500.00	0.03	2,500.00	0.03	2,500.00	0.02
IIFL SEED VENTURES FUND 1 - CLASS C UNITS	2,500.00	0.03	2,500.00	0.03	2,500.00	0.03
IIFL SPECIAL OPPORTUNITIES FUND - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
IIFL YIELD ENHANCER FUND - CLASS D UNITS	2,500.00	0.01	2,500.00	0.01	2,500.00	0.03
INDIA HOUSING FUND - CLASS B UNITS	2,500.00	0.03	2,500.00	0.03	-	-
		0.29		0.41		0.35
<b>Total</b>		<b>30.51</b>		<b>23.18</b>		<b>21.67</b>

# Amount less than ₹ 10,000.



IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 8. Other financial assets

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Other deposits	0.04	0.03	-
Income accrued & due	-	0.07	-
Advances to Group/Holding company	4.12	139.10	0.01
Receivable from Employees	0.01	-	-
<b>Total</b>	<b>4.17</b>	<b>139.20</b>	<b>0.01</b>

Note 9. Deferred Taxes

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2019 are as follows:

(₹ in Mn)

	Opening balance as at Apr 1, 2018	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2019
<b>Deferred tax assets:</b>				
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.58	(0.08)	-	0.50
Retirement benefits for employees	4.86	(0.17)	0.44	5.13
<b>Total deferred tax assets (A)</b>	<b>5.44</b>	<b>(0.25)</b>	<b>0.44</b>	<b>5.63</b>
<b>Deferred tax liabilities:</b>				
Unrealised profit on investments etc.	(1.45)	(0.72)	-	(2.17)
<b>Total deferred tax liabilities (B)</b>	<b>(1.45)</b>	<b>(0.72)</b>	<b>-</b>	<b>(2.17)</b>
<b>Deferred tax assets (A - B)</b>	<b>3.99</b>	<b>(0.97)</b>	<b>0.44</b>	<b>3.46</b>

Significant components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(₹ in Mn)

	Opening balance as at Apr 1, 2017	Recognised in profit or loss	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2018
<b>Deferred tax assets:</b>				
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.99	(0.41)	-	0.58
Retirement benefits for employees	3.60	0.48	0.78	4.86
<b>Total deferred tax assets (A)</b>	<b>4.60</b>	<b>0.07</b>	<b>0.78</b>	<b>5.44</b>
<b>Deferred tax liabilities:</b>				
Unrealised profit on investments etc.	(1.21)	(0.24)	-	(1.45)
<b>Total deferred tax liabilities (B)</b>	<b>(1.21)</b>	<b>(0.24)</b>	<b>-</b>	<b>(1.45)</b>
<b>Deferred tax assets (A - B)</b>	<b>3.38</b>	<b>(0.17)</b>	<b>0.78</b>	<b>3.99</b>



IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 10. Property Plant and Equipment

(₹ in Mn)

Particulars	Furniture Fixture	Office Equipment	Computers	Total
Gross Carrying value as on April 01, 2018	0.01	0.17	0.09	0.27
Additions	-	-	-	-
Deductions/ Adjustments during the year	-	-	-	-
As at March 31, 2019	0.01	0.17	0.09	0.27
Depreciation				
Upto April 01, 2018	0.01	0.06	0.03	0.10
Depreciation for the year	-	0.06	0.03	0.09
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2019	0.01	0.12	0.06	0.19
Net Block as at March 31, 2019	-	0.05	0.03	0.08

Previous year 2017-18

(₹ in Mn)

Particulars	Furniture Fixture	Office Equipment	Computers	Total
Gross Carrying value as on April 01, 2017*	0.01	0.17	0.09	0.27
Additions	-	-	-	-
Deductions/ Adjustments during the year	-	-	-	-
As at March 31, 2018	0.01	0.17	0.09	0.27
Depreciation				
Upto April 01, 2017	-	-	-	-
Depreciation for the year	0.01	0.06	0.03	0.10
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2018	0.01	0.06	0.03	0.10
Net Block as at March 31, 2018	-	0.11	0.06	0.17

\*Refer Note 3 for exemptions availed



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 11. Capital Work-in-Progress:

Particulars	(₹ in Mn)
As at April 01, 2018	6.32
Additions	-
Deductions	-
As at March 31, 2019	6.32

Particulars	As at Mar 31, 2018
As at April 01, 2017	-
Additions	6.32
Deductions	-
As at March 31, 2018	6.32

Note 12. Other Intangible Assets

Particulars	(₹ in Mn)
<b>Software/Intangible assets</b>	
Gross Carrying value as on April 01, 2018	16.93
Additions	2.46
Deductions / adjustments during the year	-
As at March 31, 2019	19.39
<b>Amortisation</b>	
Upto April 01, 2018	
Op. Dep. on acquisition	2.80
Amortisation for the year	6.09
Deductions / adjustments during the year	-
Upto March 31, 2019	8.89
Net Block as at March 31, 2019	10.50

Previous year 2017-18

Particulars	(₹ in Mn)
<b>Software/Intangible assets</b>	
Gross Carrying value as on April 01, 2017*	0.82
Additions	16.11
Deductions / adjustments during the year	-
As at March 31, 2018	16.93
<b>Amortisation</b>	
Upto April 01, 2017	
Op. Dep. on acquisition	-
Amortisation for the year	2.80
Deductions / adjustments during the year	-
Upto March 31, 2018	2.80
Net Block as at March 31, 2018	14.13

\*Refer Note 3 for exemptions availed



**IIFL ASSET MANAGEMENT LIMITED**  
Notes forming part of Financial Statements for the year ended March 31, 2019

**Note 13. Other Non Financial Assets**

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Prepaid expenses - Unsecured	132.80	72.00	0.75
Advances recoverable in cash or in kind or for value to be received - Unsecured	6.97	(0.14)	1.03
Employee advance against expenses	0.07	0.04	0.21
<b>Total</b>	<b>139.84</b>	<b>71.90</b>	<b>1.99</b>

**Note 14. Payables**

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 14.1)	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	115.53	159.84	111.19
<b>Total</b>	<b>115.53</b>	<b>159.84</b>	<b>111.19</b>

**14.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006**

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

(₹ in Mn)

Particulars	2018-19	2017-18	2016-17
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by the auditors. No interest is payable in respect of the same.



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 15. Borrowings (other than Debt securities) (₹ in Mn)

Particulars	As at Mar 31, 2019			As at Mar 31, 2018			As at Apr 01, 2017					
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
Term loans	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
- from related parties	-	-	-	-	175.00	-	-	175.00	-	-	-	-
<b>Total</b>	-	-	-	-	<b>175.00</b>	-	-	<b>175.00</b>	-	-	-	-

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
At Amortised cost	-	-	-	-	-	-
Above 5 years	-	-	-	-	-	-
1-5 years	-	-	-	-	-	-
Less than 1 year	-	-	175.00	7.85% - 8.70%	-	-

\* Loans repayable on demand from related parties are unsecured



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 16. Other Financial Liabilities

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Payable to holding co / group companies	19.63	19.18	56.99
Others	0.17	1.28	-
<b>Total</b>	<b>19.80</b>	<b>20.46</b>	<b>56.99</b>

Note 17. Provisions:

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Provision for employee benefits			
- Gratuity	17.58	13.09	11.32
- Compensated absences	-	6.52	3.40
<b>Total</b>	<b>17.58</b>	<b>19.61</b>	<b>14.72</b>

Note 18. Other Non Financial Liabilities:

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Revenue received in advance	-	-	17.08
Statutory remittances	51.76	27.04	13.94
<b>Total</b>	<b>51.76</b>	<b>27.04</b>	<b>31.02</b>



IIFL ASSET MANAGEMENT LIMITED  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 19. Share Capital:

(₹ in Mn)

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 2/- as follows:

Authorised :	As at Mar 31, 2019		As at Mar 31, 2018		As at Apr 01, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Equity Shares of ₹ 10 each	32,500,000	325.00	32,500,000	325.00	32,500,000	325.00
Issued, Subscribed and Paid Up: Equity Shares of ₹ 10 each fully paid	32,100,000	321.00	32,100,000	321.00	32,100,000	321.00
<b>Total</b>		<b>321.00</b>		<b>321.00</b>		<b>321.00</b>

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at Mar 31, 2019		As at Mar 31, 2018		As at Apr 01, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	32,100,000	321.00	32,100,000	321.00	32,100,000	321.00
Add: Issued during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>32,100,000</b>	<b>321.00</b>	<b>32,100,000</b>	<b>321.00</b>	<b>32,100,000</b>	<b>321.00</b>

(c) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by Ultimate Holding Company:

Particulars	As at Mar 31, 2019		As at Mar 31, 2018		As at Apr 01, 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	32,100,000	100%	32,100,000	100%	32,100,000	100%

(e) Details of shareholders holding more than 5% shares in the Holding Company:

Particulars	As at Mar 31, 2019		As at Mar 31, 2018		As at Apr 01, 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	32,100,000	100%	32,100,000	100%	32,100,000	100%

(f) During the period of 5 years immediately preceding the Balance Sheet date, the Company has not issued any equity shares without payment being received in cash, bonus shares and has not bought back any equity shares.

Note 20. Other Equity:

(₹ in Mn)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at Apr 01, 2017
Securities premium	204.00	204.00	204.00
Retained earnings	1,338.68	744.75	448.94
<b>Total</b>	<b>1,542.68</b>	<b>948.75</b>	<b>652.94</b>





**IFL ASSET MANAGEMENT LIMITED**  
Notes forming part of Financial Statements for the year ended March 31, 2019

**Note 21. Fee and Commission Income**

(₹ in Mn)

Particulars	2018-19	2017-18
Management fees from Mutual fund	73.15	35.40
Management fees from AIF and VCF	966.04	529.40
Management fees from clients	133.88	50.23
<b>TOTAL</b>	<b>1,173.07</b>	<b>615.03</b>

**Note 22. Dividend & Distribution income on investments**

(₹ in Mn)

Particulars	2018-19	2017-18
Dividend Income	0.24	1.29
Distribution income on investments	249.53	204.54
<b>TOTAL</b>	<b>249.77</b>	<b>205.83</b>

**Note 23. Other Income**

(₹ in Mn)

Particulars	2018-19	2017-18
Interest Income	129.32	86.30
Fair value changes of investments:		
-Realised	27.50	123.20
-Unrealised	2.45	1.45
<b>Total</b>	<b>159.27</b>	<b>210.95</b>

**Note 24. Finance Cost**

(₹ in Mn)

Particulars	2018-19			2017-18		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings	-	1.20	1.20	-	5.23	5.23
<b>Total</b>	<b>-</b>	<b>1.20</b>	<b>1.20</b>	<b>-</b>	<b>5.23</b>	<b>5.23</b>

**Note 25. Employee Benefit Expenses**

(₹ in Mn)

Particulars	2018-19	2017-18
Salaries and wages	376.51	283.68
Contribution to provident and other funds	9.82	5.90
Share based payments to employees	1.95	2.68
Staff welfare expenses	11.69	2.92
Gratuity expense	3.40	0.89
Leave encashment	(4.39)	3.58
<b>Total</b>	<b>398.98</b>	<b>299.65</b>



IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

25.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19)

Particulars	2018-2019	2017-2018
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Unfunded	Unfunded
Starting period	01-Apr-18	01-Apr-17
Date of reporting	31-Mar-19	31-Mar-18
Period of reporting	12 Months	12 Months

Assumptions (previous period)		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	7.80%	7.27%
Rate of salary increase	7.50%	5.00%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Assumptions (current period)		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	7.64%	7.80%
Rate of salary increase	7.50%	7.50%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Table showing change in the present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the period	13.09	11.32
Interest cost	1.02	0.82
Current service cost	2.38	2.16
Liability transferred in/ acquisitions	0.54	0.17
(Liability transferred out/ divestments)	(0.59)	(0.76)
(Benefit paid directly by the employer)	(0.36)	(1.20)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.22	1.05
Actuarial (gains)/losses on obligations - due to experience	1.29	1.26
Present value of benefit obligation at the end of the period	17.58	13.09

Amount recognized in the balance sheet		
(Present value of benefit obligation at the end of the period)	(17.58)	(13.09)
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(17.58)	(13.09)
Net (liability)/asset recognized in the balance sheet	(17.58)	(13.09)



IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

Particulars	2018-2019	2017-2018
<b>Net interest cost for current period</b>		
Present value of benefit obligation at the beginning of the period	13.09	11.32
(fair value of plan assets at the beginning of the period)	-	-
Net liability/(asset) at the beginning	13.09	11.32
	-	-
Interest cost	1.02	0.82
(Interest income)	-	-
Net interest cost for current period	1.02	0.82

<b>Expenses recognized in the statement of profit or loss for current period</b>		
Current service cost	2.38	2.16
Net interest cost	1.02	0.82
Past service cost	-	(2.09)
Expenses recognized	3.40	0.89

<b>Expenses recognized in the other comprehensive income (OCI) for current period</b>		
Actuarial (gains)/losses on obligation for the period	1.51	2.67
Return on plan assets, excluding interest income	-	-
Net (income)/expense for the period recognized in ocl	1.51	2.67

<b>Balance sheet reconciliation</b>		
Opening net liability	13.09	11.32
Expenses recognized in statement of profit or loss	3.40	0.89
Expenses recognized in ocl	1.51	2.67
Net liability/(asset) transfer in	0.54	0.17
Net (liability)/asset transfer out	(0.60)	(0.76)
(Benefit paid directly by the employer)	(0.36)	(1.20)
Net liability/(asset) recognized in the balance sheet	17.58	13.09

<b>Other details</b>		
No of active members	104	98
Per month salary for active members	11.38	7.77
Weighted average duration of pbo	9.44	9.00
Average expected fs	8.45	8.00
Projected benefit obligation (pbo)	17.58	13.09
Prescribed contribution for next year (12 months)	-	-

<b>Maturity analysis of the benefit payments</b>		
1st following year	1.31	1.15
2nd following year	1.36	1.04
3rd following year	1.44	1.06
4th following year	1.56	1.14
5th following year	1.62	1.17
Sum of years 6 to 10	7.67	5.56
Sum of years 11 and above	22.57	17.54

<b>Sensitivity analysis</b>		
PBO on current assumptions	17.58	13.09
	-	-
Delta effect of +1% change in rate of discounting	(1.29)	(0.96)
Delta effect of -1% change in rate of discounting	1.48	1.10
Delta effect of +1% change in rate of salary increase	0.80	0.64
Delta effect of -1% change in rate of salary increase	(0.80)	(0.62)
Delta effect of +1% change in rate of employee turnover	0.22	0.18
Delta effect of -1% change in rate of employee turnover	(0.26)	(0.22)

The above mentioned plans are valued by independent actuaries using the projected unit credit method.



**IIFL ASSET MANAGEMENT LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2019

**25.2 Defined Contribution Plans:**

The Group has recognised the following amounts as an expense and included in the Employee Benefit Expenses.

Particulars	(₹ in Mn)	
	2017-18	2016-17
Contribution to provident fund	5.89	4.36
Contribution to ESIC	0.01	0.00
Contribution to labour welfare fund	0.00#	0.00#
<b>Total</b>	<b>5.90</b>	<b>4.36</b>

# Amount less than ₹ 10,000.

The Company contributes to recognised provident fund for qualifying employees. Under the scheme, the Company is required to contribute specified percentage of payroll costs to fund the benefits.

**Note 26. Other Expenses:-**

Particulars	(₹ in Mn)	
	As at Mar 31, 2019	As at Mar 31, 2018
Operations and Fund Management expenses	24.30	31.74
Rent and energy cost	30.52	19.38
Insurance	0.46	2.14
Repairs & Maintenance	0.40	0.27
Marketing, Advertisement and Business promotion expenses	31.47	23.21
Travelling & Conveyance	16.06	13.44
Legal & professional fees	11.28	25.14
Communication	4.26	3.30
Software Charges / Technology Cost	19.73	15.60
Office & Other Expenses	52.17	56.40
Directors' fees and commission	2.84	2.72
Remuneration to Auditors :		
Audit Fees (net of GST input credit)	0.45	0.40
Other services (net of GST input credit)	0.30	0.30
Goods & Service tax	0.00#	0.01
Corporate Social Responsibility Expenses & Donation (Refer Note 31)	5.79	4.24
<b>Total</b>	<b>200.03</b>	<b>198.29</b>

# Amount less than ₹ 10,000.



**IIFL ASSET MANAGEMENT LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2019

**Note 27. Income taxes**

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/ (income)

		(₹ in Mn)	
Sr. No.	Particulars	2018-19	2017-18
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	130.64	36.00
	Tax expense in respect of earlier years	0.10	-
		<b>130.74</b>	<b>36.00</b>
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	0.97	0.17
		<b>0.97</b>	<b>0.17</b>
	<b>Income tax expense reported in the statement of profit or loss [(i)+(ii)]</b>	<b>131.71</b>	<b>36.17</b>
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	Deferred tax expense/(income):		
	- On re-measurement of defined benefit plans	0.44	0.78
		<b>0.44</b>	<b>0.78</b>
	<b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>	<b>0.44</b>	<b>0.78</b>

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

		(₹ in Mn)	
Sr. No.	Particulars	2018-19	2017-18
(a)	<b>Profit/(loss) before tax</b>	726.70	333.86
(b)	Income tax expense at tax rates applicable to individual entities	211.62	115.54
(c)	(i) Tax on income subject to lower tax rate		
	(A) Gains on investments (including fair valuation)	(0.29)	(72.44)
(d)	(ii) Tax on Income exempt from Tax		
	(A) Income from Investments (Including tax suffered income on investment in AIF)	(79.84)	(11.78)
	(iii) Tax on expense not tax deductible		
	(B) Expenses not allowable as tax deductible as per tax laws	0.84	2.52
	(iv) Effect on deferred tax due to change in Income tax	-	0.73
	(v) Tax effect on various other items	(0.62)	1.59
	<b>Total effect of tax adjustments [(i) to (v)]</b>	<b>(79.91)</b>	<b>(79.38)</b>
(e)	Tax expense recognised during the year	<b>131.71</b>	<b>36.16</b>
	Effective tax rate	<b>18.12%</b>	<b>10.83%</b>



**IIFL ASSET MANAGEMENT LIMITED**

Notes forming part of Financial Statements for the year ended March 31, 2019

**Note 28. Earnings Per Share:**

Basic and diluted earnings per share ["EPS"] computed in accordance with IND AS 33 'Earnings per share'.

Particulars		2018-19	2017-18
<b>BASIC</b>			
Profit after tax as per Statement of Profit and Loss (₹ in Mn)	A	594.99	297.69
Weighted average number of shares subscribed	B	32,100,000	32,100,000
Face value of equity shares (in ₹) fully paid		10.00	10.00
Basic EPS (₹)	A/B	18.54	9.27
<b>DILUTED</b>			
Profit after tax as per Statement of Profit and Loss (₹ in Mn)	A	594.99	297.69
Weighted average number of shares subscribed	B	32,100,000	32,100,000
Diluted EPS (₹)	A/B	18.54	9.27



Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Financial Risk Management

29A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk assessment is described below:

1) Trade and other receivables

The Company's trade receivables primarily include receivables from mutual funds, alternative investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

2) Others

In addition to the above, balances and deposits with banks, investments in bonds, debt securities and in units of funds, derivative financial instruments and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

The credit risk in respect of investments in bonds, debt securities and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments. Investment transactions are transacted on exchanges with central counterparties or entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements, in certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement with the counterparty are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions with the counterparty.

Credit Risk on Other Financial assets is considered very low as the counterparty is mainly stock exchanges.

29B. Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, The Company has well defined Asset Liability Management (ALM) Framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

As at 31st March 2019				
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year
Trade Payables	115.53	115.26	0.27	-
Other financial liabilities	19.80	19.62	0.18	-
<b>Total</b>	<b>135.33</b>	<b>134.88</b>	<b>0.45</b>	<b>-</b>

As at 31st March 2018				
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year
Trade Payables	159.84	122.94	36.90	-
Borrowings	175.00	175.00	-	-
Other financial liabilities	20.46	20.46	-	-
<b>Total</b>	<b>355.30</b>	<b>318.40</b>	<b>36.90</b>	<b>-</b>

As at 01st April 2017				
Financial liabilities	Total	Less than 1 months	1 months to 6 months	6 months to 1 year
Trade Payables	111.19	78.31	32.89	-
Other financial liabilities	56.99	56.99	-	-
<b>Total</b>	<b>168.18</b>	<b>135.30</b>	<b>32.89</b>	<b>-</b>

29C. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument.



IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

29C.1 Currency Risk

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the group does have some exposure to foreign currencies through its business operations or by maintaining cash balance and Fixed deposits in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2018-2019 are as below:

Particulars	₹ in Mn	
	USD	
Trade receivables	8.17	

A hypothetical 1% appreciation/(depreciation) of the respective foreign currencies with respect to functional currencies of the company would result in increase/decrease in the Company's net profit before tax by approximately ₹ 0.08 mn.

29C.2 Interest rate risk

The Company has measured interest rate risk sensitivity on financial assets and liabilities on financial instruments accounted for on amortised cost basis. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt and lending. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts.

29C.3. Other Price Risk (Including Equity Linked Investments)

Other price risk is related to the change in market reference price of the derivative financial instruments, investments and debt securities which are fair valued and exposes the Company to price risks.

The carrying amount of financial assets and liabilities subject to price risk is as below:

Particulars	As at 31st March 2019	As at 31st March 2018	As at 01st April 2017
<b>Financial Assets</b>			
Investments	30.51	23.18	21.67
	<b>30.51</b>	<b>23.18</b>	<b>21.67</b>

A hypothetical 100 basis point shift in the benchmark rate will have impact on the profit and loss as below:

	2018-19	2017-18
<b>Increase of 100 basis point</b>		
Impact on Profit and Loss after tax	0.22	0.15
Impact on Equity	0.22	0.15
<b>Decrease of 100 basis point</b>		
Impact on Profit and Loss after tax	(0.22)	(0.15)
Impact on Equity	(0.22)	(0.15)

29D. Capital Management

The Company's capital management is intended to create value for shareholders. The assessment of Capital level and requirements are assessed having regard to long and short term strategies of the Company and regulatory capital requirements of its businesses and constituent entities.

29E. Category Wise Classification for applicable Financial Assets and Liabilities

Sr No.	Particulars	As at 31st March 2019			Total
		Measure at amortised cost	Measured at fair value through profit or loss (P/L)	Measured at fair value through other comprehensive	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	3.45	-	-	3.45
(b)	Receivables				
	(i) Trade receivables	422.12	-	-	422.12
	(ii) Other receivables	1.07	-	-	1.07
(c)	Loans	1,402.48			1,402.48
(d)	Investments		30.51	-	30.51
(e)	Other financial assets	4.17	-	-	4.17
	<b>Total</b>	<b>1,833.29</b>	<b>30.51</b>	<b>-</b>	<b>1,863.81</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	- Trade payables	115.53	-	-	115.53
(b)	Other financial liabilities	19.80	-	-	19.80
	<b>Total</b>	<b>135.33</b>	<b>-</b>	<b>-</b>	<b>135.33</b>





Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

Sr No.	Particulars	As at 31st March 2018			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	28.97	-	-	28.97
(b)	Receivables				
	(i) Trade receivables	192.23	-	-	192.23
	(ii) Other receivables	1.12	-	-	1.12
(c)	Loans	1,132.55			1,132.55
(d)	Investments	-	23.18	-	23.18
(e)	Other financial assets	139.20	-	-	139.20
	<b>Total</b>	<b>1,494.07</b>	<b>23.18</b>	<b>-</b>	<b>1,517.25</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	- Trade payables	159.84	-	-	159.84
(b)	Borrowings	175.00	-	-	175.00
(c)	Other financial liabilities	20.46	-	-	20.46
	<b>Total</b>	<b>355.30</b>	<b>-</b>	<b>-</b>	<b>355.30</b>

Sr No.	Particulars	As at 01st April 2017			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	897.53	-	-	897.53
(b)	Receivables				
	(i) Trade receivables	199.25	-	-	199.25
	(ii) Other receivables	0.12	-	-	0.12
(c)	Loans	20.98			20.98
(d)	Investments	-	21.67	-	21.67
(e)	Other financial assets	0.01	-	-	0.01
	<b>Total</b>	<b>1,117.89</b>	<b>21.67</b>	<b>-</b>	<b>1,139.56</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	- Trade payables	111.19	-	-	111.19
(b)	Other financial liabilities	56.99	-	-	56.99
	<b>Total</b>	<b>168.18</b>	<b>-</b>	<b>-</b>	<b>168.18</b>

**Financial assets measured at amortised cost:**

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature.

**Financial liabilities measured at amortised cost:**

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.



Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

29E.1. Fair values of financial instruments

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes Instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes Instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The Company uses widely recognised valuation methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps.

29E. 1a. Financial Instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	29.72	-	-	29.72
Investments in Equity Shares #	-	-	0.50	0.50
Investments in Alternate Investment Funds *	-	-	0.29	0.29
<b>Total Assets</b>	<b>29.72</b>	<b>-</b>	<b>0.79</b>	<b>30.51</b>

Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2018			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	22.27	-	-	22.27
Investments in Equity Shares #	-	-	0.50	0.50
Investments in Alternate Investment Funds *	-	-	0.41	0.41
<b>Total Assets</b>	<b>22.27</b>	<b>-</b>	<b>0.91</b>	<b>23.18</b>

Financial instruments measured at fair value	Recurring fair value measurements at 01.04.2017			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual funds	20.82	-	-	20.82
Investments in Equity Shares #	-	-	0.50	0.50
Investments in Alternate Investment Funds *	-	-	0.35	0.35
<b>Total Assets</b>	<b>20.82</b>	<b>-</b>	<b>0.85</b>	<b>21.67</b>

# The fair values are determined basis the independent third party valuations.

\* The fair values of these investments are determined basis the NAV published by the funds.

Reconciliation of Level 3 fair value measurements

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Balance	0.91	0.86
Total gains or losses		
- in profit or loss	0.02	0.01
MTM Gain / ( Loss )	-	-
Purchases	-	50.08
Disposal/ Settlements	(0.14)	(50.04)
Transfer out of Level 3	-	-
Closing Balance	0.79	0.91



## Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

## 29E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair	As at 31st March 2019		As at 31st March 2018		As at 01st April 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>						
Cash and cash equivalents	3.45	3.45	28.97	28.97	897.53	897.53
Receivables						
(I) Trade receivables	422.12	422.12	192.23	192.23	199.25	199.25
(II) Other receivables	1.07	1.07	1.12	1.12	0.12	0.12
Loans	1,402.48	1,402.48	1,132.55	1,132.55	20.98	20.98
Other financial assets	4.17	4.17	139.20	139.20	0.01	0.01
<b>Financial Liabilities</b>						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	115.53	115.53	159.84	159.84	111.19	111.19
Borrowings	-	-	175.00	175.00	-	-
Other financial liabilities	19.80	19.80	20.46	20.46	56.99	56.99

**Financial assets measured at amortised cost:**

The carrying amounts of cash and cash equivalents and other bank balances, trade and other receivables, loans and other financial assets are considered to be the same as their fair values due to their short term nature.

**Financial liabilities measured at amortised cost:**

The carrying amounts of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.



**IIFL ASSET MANAGEMENT LIMITED**

**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Note 30.** The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from the Company based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual expenses were difficult to determine.

**Note 31. Corporate Social Responsibility**

During the year, the Company has spent ₹5.69 mn (P.Y. ₹4.24 mn) as against ₹5.69 mn (P.Y. ₹4.24 mn) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing long term high impact projects approved by the CSR Committee. The Company is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes maintenance of environmental sustainability, education and health areas.

**Note 32. Segment Reporting**

In the opinion of the management, there is only one reportable business segment (Investing in connection with Asset Management business) as envisaged by Ind AS 108 'Operating Segments', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.



**Note 33. Related Party Disclosures:**  
Related party disclosures for the year ended 31st March, 2019

a) List of Related Parties:

Nature of relationship	Name of party
Director/ Key Managerial Personnel	Ms. Homal Daruwalla, Independent Director
	Mr. Pranab Pattanayak, Independent Director
	Mr. Amit Shah, Director (resigned w.e.f. January 24, 2019)
	Mr. Anup Maheshwari, Whole-Time Director and Joint Chief Executive Officer (appointed as Whole Time Director w.e.f. November 14, 2018 and as CEO w.e.f. August 27, 2018)
	Mr. Prashasta Seth, Chief Executive Officer
Holding Company	IIFL Wealth Management Limited
Other Related Parties * (Ultimate Holding Company)	IIFL Holdings Limited
Fellow Subsidiaries	IIFL Investment Adviser and Trustee Services Limited
	IIFL Wealth Finance Limited
	IIFL Trustee Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Distribution Services Limited
	IIFL Wealth Securities IFSC Limited (w.e.f. June 22, 2018)
	IIFL Wealth Advisors (India) Limited (w.e.f. November 22, 2018)
	IIFL Altire Advisors Private Limited (w.e.f. November 05, 2018)
	IIFL Wealth Employee Benefit Trust (upto March 31, 2018)
	IIFL Wealth Employee Welfare benefit Trust (w.e.f. August 01, 2018)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL (Asia) Pte. Limited
	IIFL Inc.
	IIFL Private Wealth Hong Kong Limited
	IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd)
	IIFL Private Wealth (Suisse) SA (upto Feb 28, 2019)
Other Related Parties * (Group Companies)	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFL Capital Pte. Limited
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	India Infoline Finance Limited
	IIFL Home Finance Limited
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
Other related parties	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	Samasta Microfinance Limited (w.e.f. March 01, 2017)
	Clara Developers Private Limited
	IIFL Asset Reconstruction Limited (w.e.f. May 09, 2017)
	Mr. Karan Bhagat
	Mr. Yatin Shah
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	General Atlantic Singapore Fund Pte Limited
	Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah)
	India Infoline Foundation
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017)
	Yatin Investment
	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	Spaisa Capital Limited
	Spaisa P2P Limited
	Spaisa Insurance Brokers Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Sunder Bhanwar Holiday Home Private Limited ( Upto Mar 04, 2018)
	Khimji Kunverji & Co (Chartered Accountant Firm of Mr. Nilesh Vikamsey)
Yatin Prakash Shah (HUF)	
Nirmal Madhu Family Private Trust	
Kalki Family Private Trust	
Kush Family Private Trust	
Kyra Family Private Trust	
Bhagat Family Private Trust	
Kyrush Family Private Trust	
Naykia Family Private Trust	
Prakash Shah Family Private Trust	
Naysa Shah Family Private Trust	
Kiaah Shah Family Private Trust	

\*Date of Demerger – 1 April 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013. The disclosures hereunder are on the basis of the said scheme becoming effective from April 1, 2018.



b) Significant Transactions with Related Parties

(₹ in Mn)

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties * (Group Companies)	Other Related Parties	Total
<b>ICD Given</b>						
IIFL Wealth Management Limited	-	2,870.00	-	-	-	2,870.00
	-	(6,624.50)	-	-	-	(6,624.50)
IIFL Securities Limited	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	3,473.40	-	-	3,473.40
	-	-	(1,110.00)	-	-	(1,110.00)
IIFL Wealth Finance Limited	-	-	268.30	-	-	268.30
	-	-	(464.00)	-	-	(464.00)
<b>ICD Received back</b>						
IIFL Wealth Management Limited	-	1,483.80	-	-	-	1,483.80
	-	(6,624.50)	-	-	-	(6,624.50)
IIFL Alternate Asset Advisors Limited	-	-	4,583.40	-	-	4,583.40
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	268.30	-	-	268.30
	-	-	(464.00)	-	-	(464.00)
<b>ICD Taken</b>						
IIFL Wealth Management Limited	-	224.10	-	-	-	224.10
	-	(2,474.14)	-	-	-	(2,474.14)
IIFL Wealth Finance Limited	-	-	190.00	-	-	190.00
	-	-	(2,112.99)	-	-	(2,112.99)
<b>ICD Repaid</b>						
IIFL Wealth Management Limited	-	249.10	-	-	-	249.10
	-	(2,449.14)	-	-	-	(2,449.14)
IIFL Wealth Finance Limited	-	-	340.00	-	-	340.00
	-	-	(1,962.99)	-	-	(1,962.99)
<b>Interest Income</b>						
IIFL Wealth Management Limited	-	24.64	-	-	-	24.64
	-	(59.12)	-	-	-	(59.12)
IIFL Alternate Asset advisors Limited	-	-	100.81	-	-	100.81
	-	-	(0.84)	-	-	(0.84)
IIFL Wealth Finance Limited	-	-	0.08	-	-	0.08
	-	-	(0.24)	-	-	(0.24)
<b>Interest Expenses</b>						
IIFL Wealth Management Limited	-	0.70	-	-	-	0.70
	-	(4.09)	-	-	-	(4.09)
IIFL Wealth Finance Limited	-	-	0.49	-	-	0.49
	-	-	(0.93)	-	-	(0.93)
<b>Fees/Expenses Incurred/Reimbursed For Services Procured</b>						
IIFL Securities Limited	-	-	-	54.34	-	54.34
	-	-	-	(30.98)	-	(30.98)
5 Paisa Capital Limited	-	-	-	0.00#	-	0.00#
	-	-	-	(0.10)	-	(0.10)
IIFL Wealth Management Limited	-	-	-	-	-	-
	-	(10.70)	-	-	-	(10.70)
IIFL Distributions Services Limited	-	-	62.31	-	-	62.31
	-	-	(47.93)	-	-	(47.93)
IIFL Facilities Services Limited	-	-	-	14.09	-	14.09
	-	-	-	(14.04)	-	(14.04)
<b>Corporate Social Responsibility (CSR)</b>						
India Infoline Foundation Limited	-	-	-	-	1.34	1.34
	-	-	-	-	(4.24)	(4.24)
<b>Remuneration to KMP's</b>						
Prashastha Seth	-	-	-	-	-	-
	-	(7.77)	-	-	-	(7.77)
Anup Maheshwari	-	13.34	-	-	-	13.34
	-	-	-	-	-	-
<b>Sitting Fees/Commission To Directors</b>						
Homai A. Daruwalla	-	1.45	-	-	-	1.45
	-	(1.42)	-	-	-	(1.42)
Pranab Pattanaik	-	1.38	-	-	-	1.38
	-	(1.29)	-	-	-	(1.29)
<b>Allocation / Reimbursement of expenses Paid</b>						
IIFL Wealth Management Limited	-	36.27	-	-	-	36.27
	-	(19.88)	-	-	-	(19.88)
IIFL Securities Limited	-	-	-	0.00#	-	0.00#
	-	-	-	(0.04)	-	(0.04)
IIFL Distribution Services Limited	-	-	0.24	-	-	0.24
	-	-	(0.48)	-	-	(0.48)
IIFL Facilities Services Limited	-	-	-	0.01	-	0.01
	-	-	-	-	-	-
India Infoline Commodities Limited	-	-	-	-	-	-
	-	-	-	(0.18)	-	(0.18)
IIFL Management Services Limited	-	-	-	-	-	-
	-	-	-	(1.23)	-	(1.23)



IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2019

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties * (Group Companies)	Other Related Parties	Total
<b>Other funds received</b>						
IIFL Management Services Limited	-	-	-	0.46 (0.01)	-	0.46 (0.01)
IIFL Wealth Management Limited	-	0.21 (0.22)	-	-	-	0.21 (0.22)
IIFL Distributions Services Limited	-	-	0.61 (0.18)	-	-	0.61 (0.18)
IIFL Alternate Asset Advisors Limited	-	-	(0.05)	-	-	(0.05)
IIFL Investment Adviser and Trustee Services Limited	-	-	0.05 (0.01)	-	-	0.05 (0.01)
<b>Other funds Paid</b>						
IIFL Wealth Management Limited	-	5.84 (6.89)	-	-	-	5.84 (6.89)
IIFL Distributions Services Limited	-	-	0.32 (0.50)	-	-	0.32 (0.50)
IIFL Securities Limited	-	-	-	0.00# (0.22)	-	0.00# (0.22)
IIFL Alternate Asset Advisors Limited	-	-	0.33	-	-	0.33
IIFL Wealth Finance Limited	-	-	(0.07)	-	-	(0.07)

# Amount less than ₹ 10,000.

(c) Amount due to / from related parties (Closing Balances):

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties * (Group Companies)	Other Related Parties	Total
<b>Sundry Payables</b>						
IIFL Securities Limited	-	-	-	9.16	-	9.16
IIFL Wealth Management Limited	-	19.63 (6.92)	-	-	-	19.63 (6.92)
IIFL Distribution Services Limited	-	-	(5.83)	-	-	(5.83)
IIFL Wealth Finance Limited	-	-	(0.11)	-	-	(0.11)
<b>Sundry Receivables:</b>						
IIFL Management Services Limited	-	-	-	2.30	-	2.30
IIFL Distribution Services Limited	-	-	1.82	-	-	1.82
IIFL Alternate Asset Advisors Limited	-	-	(0.25)	-	-	(0.25)
<b>ICD Given:</b>						
IIFL Alternate Asset Advisors Limited	-	-	(1,110.00)	-	-	(1,110.00)
IIFL Wealth Management Limited	-	1,386.20	-	-	-	1,386.20
<b>ICD Taken:</b>						
IIFL Wealth Management Limited	-	(25.00)	-	-	-	(25.00)
IIFL Wealth Finance Limited	-	-	(150.00)	-	-	(150.00)



**Note 34. Subsequent Events**


There were no subsequent events from the date of financial statements till the date of adoption of accounts


**Note 35. Approval of Financial Statements**

The financial statements were approved for issuance by the Board of Directors on May 10, 2019

For and on behalf of the Board of Directors

  
Homal Daruwala  
Chairman  
(DIN: 00365880)

  
Anup Maheshwari  
Whole Time Director  
(DIN: 08258671)

  
Priya Biswas  
Chief Financial Officer

  
Chirmay Joshi  
Company Secretary

Place : Mumbai  
Dated: May 10, 2019



RS