Directors' Report

To the Members of
IIFL Asset Management Limited,

The Directors have pleasure in presenting the 10TH Annual Report of IIFL Asset Management Limited ('**the Company**') together with the Audited Financial Statements for the year ended March 31, 2020.

1.Financial Results:

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

(INR in million)

Particulars	2019-20*	2018-19*
Gross Total Income	2,008.14	1,582.11
Less: Expenditure	1,205.81	855.41
Profit /(Loss) Before Taxation	802.33	726.70
Less: Taxation - Current	205.34	130.64
- Deferred	(1.57)	0.97
- Mat Credit Gains	-	-
- Short or Excess Provision of Income Tax	-	-
Net Profit / (Loss) After Tax	**598.56**	**595.00**

* Figure are as per Indian AS

2.Review of Business and Operations:

During FY 2019-2020, 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 on an average 2.12% from INR 158.211 Crores to INR 200.814 Crores, and Net Profit (after tax) stood at INR 59.856 Crores.

During the year under review, the business under private equity and listed equity had garnered AUM of 8,771 Crore and 7,292 Crore respectively. On the other hand, liquid mutual funds and Structured credit products had a combined AUM of 2,037 Crore. The real estate funds got a tepid response and it continues to contribute to around 3,840 Crore of AUM.

3.Macro-economic overview (FY 2019-2020)

2019 - year in review

Picking cues from FY19, FY20 created new ripples of volatility across geographies and all asset classes. The year began with optimistic notes of US-China trade developments – quickly worsened owing to harsh steps by US imposing tariffs on more than half of the globe, including EU, Mexico and China along with a select Asian countries. Hopes of a successful, timely Brexit were also impacted by an untimely change of political leadership.

The Federal Reserve (Fed) was expected to keep rates unchanged for 2019 – maintaining a dovish stance on accounts of strong economic data during the first couple of quarters. However, in as early as Q3, most central banks, including Fed and ECB, had to start cutting rates to fuel economies, pushing bond yields of many developed economies to negative territories. Further, any expected improvements were plummeted by COVID-19 sweeping the world in the last quarter of FY20.

Back at home, India started the year with a watchful eye on the general elections. A series of encouraging macro-economic numbers and favourable election outcome boosted investor confidence but global volatility swayed the India Equities. In CY2019, RBI lowered repo by 135 bps, with 5 consecutive rate cuts to bring economy to scale, but was unable to help improve economic growth to the targeted levels. Longer duration bonds rallied due to cuts but were limited by credit downgrade of India by one of the marquee credit rating agencies.

Onset of COVID-19 : Beginning of the recession

The early months of 2020 will be remembered for a very long time in the history of Indian markets, and indeed in world history. There are few events that immerse the world so completely. All conversations today are about COVID-19. And yet, the first rumblings were felt only in late January. By March it had become a pandemic that has affected the entire planet.

Financial markets across the globes saw heavy selling towards the end of Q4 as markets cowered before a looming pandemic driven recession. With equities plummeting and central banks and governments announcing rate cuts and economic revival packages respectively, some support to market sentiment has been received.

Outlook

Equity Markets

Early results from the lockdowns across the world, seem to suggest that these measures are having mitigating effects on the spread of the disease. China, where the pandemic started in late December 2019, has demonstrated that the outbreak can be contained and the government there is cautiously reopening economic activity. Indeed, even history suggests this is the best course of action. The world faced a similar crisis almost exactly a century ago, in 1918. There are important lessons to be drawn from that experience. Records show that cities which instituted social distancing measures early in the crisis and observed them longer had substantially better outcomes through the crisis. Another interesting counter-intuitive observation was that cities which enforced stricter lock-downs were in no way economically worse off than those that did not. This is a crucial insight for our country as India has enforced one of the strictest lockdowns globally.

Many worry that a lockdown of this magnitude and severity could materially and permanently damage the economy. However, there is enough evidence that not locking down could have equally devastating effects, in addition to taking a far heavier toll in human life.

There is no denying that a pandemic of this scale will cause a dip in economic activity for some time. But it will be transient. The aftermath of the 1918 flu was a period of economic expansion so rapid that the decade is known as the *roaring twenties.*

With that in mind, we continue to work hard to assess the best opportunities within a greatly expanded opportunity set. We are looking for strong management teams that can navigate the fast-changing and challenging conditions ahead. We are looking for anti-fragile business models, that can emerge even stronger from this crisis. And we continue to look for businesses with a history of long-term secular growth or defensive characteristics to sail through these times.

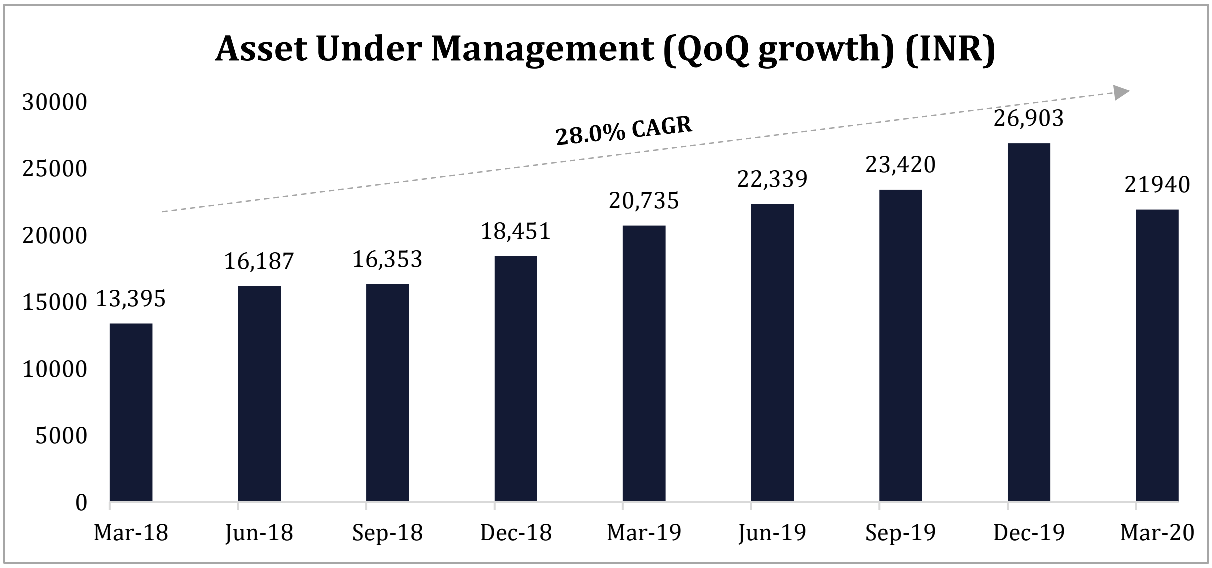
Debt Markets

Considering the impact of the pandemic, most central banks looked to a fresh round of monetary easing to improve liquidity and support economic growth. The reserve bank of India also followed suit by announcing repo cuts, reduction in CRR for a year and improving liquidity through measures like Long Term Repo Operations (LTROs) to mitigate the adverse impact of tightening financial conditions in the domestic markets. Furthermore, usage of unconventional steps like LTROs signifies RBI's willingness to promptly act when necessary. This helped address the sudden steepening of the yield curve and a substantial spread between short term and long-term government debt securities. While the longer end of the yield curve remains attractive, a higher supply of both state and central government borrowing may offset some of the gains.

Outlook for the business:

During FY19/20, our AUM grew by 18%. The AUM growth was achieved despite a sharp fall in markets in Q4. For the year, we achieved net sales of more than 6,000 crs spread across asset classes and geographies.

A continuous increase in our product suite helped support the growth in AUM. While maintaining our focus as an alternative asset manager, we continued to find product opportunities across other product segments (like portfolio management services and mutual funds). Our continuous focus on niche product strategies helped us maintain a revenue yield of about 65bps on our assets



A summary of mentionable across the product suite is as follows-

Alternative investment funds (AIFs)
In Q1, apart from adding subscriptions across AIFs (IIFL High Growth Companies Fund, IIFL Income Opportunities - Series 2 and IIFL Multi-Strategy Fund), we focussed on launching new products across listed as well as unlisted categories for the rest of the year.

In Q1, we launched IIFL Seed Ventures Fund – Series 2 (a Category II AIF) which has garnered ~INR 538 Cr commitment as of March 2020. and High Conviction Fund- Series 1 (a category III AIF).

In Q2, IIFL AMC launched a Real Estate fund and a listed equity Fund. India Housing Fund – Series 2 (a category II AIF investing in Real Estate), which aims to provide Last mile funding (Last In) to projects in execution stages raised capital commitment of ~INR 1000 Cr. In later part of Q2, High Conviction Fund – Series 1 (a Category III AIF investing in listed equity) was launched which has raised ~INR 265 Crore of commitment by March 2020.

Out of these 3 launched schemes, IIFL Seed Ventures Fund – Series 2 and High Conviction Fund – Series 1 are still raising commitments from the investors.

Portfolio management services (PMS)
PMS contributed to a large share of our net sales during the year and was amongst our biggest successes in 2019. Over the we continued to onboard new distribution partners and achieve scale across our existing products (multicap and multicap advantage PMS). Our PMS strategies increased from INR 640 Cr in March 2019 to ~INR 2500 Cr in February 202 and continues to be a focus area for us in the coming year.

Mutual Funds (MFs)
To consolidate schemes and maintain focus, we merged IIFL Capital Enhancer Fund with IIFL Focused Equity Fund. IIFL Focused Equity Fund consistently ranked amongst the top performing funds in its category, and led to higher interest from distribution partners and investors.

We continue to see opportunities to enhance our product offering across our four asset classes (Listed equities, private equities, credit and real estate). We aim to maintain our position as the largest alternative asset manager in India and build a complete range of product offerings across asset classes

In terms of client coverage, we have established connect with many offshore institutions, wealth funds and family offices over the past year. We also received an additional $120 mn top-up on our existing advisory mandate during the year. We have also enhanced our geographical coverage in India by setting up new offices across key cities.

4. **Dividend:**
The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, had decided that it would be prudent, not to recommend any Dividend for the year under review.

5. **Transfer to Reserves:**
The Board of Directors of your company has decided not to transfer any amount to the reserves for the year under review.

6. Share Capital:
During the year under review, the Company has not made any issue of equity shares. As on March 31, 2020, the total of issued, subscribed and paid up capital of the Company stood at INR 32,10,00,000/-.

7. Details of Subsidiary/Joint Ventures/Associates:
The Company does not have any subsidiaries/joint ventures/associates.

8. Deposits:
During the year under review, your Company has not accepted/ renewed any deposit within the meaning of Section 73 of the Companies Act, 2013 read with applicable rules thereto.

9. Directors and Key Managerial Personnel:

a. Directors:

The Board consisted of below mentioned Directors namely:
1) Mr. Kumar Sharadindu – Appointed w.e.f. January 22, 2020,
2) Mrs. Smita Aggarwal – Appointed w.e.f. March 11, 2020,
3) Mr. Anup Maheshwari – Appointed w.e.f. November 14, 2018
4) Mr. Venkataraman Rajamani – Appointed w.e.f. October 18, 2019
5) *Ms Homai Daruwalla – Vacated office w.e.f. March 21, 2020 and
6) *Mr. Pranab Pattanayak - Vacated office w.e.f. March 21, 2020

* Ms. Homai Daruwalla and Mr. Pranab Pattanayak had completed 2 terms tenure of 5 years as Independent Director of the Company which is maximum permissible tenure under SEBI (Mutual Fund) Regulations 1996, and accordingly they vacated their office as Directors of the Company with effective from March 21, 2020.

Directors retiring by rotation:
In terms of provisions of the Companies Act, 2013 and in terms of applicable provisions of the Articles of the Company, Mr. Anup Maheshwari, Whole Time Director of your Company, retires by rotation at ensuring Annual General Meeting and being eligible, offers himself for re-appointment.
Further, in terms of the provisions of the Companies Act, 2013 independent directors are not liable to retire by rotation.

Independent Director's Data Base & Proficiency Test:
In terms of the recently introduced regulatory requirements name of every Independent Director should be added in the on-line database of Independent Directors by Indian Institute of Corporate Affairs, Manesar ("IICA"). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

The opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of Independent Directors is complied with.

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:

A) Audit Committee

The Audit Committee currently consists of Mrs. Smita Aggarwal, Mr. Kumar Sharadindu 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 and audit related issues. During the period under review all the recommendations of the Audit committee were accepted by the Board of Directors of the Company.

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) raised by Internal Auditors, Statutory Auditors and Secretarial 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:
  Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 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;
- Monitoring the end use of funds of the company and related matters.

B) Nomination and Remuneration Committee:

As per the provision of Section 178 of Companies Act, 2013,Mr. Kumar Sharadindu, Mrs. Smita Aggarwal and Mr. Venkataraman Rajamani are currently members of the Nomination and Remuneration Committee ("NRC") and the Committee has formulated a nomination and remuneration policy and the said policy is available for inspection and available on website of the Company: https://www.iiflmf.com.
The same is annexed as an **Annexure I** to this Report.

C) Corporate Social Responsibility Committee:

As per the provision of Section 135 of Companies Act, 2013, Mr. Kumar Sharadindu, Mrs. Smita Aggarwal and Mr. Anup Maheshwari. are currently the members of the Corporate Social Responsibility Committee ("CSR Committee"). The CSR Committee has approved and adopted CSR Policy of the Company. The details about the policy developed and implemented on Corporate Social Responsibility initiatives taken during the year under review is attached as Annexure II.

Separate meeting of Independent Directors:

In compliance with provisions of Companies Act, 2013, a separate meeting of Independent Directors was held on March 19, 2020 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 Nomination & Remuneration Committee has carried out evaluation of every directors' performance and subsequently the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors 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 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. Chinmay Joshi is the Company Secretary of the company managing the Secretarial and Compliance Function of the Company.

10. Corporate Social Responsibility (CSR):

During the financial year, your Company deployed 0.34% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the three immediately preceding financial 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. The Company could not spend the compete 2% corpus in FY2019-20. However in FY2020-21, the pending amount will be spent.

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**.

11. 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 if received post the date of Annual General Meeting then such particulars will be made available within 7 days.

12. 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.

13. 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 also invoked its business continuity measures to deal with the unprecedented contingency of the COVID-19 outbreak and it could smoothly move to a Work From Home arrangement using a Virtual Private Network (VPN), keeping disruption to day to day operations, internal controls and servicing of investors to a minimum, except in line with industry level changes with respect to cut-off times advised by the Association of Mutual Funds of India (AMFI) and limitation in certain services announced by Registrar and Transfer Agents, during the lockdown period announced by the Government in the wake of the COVID19 outbreak.

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors have tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors also review controls over financial reporting as part of their audit.

14. 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.

15. 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**”.

16. 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.

17. 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.

18. Statutory Auditors:

M/s. Deloitte Haskins & Sells. LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018 were appointed as the Statutory Auditors of the Company at the AGM of the shareholders held on July 27, 2015, for a term of five years i.e. till the conclusion of ensuing 10th AGM (to be held in calendar year 2020). As M/s. Deloitte Haskins & Sells LLP has already served as Statutory Auditors of the Company for one term of five consecutive years, hence pursuant to section 139 of the Companies Act, 2013, they can be re-appointed for a second term of five years.

Appropriate resolution seeking Members’ approval for the re-appointment of M/s. Deloitte Haskins & Sells. LLP as the Statutory Auditors of the Company is appearing in the Notice convening the ensuing AGM of the Company.

Pursuant to Section 139, 142 and other applicable provision of the Act, the resolution for appointment of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018 as recommended by the Audit Committee and the Board, as Statutory Auditor of the Company to hold office for a second term of 5 years i.e. from the conclusion of 10th AGM till the conclusion of 15th AGM (to be held during calendar year 2025), will be placed for the approval of Members of the Company at the ensuing AGM.

M/s. Deloitte Haskins & Sells LLP has provided a written consent and confirmed that they are eligible to act as Statutory Auditor of the Company.

19. 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.

20. Secretarial Audit:
During the year under review, the Secretarial Audit was conducted by M/s. J.U. Poojari & Associates, Practicing Company Secretaries, pursuant to applicable provisions of the Companies Act, 2013. The Report of the Secretarial Audit is annexed herewith as Annexure IV. There were no qualifications, reservations or observations in the

Secretarial Audit Report. The Board of Directors have to state that the Company has been compliant of all applicable provisions of the Act for Financial Year 2019-2020.

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

The details of loans or investments made are provided in the Financial Statement (Please refer Note No. 5 and 6 of the Financial Statement). In the FY 2019-20, there are no Borrowings or Guarantees.

22. 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, 2020.

Justification for entering into Related Party Transactions:

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

23. 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.

Foreign exchange earnings/outgo:

a.) The Foreign exchange earnings: **No disclosure required under Ind AS**

b.) The Foreign exchange expenditure: **No disclosure required under Ind AS**

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.

24. 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.

25. Frauds:

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

26. 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.

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.

27. Downstream Investment:

During the financial year 2019-20, the Company has not made any downstream investments in terms Foreign Direct Investment Policy.

28. 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 2019-20 is available on website of the Company, https://www.iiflmf.com

29. 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 2019-20 – **Annexure - II.**
- Form No. MGT-9 – Extract of Annual Return as on the financial year ended March 31, 2020 – **Annexure – III.**

- Secretarial Audit Report for the financial year ended March 31, 2020 as **Annexure – IV.**

30. 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.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Kumar Sharadindu	**Anup Maheshwari**
Chairman	**Whole Time Director**
DIN: 07341455	**DIN: 08258671**
Date: June 11, 2020	
Place: Mumbai	

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:

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 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 prorate basis to those Directors who occupy office for part of the year.

b.<u>KMP & Senior Managerial Personnel:</u>

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

- maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company;
- compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- 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;
- 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 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.

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 CSR Policy and projects of IIFL Asset Management Ltd. are steered by the same values that guide the business of the IIFL Group of Companies. It can be summarized in one acronym – GIFTS, which stands for: •Growth •Integrity •Fairness •Transparency •Service Orientation By applying these values to the CSR projects, IIFL Asset Management Limited undertakes initiatives that create sustainable growth and empowers underprivileged sections of society. The focus areas prioritized by IIFL Asset Management Limited in its CSR strategy are given below: •Girl child Illiteracy eradication program – Rajasthan
2. The Composition of the CSR Committee.	The CSR Committee of the Company currently consist of Mr. Kumar Sharadindu, Mrs. Smita Aggarwal and Mr. Anup Maheshwari.
3. Average net profit of the company for last three financial years	INR 42,55,15,933/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	INR 85,10,319/-
5. Details of CSR spent during the financial year.	
a)Total amount to be spent for the financial year;	INR 14,50,000/-
b)Amount unspent, if any;	INR 70,60,319/-
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	Girl Child Illiteracy eradication program	Education	Dist. Sirohi , State – Rajasthan	14,50,000/-	Direct – 14,50,000/-	14,50,000/-	14,50,000/- Through India Infoline Foundation

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	During the financial year 2019-20, the Company could deploy 0.34% of its average net profits of the preceding three years on CSR projects. 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 2019-20. The Unspent amount will be spent in FY2020-21.

Brief description of the projects:

1) **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 "*Sakhiyon ki Baadi*" across 10 districts, India Infoline foundation has already brought back over 34,452 girls into the fold of education.

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

Sd/-
Kumar Sharadindu
Chairman
DIN: 07341455
Date: June 11, 2020
Place: Mumbai

Sd/-
Anup Maheshwari
Whole Time Director
DIN: 08258671

ANNEXURE III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on **March 31, 2020**

[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-March-2010
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 : linkcs@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
Fees and Commission	66301	92.14%

** 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 Wealth Management Limited	U74140MH2008PLC177884	Holding Company	100%	2(46)

IIFL ASSET MANAGEMENT

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 (01st April 2019)				No. of Shares held at the end of the year (31st March 2020)			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) **Indian**	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-
b) Central	-	-	-	-	-	-	-	-
c) State	-	-	-	-	-	-	-	-
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. **Public Shareholding**								
1. **Institutions**	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-

i)Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-
2.**Non-Institutions**	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**3,21,00,000**	**-**	**3,21,00,000**	**100**	**3,21,00,000**	**-**	**3,21,00,000**	**100**

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (01st April 2019)			Shareholding at the end of the year (31st March 2020)			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	

IIFL Wealth Management Limited	3,21,00,000	100	Nil	3,21,00,000	100	Nil	Nil
Total	**3,21,00,000**	**100**	**Nil**	**3,21,00,000**	**100**	**Nil**	Nil

***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)

Particulars	Shareholding at the beginning of the year (01st April 2019)		Cumulative Shareholding during the year (1st April 2019 to 31st March 2020)	
	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)	There was no Increase/ Decrease in Promoters Shareholding during the year.			
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 01-04-2019 to 31-03-2020.

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

For Each of the Top 10 Shareholders	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 Shareholding during the year specifying 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.	-	-	-	-

Note: IIFL Wealth Management Limited holds 100% of the equity shares of the company.

iv) Shareholding of Directors and Key Managerial Personnel*:

Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
	No. of shares at the beginning (01-04-19)/end of the year (31-03-20)	% of total shares of the company				No. of shares	% of total shares of the company
A. Directors:							
-	-	-	-	-	-	-	-
B. Key Managerial Personnel (KMP's)							
Prashasta Seth	1	-	-	-	-	1	-

**Note: IIFL Wealth Management Limited holds 100% of the equity shares of the company.*
Mr. Prashasta Seth holds 1 equity shares in the capacity of nominee of the IIFL Wealth Management Limited.

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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	3,567.20	-	-
• Reduction	-	(3,567.20)	-	-

Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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 insection17(1) of the Income- tax Act, 1961	3,82,80,884.00	3,82,80,884.00
(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 – Provident Fund	17,50,000.02	17,50,000.02
Total (A)	**4,00,30,884.02**	**4,00,30,884.02**
Ceiling as per the Act	INR 4,36,23,995.50 /- (being 5% of the net profits of the Company calculated as per Section 198 of the Companies, 2013)	

B. Remuneration to other directors:

Particulars	Name of Directors				Total Amount (INR)
Independent Directors	**Mr. Kumar Sharadindu (Appointed with effect from January 22, 2020)**	**Mrs. Smita Aggarwal (Appointed with effect from March 11, 2020)**	**Mr. Pranab Pattanayak (Resigned with effect from March 21, 2020)**	**Ms. Homai Daruwalla (Resigned with effect from March 21, 2020)**	
Fee for attending board/ committee meetings (Sitting Fee) (INR)	1,35,000.00/-	1,05,000.00/-	3,75,000.00/-	4,50,000.00/-	10,65,000.00/-
Commission* (INR)	1,91,260.00/-	57,377.00/-	10,00,000.00/-	10,00,000.00/-	22,48,637.00/-
Total (1)	**3,26,260.00/-**	**1,62,377.00/-**	**13,75,000.00/-**	**14,50,000.00/-**	**33,13,637.00/-**
Other Non-Executive Directors	Mr. Venkataraman Rajamani (Appointed with effect from October 18, 2019)				
Fee for attending board /committee meetings	NA				NA
Commission	NA				NA
Total (2)	NA				NA
Total (B)=(1+2)	**3,26,260.00/-**	**1,62,377.00/-**	**13,75,000.00/-**	**14,50,000.00/-**	**33,13,637.00/-**
Total Managerial Remuneration**	INR 4,33,44,521.02/-				
Overall Ceiling as per the Act	INR 9,59,72,790.10/- (being 11% of the net profits of the Company calculated as per Section 198 of the Companies, 2013)				

Note: *Commission pertaining to FY 2019-20 is paid during FY 2020-21.

** Total Managerial Remuneration includes remuneration to Managing Director, Whole Time Director and other director.

C. Remuneration to Key Managerial Personnel:

Particulars	Chief Executive officer (Prashasta Seth)	Joint Chief Executive Officer (Anup Maheshwari) (Refer Note)	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	2,41,79,484.00	-	18,19,756.00	45,55,098.00	3,05,54,338.00
(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	6,33,18,499.00	-	-	98,20,146.00	7,31,38,645.00
Sweat Equity	-	-	-	-	-
Commission	-	-	-	-	-
- as % of profit	-	-	-	-	-
- others	7,52,500.02	-	92,400.00	30,391.04	8,75,291.06
Total	**8,82,50,483.02**	**-**	**19,12,156.00**	**14405635.04**	10,45,68,274.1

Note: Mr. Anup Maheshwari being Whole Time Director and Joint Chief Executive Officer, Remuneration details are already considered in table forming part of Schedule VI-A- Remuneration payable to Managing Director, Whole Time Director and/or Manager.

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)
A.**Company**					
Penalty	NIL				
Punishment					
Compounding					
B.Directors					
Penalty	NIL				

IIFL ASSET MANAGEMENT

Punishment	
Compounding	
C.**Other Officers In Default**	
Penalty	NIL
Punishment	
Compounding	

For and on behalf of the Board of Directors

Sd/-
Kumar Sharadindu
Chairman
DIN: 07341455

Sd/-
Anup Maheshwari
Whole Time Director
DIN: 08258671

Date: June 11, 2020
Place: Mumbai

Annexure IV
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2020 (Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
IIFL Asset Management Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IIFL Asset Management Limited, having CIN: U74900MH2010PLC201113 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the IIFL Asset Management Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by IIFL Asset Management Limited for the financial year ended on 31stMarch, 2020 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any overseas investment and External Commercial Borrowings during the financial year.
Other Acts, Laws, Regulations or Guidelines specifically applicable to the Company:

The Securities and Exchange Board of India (Mututal Fund) Regulations, 1996 as amended.
The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended
The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

We have also examined compliance with the applicable clauses of the following
Secretarial Standards issued by The Institute of Company Secretaries of India with respect to meetings of the Board and its committees and General meetings.

During the year under review and as per the explanations given and the representations made by the Management, the Company has complied with the provisions of the Act and Rules, Regulations, Guidelines, etc.

The company is wholly-owned subsidiary of IIFL Wealth Management Ltd. by virtue of Section 2(87) of the Companies Act, 2013. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and its Committees exception some cases at shorter notice with the consent of all the Directors; Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
Decisions at the Board Meetings were taken with requisite majority.

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

We further report that during the audit period, there was no specific event / action having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For J. U. Poojari & Associates
Company Secretaries

Place: Mumbai

Sd/-
Jayaram U Poojari
FCS No: 8102 CP No: 8187

Date: June 30 , 2020
UDIN:
This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
of IIFL Asset Management Ltd.

Our report of even date is to be read along with this letter.

Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J. U. Poojari & Associates
Company Secretaries

Place: Mumbai

Sd/-
Jayaram U Poojari
FCS No: 8102 CP No: 8187

Date: June 30, 2020
UDIN:

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

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 31st March 2020, 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 2020, 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 in the Director's report including Annexures to Directors' report, but does not include the financial statements and our auditor's report thereon. The Director's 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 do not and 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 identified above when it becomes available 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.

- 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:

DELOITTE HASKINS & SELLS LLP MUMBAI CHARTERED ACCOUNTANTS

Type text here

- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

   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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 our information and according to the explanations given to us, the remuneration paid by the Company 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 which were 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)
(UDIN: 20105035AAAADG8585)

Place: **Mumbai**
Date: 11 June 2020

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 March 31, 2020 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 March 31, 2020, 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: 11 June 2020

Deloitte
Haskins & Sells LLP

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, Income-Tax, Goods and Service Tax, 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, Income-Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Service Tax, Goods and Service Tax as on 31 March 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(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.

(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 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: 11 June 2020

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Mn)

SR. No.	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	3	29.58	3.45
(b)	Receivables	4		
	(I) Trade receivables		650.57	422.12
	(II) Other receivables		9.89	1.07
(c)	Loans	5	1,521.24	1,403.18
(d)	Investments	6	29.31	30.51
(e)	Other financial assets	7	0.10	4.17
2	**Non-Financial Assets**			
(a)	Current tax assets (net)		51.89	59.08
(b)	Deferred tax assets (net)	8	6.06	3.47
(c)	Property, plant and equipment	9	0.05	0.08
(d)	Capital work-in-progress	10	-	6.32
(e)	Other intangible assets	11	6.32	10.51
(f)	Right to Use Asset	12	1.59	-
(g)	Other non-financial assets	13	647.29	139.84
	Total Assets		**2,953.89**	**2,083.80**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(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	281.90	115.53
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b)	Financial Lease Obligation	12	1.67	-
(c)	Other financial liabilities	15	100.23	20.51
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)		61.28	14.74
(b)	Provisions	16	22.01	17.58
(c)	Other non-financial liabilities	17	27.62	51.76
3	**EQUITY**			
(a)	Equity share capital	18	321.00	321.00
(b)	Other equity	19	2,138.18	1,542.67
	Total Liabilities and Equity		**2,953.89**	**2,083.79**

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

Kumar Sharadindu
Chairman
(DIN: 07341455)

Anup Maheshwari
Whole Time Director
(DIN: 08258671)

Prashasta Seth
Chief Executive Officer

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

Place : Mumbai
Dated: June 11, 2020

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Mn)

Sr. No.	Particulars	Note No.	FY 2019-20	FY 2018-19
1	**Revenue from operations**			
(a)	Dividend & Distribution income on investments	20	0.00#	249.77
(b)	Fees and commission income	21	1,850.32	1,173.07
	Total revenue from operations		**1,850.32**	**1,422.84**
2	**Other income**	22	157.82	159.27
3	**Total income (1+2)**		**2,008.14**	**1,582.11**
	Expenses			
(a)	Finance costs	23	5.23	1.20
(b)	Fees and commission expenses		434.31	249.02
(c)	Impairment on financial instruments	24	0.00#	-
(d)	Employee benefits expenses	25	546.00	398.98
(e)	Depreciation, amortization and impairment	9,11,12	7.70	6.18
(f)	Others expenses	26	212.57	200.03
4	**Total expenses**		**1,205.81**	**855.41**
5	**Profit before tax (3-4)**		**802.33**	**726.70**
6	**Tax expense:**	27		
(a)	Current tax		205.34	130.74
(b)	Deferred tax		(1.57)	0.97
7	**Profit for the year (5-6)**		**598.56**	**594.99**
8	**Other comprehensive income**			
(a)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of Employee Benefits		(4.07)	(1.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.02	0.44
	Other comprehensive loss		**(3.05)**	**(1.07)**
9	**Total comprehensive income/ loss for the period (7+8) (Comprising profit and other comprehensive loss for the year)**		**595.51**	**593.92**
10	**Earnings per equity share**			
	Basic (Rs.)	28	18.65	18.54
	Diluted (Rs.)	28	18.65	18.54

Amount less than ₹10,000/-
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: June 11, 2020

For and on behalf of the Board of Directors

Kumar Sharadindu
Chairman
(DIN: 07341455)

Anup Maheshwari
Whole Time Director
(DIN: 08258671)

Prashasta Seth
Chief Executive Officer

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Mn)

Particulars	FY 2019-20	FY 2018-19
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	802.33	726.70
Adjustments for:		
Depreciation & amortisation	7.70	6.18
Provision for employee benefits	4.59	(0.99)
Fixed Assets written off	6.32	-
Net changes in fair value through Profit and Loss of investments	1.04	(2.45)
Provision for Expected credit loss	0.00#	-
Employee share based payments	110.33	1.95
Interest income	(138.92)	(129.32)
Interest expenses	5.06	1.20
Dividend Income from investments	(0.00#)	(0.24)
(Profit)/loss on sale of investments	(19.94)	(27.50)
Distribution fee-exempt	-	(249.53)
Net gain on sale of property, plant and equipment	0.00#	-
Operating profit before working capital changes	**778.51**	**326.00**
Changes in working Capital :		
Increase in Financial/Non-financial Assets	(786.11)	(173.61)
Increase/ (Decrease) in Financial/Non-financial Liabilities	153.91	(10.93)
Cash generated from operations	**146.31**	**141.46**
Cash flow before extraordinary item		
Net income tax paid	(149.01)	(117.68)
Net cash (used in)/ generated from operating activities (A)	**(2.70)**	**23.78**
B. Cash flows from investing activities		
Purchase of investments	(15,875.73)	(3,721.17)
Sale of investments	15,895.81	3,993.33
Interest received	130.46	130.09
Dividend income	0.00#	0.24
Purchase of Property, plant and equipment (includes intangible assets)	(2.85)	(2.47)
Intercorporate Deposit - given to group companies	(9,921.40)	(6,612.40)
Intercorporate Deposit - received to group companies	9,807.60	6,339.28
Net cash generated from investing activities (B)	**33.89**	**126.90**
C. Cash flows from financing activities		
Borrowings - taken from group companies	3,567.20	414.10
Borrowings - repaid from group companies	(3,567.20)	(589.10)
Interest paid	(5.06)	(1.20)
Net cash used in from financing activities (C)	**(5.06)**	**(176.20)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**26.13**	**(25.52)**
Opening Cash & cash equivalents	3.45	28.97
Closing Cash & cash equivalents	**29.58**	**3.45**

Amount less than ₹10,000/-
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

Place : Mumbai
Dated: June 11, 2020

For and on behalf of the Board of Directors

Kumar Sharadindu
Chairman
(DIN: 07341455)

Anup Maheshwari
Whole Time Director
(DIN: 08258671)

Prashasta Seth
Chief Executive Officer

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ 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, 2019	321.00	204.00	1,338.68	1,542.68	1,863.68
Changes in equity share capital during the year	-	-	-	-	-
Profits for the year	-	-	595.51	595.51	595.51
Balance at the Mar 31, 2020	**321.00**	**204.00**	**1,934.18**	**2,138.18**	**2,459.18**

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
Changes in equity share capital during the year	-	-	-	-	-
Profits for the year	-	-	593.92	593.92	593.92
Balance at the Mar 31, 2019	**321.00**	**204.00**	**1,338.67**	**1,542.67**	**1,863.67**

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

Pallavi A. Gorakshakar
Partner

Place : Mumbai
Dated: June 11, 2020

For and on behalf of the Board of Directors

Kumar Sharadindu
Chairman
(DIN: 07341455)

Anup Maheshwari
Whole Time Director
(DIN: 08258671)

Prashasta Seth
Chief Executive Officer

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

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

b) These financials statements have been approved for issue by the Board of Directors of the Company at their meeting held on June 11, 2020.

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.

• Lending / 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.

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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.

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 assets outstanding at each Balance Sheet date are disclosed as Other Non-Financial Assets.

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 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. Lease hold land is depreciated on a straight line basis over the lease hold period.

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.

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 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 Statement of Profit and Loss in the period in which the

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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 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	3-5

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 Statement of Profit and Loss when the asset is derecognized.

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 Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the 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.

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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 Statement of Profit and Loss.

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 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);

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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 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:

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(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.

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 advantages market for the asset or liability
.
All assets and liabilities for which fair value is measured or disclosed in the 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 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.

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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.

m) 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 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 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.

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Presentation of current and deferred tax:
Current and deferred tax are recognized as income or an expense in the 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.

k) 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.

l) 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.

m) 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 recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company operates defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees

Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the 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

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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 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 Statement of Profit and Loss in the subsequent periods.

n) Lease accounting (Ind AS 116)
The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Where appropriate, the right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.
Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor
Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognizes income on operating leases based on the contractual arrangements.

Critical accounting estimate and judgement

1. Determination of lease term
Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

2. Discount rate
The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Changes in accounting policies / Transition note:

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

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Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.
Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, wherein Right-of-use ('ROU') asset is recognised at an amount equal to the lease liability. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

Refer note 2.m – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

The Company as a lessee
As a lessee, the Company leases assets which includes office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for these leases.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Following is the summary of practical expedients elected on initial application:

- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The Company as a lessor
The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application i.e. from April 1, 2019.

o) 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.

p) 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.

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q) 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.

r) 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.

2.2 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 financials 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.

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 3. Cash and Cash Equivalents **(₹ in Mn)**

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)		
Cash on hand	0.11	0.22
Balance with banks		
- In current accounts	29.47	3.23
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	**29.58**	**3.45**

Note 4. Receivables **(₹ in Mn)**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Trade receivables		
Receivables considered good - Unsecured*	650.57	422.12
Receivables - credit impaired	0.00#	
Total (i)- Gross	**650.57**	**422.12**
Less: Impairment loss allowance	(0.00#)	-
Total (i)- Net	**650.57**	**422.12**
(ii) Other receivables		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	9.89	1.07
Total (ii)- Gross	**9.89**	**1.07**
Less: Impairment loss allowance	-	-
Total (ii)- Net	**9.89**	**1.07**

* Includes Related party transactions (Refer note 33)
# Amount less than ₹10,000/-

a) 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 2020, 31st March 2019.

b) There are no trade recievables with significant increase in credit risk (SICR) as at 31st March 2020 and 31st March 2019.

c) There are no credit impaired receivables as at 31st March 2019.

d) No trade receivables and other receivables are interest bearing.

e) The Company has adopted simplified approach for impairment allowance. Expected Credit Loss ("ECL") has been recognised for credit impaired trade receivables

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 5. Loans **(₹ in Mn)**

Loans	As at March 31, 2020						As at March 31, 2019					
	Amortised cost	At Fair value			Subtotal	Total	Amortised cost	At Fair value			Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
(A)												
(i) Term loans - ICD*	1,518.56					1,518.56	1,399.86				-	1,399.86
(ii) Others - Staff loan	2.68					2.68	3.32				-	3.32
Total (A) -Gross	**1,521.24**					**1,521.24**	**1,403.18**	**-**	**-**	**-**	**-**	**1,403.18**
Less:Impairment loss allowance	-					-					-	-
Total (A) - Net	**1,521.24**	**-**	**-**	**-**	**-**	**1,521.24**	**1,403.18**	**-**	**-**	**-**	**-**	**1,403.18**
(B)												
(i) Unsecured	1,521.24					1,521.24	1,403.18	-	-	-	-	1,403.18
Total (B)-Gross	**1,521.24**	**-**	**-**	**-**	**-**	**1,521.24**	**1,403.18**	**-**	**-**	**-**	**-**	**1,403.18**
(C)												
(I) Loans in India	1,521.24	-	-	-	-	1,521.24	1,403.18	-	-	-	-	1,403.18
Less: Impairment loss allowance	-					-	-					-
Total(C) (I)-Net	**1,521.24**	**-**	**-**	**-**	**-**	**1,521.24**	**1,403.18**	**-**	**-**	**-**	**-**	**1,403.18**
(II)Loans outside India												
Less: Impairment loss allowance						-						-
Total (C) (II)- Net												
Total C(I) and C(II)	**1,521.24**	**-**	**-**	**-**	**-**	**1,521.24**	**1,403.18**	**-**	**-**	**-**	**-**	**1,403.18**

* Includes Loan to related parties (Refer Note 33)

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 6. Investments

(₹ in Mn)

Investments	As at March 31, 2020							As at March 31, 2019						
		At Fair value							At Fair value					
	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
	1	2	3	4	5=2+3+4	6	7=1+5+6	8	9	10	11	12=9+10+11	13	14=8+12+13
(A)														
Mutual funds	-	-	28.67	-	28.67		28.67	-	-	29.72	-	29.72		29.72
Equity instruments	-	-	0.50	-	0.50		0.50	-	-	0.50	-	0.50		0.50
Alternate investment funds	-	-	0.14	-	0.14		0.14	-	-	0.29	-	0.29		0.29
Total (A)	**-**	**-**	**29.31**	**-**	**29.31**		**29.31**	**-**	**-**	**30.51**	**-**	**30.51**		**30.51**
(B)														
i) Investments outside India	-	-	-	-	-		-	-	-	-	-	-		-
ii) Investments in India	-	-	29.31	-	29.31	-	29.31	-	-	30.51	-	30.51	-	30.51
Total (B)	**-**	**-**	**29.31**	**-**	**29.31**	**-**	**29.31**	**-**	**-**	**30.51**	**-**	**30.51**	**-**	**30.51**
(C)					-		-					-		-
Less: Allowance for impairment loss	-	-	-	-	-		-	-	-	-	-	-		-
					-		-					-		-
Total- Net (D) = A-C	**-**	**-**	**29.31**	**-**	**29.31**		**29.31**	**-**	**-**	**30.51**	**-**	**30.51**		**30.51**

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2020

(₹ in Mn)

	As at March 31, 2020			As at March 31, 2019		
Name of Investment	**Face Value**	**No. of Units**	**Total Amount**	**Face Value**	**No. of Units**	**Total Amount**
Investment in Mutual Funds include :						
IIFL CAPITAL ENCHANCER FUND - SERIES 1 - DIRECT - GROWTH		-	-	10.00	500,000.00	5.27
IIFL DYNAMIC BOND FUND DIRECT PLAN - GROWTH	10.00	563,624.61	9.29	10.00	563,624.61	8.58
IIFL FOCUSSED EQUITY FUND - DIRECT PLAN - GROWTH	10.00	826,539.44	12.02	10.00	533,063.45	8.89
IIFL LIQUID FUND - DIRECT PLAN - GROWTH	1,000.00	4,769.07	7.36	1,000.00	4,769.07	6.98
ICICI Prudential Overnight Fund Growth					-	-
			28.67			**29.72**
Investment in Equity Instrument include :						
MF UTILITIES INDIA PRIVATE LIMITED	1.00	500,000.00	0.50	1.00	500,000.00	0.50
			0.50			**0.50**
Investment in Alternate investment funds include :						
IIFL INCOME OPPORTUNITIES FUND SERIES - SPECIAL SITUATIONS	3.996	1,010.77	0.01	3.996	1,684.61	0.01
IIFL LONG TERM GROWTH FUND I		-	-	10.000	2,500.00	0.02
IIFL REAL ESTATE FUND DOMESTIC SERIES 2	6.063	1,191.00	0.01	7.006	2,370.00	0.02
IIFL REAL ESTATE FUND DOMESTIC SERIES 4	9.127	1,500.00	0.01	9.692	2,500.00	0.02
IIFL SEED VENTURES FUND 1	9.749	1,500.00	0.01	10.000	2,500.00	0.02
IIFL SPECIAL OPPORTUNITIES FUND	9.173	1,500.00	0.01	10.000	2,500.00	0.02
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2	9.248	1,500.00	0.01	10.000	2,500.00	0.03
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3	9.445	1,500.00	0.01	10.000	2,500.00	0.03
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4	10.000	1,500.00	0.02	10.000	2,500.00	0.03
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5	10.000	1,500.00	0.02	10.000	2,500.00	0.03
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7	10.000	1,500.00	0.02	10.000	2,500.00	0.03
IIFL YIELD ENHANCER FUND	2.237	1,500.00	0.00#	2.572	2,500.00	0.01
INDIA HOUSING FUND	9.915	1,500.00	0.01	10.000	2,500.00	0.02
			0.14			**0.29**
Total			**29.31**			**30.51**

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Note 7. Other financial assets (₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Other deposits	0.04	0.04
Advances to Group/Holding company (Refer Note 33)	0.06	4.12
Receivable from Employees	-	0.01
Total	**0.10**	**4.17**

Note 8. 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, 2020 are as follows:

(₹ in Mn)

	Opening balance as at Apr 1, 2019	Recognised in profit or loss*	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2020
Deferred tax assets:				
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.50	0.42	-	0.92
Impairment of Assets	-	0.00#		0.00#
Retirement benefits for employees	5.12	(0.61)	1.02	5.53
Impact of Lease Accounting (IndAS 116)	-	0.02	-	0.02
Provision for expenses	-	0.89	-	0.89
Total deferred tax assets (A)	**5.62**	**0.72**	**1.02**	**7.36**
Deferred tax liabilities:				
Unrealised profit on investments etc.	2.15	(0.85)	-	1.30
Total deferred tax liabilities (B)	**2.15**	**(0.85)**	**-**	**1.30**
Deferred tax assets (A - B)	**3.47**	**1.57**	**1.02**	**6.06**

Amount less than ₹10,000/-
* Includes impact of ₹0.10/- mn in Statement of Profit and Loss due to change in income tax rates during the year ended March 31, 2020. Refer note below.

Significant components of deferred tax assets and liabilities 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
Deferred tax assets:				
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	(0.18)	0.44	5.12
Total deferred tax assets (A)	**5.44**	**(0.26)**	**0.44**	**5.62**
Deferred tax liabilities:				
Unrealised profit on investments etc.	1.44	0.71	-	2.15
Total deferred tax liabilities (B)	**1.44**	**0.71**	**-**	**2.15**
Deferred tax assets (A - B)	**3.99**	**(0.97)**	**0.44**	**3.47**

The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate. Due to reduced tax rate, the Company has re-measured its Deferred Tax Assets and Liabilities as at April 1, 2019 and the impact of this change has been fully recognised in the Statement of Profit and Loss Account under "Tax expense" for the year ended March 31, 2020

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Notes forming part of Financial Statements for the year ended March 31, 2020

Note 9. Property Plant and Equipment **(₹ in Mn)**

Particulars	Furniture Fixture	Office Equipment	Computers	Total
Gross Carrying value as on April 01, 2019	**0.01**	**0.17**	**0.09**	**0.27**
Additions	-	0.02	0.03	0.05
Additions related to acquisitions	-	-	-	-
As at March 31, 2020	**0.01**	**0.19**	**0.12**	**0.32**
Depreciation				
Upto April 01, 2019				
Op. Dep.	**0.01**	**0.12**	**0.06**	**0.19**
Depreciation for the year		0.06	0.02	0.08
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2020	**0.01**	**0.18**	**0.08**	**0.27**
Net Block as at March 31, 2020	**-**	**0.01**	**0.04**	**0.05**

Previous year 2018-19 **(₹ 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	-	-	-	-
Additions related to acquisitions	-	-	-	-
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**
Op. Dep. On Acquisition	**-**	-	**-**	**-**
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**

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Notes forming part of Financial Statements for the year ended March 31, 2020

Note 10. Capital Work-in-Progress:

(₹ in Mn)

Particulars	As at March 31, 2020
As at April 01, 2019	6.32
Additions	-
Deductions	6.32
As at Mar 31, 2020	**-**

Particulars	As at March 31, 2019
As at April 01, 2018	-
Additions	6.32
Deductions	-
As at Mar 31, 2019	**6.32**

Note 11. Other Intangible Assets

(₹ in Mn)

Particulars	As at March 31, 2020
Software/Intangible assets (acquired)	
Gross Carrying value as on April 01, 2019	19.40
Additions	3.35
Deductions / adjustments during the year	0.55
As at Mar 31, 2020	**22.20**
Amortisation	
Upto April 01, 2019	
Op. Dep.	8.89
Amortisation for the year	6.99
Deductions / adjustments during the year	-
Upto Mar 31, 2020	**15.88**
Net Block as at Mar 31, 2020	**6.32**

Previous year 2018-19

(₹ in Mn)

Particulars	As at March 31, 2019
Software/Intangible assets (acquired)	
Gross Carrying value as on April 01, 2018	16.93
Additions	2.47
Deductions / adjustments during the year	-
As at March 31, 2019	**19.40**
Amortisation	
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	**10.51**

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 12. Disclosure Pursuant to Ind AS 116 "Leases"

(₹ in Mn)

Change in Accounting Policy

The Company has adopted Ind AS 116 — "Leases" with effect from April 01, 2019 and applied the standard to its leases retrospectively. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 amounting to ₹ 1.73 Mn has been recognized and "Right to use assets" has been recognized at an amount equal to the "Lease liability" as at that date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right to use lease assets" and interest accrued on "Lease liability".

Particular	**Vehicles**
Lease commitments as at 31 March 2019	-
Add/(less): contracts reassessed as lease contracts	1.73
Add/(less): adjustments on account of extension/termination	-
Lease liabilities as on 1 April 2019	**1.73**

Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020:

Particulars	**As at March 31, 2020**
Current lease liabilities	0.60
Non-current lease liabilities	1.07
Total	**1.67**

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

Particulars	**Vehicles**
Balance as at 01 April, 2019	1.73
Additions during the year	0.77
Depreciation charge for the year	(0.63)
Deletions during the year	(0.29)
Balance as at March 31, 2020	**1.59**

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	**Vehicles**
Balance as at 01 April, 2019	1.73
Additions	0.77
Deletion	(0.29)
Finance cost accrued during the period	0.18
Payment of lease liabilities	(0.72)
Balance as at March 31, 2020	**1.67**

Maturity analysis – contractual undiscounted cash flows

Particulars	**As at March 31, 2020**
Less than one year	0.72
One to five years	1.16
More than five years	-
Total undiscounted lease liabilities at 31 March 2020	**1.87**
Lease liabilities included in the statement of financial position at 31 March 2020	**1.67**

Amounts recognised in profit or loss

Particulars	**As at March 31, 2020**
Interest on lease liabilities	0.18
Variable lease payments not included in the measurement of lease liabilities	-
Income from sub-leasing right-of-use assets	-
Expenses relating to short-term leases	28.56
Depreciation relating to leases	0.63
Total	**29.36**

Amounts recognised in the statement of cash flows

Particulars	**As at March 31, 2020**
Total cash outflow for leases	0.72

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 13. Other Non Financial Assets **(₹ in Mn)**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Prepaid expenses - Unsecured	642.95	132.81
Advances recoverable in cash or in kind or for value to be received – Unsecured	4.34	6.97
Others	-	0.06
Total	**647.29**	**139.84**

Note 14. Payables

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
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		
- Sundry creditors for expenses	32.16	12.27
- Accrued salaries and benefits	0.30	1.00
- Provision for expenses	249.44	102.26
Total	**281.90**	**115.53**

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	**FY 2019-20**	**FY 2018-19**
(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	-	-

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Notes forming part of Financial Statements for the year ended March 31, 2020

Note 15. Other Financial Liabilities

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to holding co / group companies (Refer Note 33)	99.98	20.33
Others	0.25	0.18
Total	**100.23**	**20.51**

Note 16. Provisions:

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer Note 25.1)	22.01	17.58
Total	**22.01**	**17.58**

Note 17. Other Non Financial Liabilities:

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances	27.62	51.76
Total	**27.62**	**51.76**

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Note 18. Share Capital:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows:

Authorised :	**As at March 31, 2020**		**As at March 31, 2019**	
Equity Shares of ₹ 10 each	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
Less:		-		-
Total	**32,100,000**	**321.00**	**32,100,000**	**321.00**

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

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
At the beginning of the year	32,100,000	321.00	32,100,000	321.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**32,100,000**	**321.00**	**32,100,000**	**321.00**

(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

(d) Details of shares held by Holding Company:

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	No. of shares	**% holding**	**No. of shares**	**% holding**
IIFL Wealth Management Limited & its nominees	32,100,000	100%	32,100,000	100%

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

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	No. of shares	**% holding**	**No. of shares**	**% holding**
IIFL Wealth Management Limited & its nominees	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 19. Other Equity:

(₹ in Mn)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Securities premium	204.00	204.00
Retained earnings	1,934.18	1,338.67
Total	**2,138.18**	**1,542.67**

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Note 20. Dividend & Distribution income on investments **(₹ in Mn)**

Particualrs	FY 2019-20	FY 2018-19
Dividend Income	0.00#	0.24
Distribution income on investments	-	249.53
TOTAL	**0.00#**	**249.77**

Amount less than ₹10,000/-

Note 21. Fee and Commission Income

(₹ in Mn)

Particualrs	FY 2019-20	FY 2018-19
Management fees from Mutual fund	54.55	73.15
Management fees from AIF and VCF	1,332.25	955.23
Management fees from clients	454.87	144.69
Advisory Fees (Refer Note 33)	8.65	-
TOTAL	**1,850.32**	**1,173.07**

Note 22. Other Income **(₹ in Mn)**

Particulars	FY 2019-20	FY 2018-19
Interest income (Refer Note 33)	138.92	129.32
Fair value changes of investments:		
-Realised	19.94	27.50
-Unrealised	(1.04)	2.45
Profit on sale of Assets	0.00#	-
Total	**157.82**	**159.27**

Amount less than ₹10,000/-

Note 23. Finance Cost

(₹ in Mn)

Particulars	FY 2019-20			FY 2018-19		
	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 (Refer note 33)	-	5.06	5.06	-	1.20	1.20
Other interest expense	-	0.17	0.17	-	-	-
Total	**-**	**5.23**	**5.23**	**-**	**1.20**	**1.20**

Note 24. Impairment On Financial Instruments

(₹ in Mn)

Particulars	FY 2019-20		FY 2018-19	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
On loans	-	-	-	
Investments	-	-		
Trade Receivables	-	0.00#	-	-
Total	**-**	**0.00#**	**-**	**-**

Amount less than ₹10,000/-

Note 25. Employee Benefit Expenses (Refer Note 33)

(₹ in Mn)

Particulars	FY 2019-20	FY 2018-19
Salaries and wages	409.98	376.51
Contribution to provident and other funds (Refer Note 25.2)	12.72	9.82
Share based payments to employees	110.33	1.95
Staff welfare expenses	8.38	11.69
Gratuity expense (Refer Note 25.1)	4.59	3.40
Leave encashment	-	(4.39)
Total	**546.00**	**398.98**

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

Particulars	**For The Period 01/04/2019 - 31/03/2020**	**For The Period 01/04/2018 - 31/03/2019**
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	01/04/2019	01/04/2018
Date of reporting	31/03/2020	31/03/2019
Period of reporting	12 Months	12 Months

Assumptions		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	6.04%	7.64%
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	17.58	13.09
Interest cost	1.34	1.02
Current service cost	3.25	2.38
Liability transferred in/ acquisitions	2.04	0.54
(Liability transferred out/ divestments)	(3.42)	(0.59)
(Benefit paid directly by the employer)	(2.87)	(0.36)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	2.77	0.22
Actuarial (gains)/losses on obligations - due to experience	1.31	1.29
Present value of benefit obligation at the end of the period	22.01	17.58

Amount recognized in the balance sheet		
(Present value of benefit obligation at the end of the period)	(22.01)	(17.58)
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(22.01)	(17.58)
Net (liability)/asset recognized in the balance sheet	(22.01)	(17.58)

Net interest cost for current period		
Present value of benefit obligation at the beginning of the period	17.58	13.09
(fair value of plan assets at the beginning of the period)	-	-
Net liability/(asset) at the beginning	17.58	13.09
		-
Interest cost	1.34	1.02
(Interest income)	-	-
Net interest cost for current period	1.34	1.02

Expenses recognized in the statement of profit or loss for current period		
Current service cost	3.25	2.38
Net interest cost	1.34	1.02
Expenses recognized	4.59	3.40

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Expenses recognized in the other comprehensive income (OCI) for current period		
Actuarial (gains)/losses on obligation for the period	4.07	1.51
Return on plan assets, excluding interest income		-
Net (income)/expense for the period recognized in oci	4.07	1.51

Balance sheet reconciliation		
Opening net liability	17.58	13.09
Expenses recognized in statement of profit or loss	4.59	3.40
Expenses recognized in oci	4.07	1.51
Net liability/(asset) transfer in	2.04	0.54
Net (liability)/asset transfer out	(3.42)	(0.59)
(Benefit paid directly by the employer)	(2.87)	(0.36)
Net liability/(asset) recognized in the balance sheet	22.01	17.58

Other details		-
No of active members	113	104
Per month salary for active members	10.44	11.38
Weighted average duration of pbo	10	9
Average expected fs	9	8
Projected benefit obligation (pbo)	22.01	17.58
Prescribed contribution for next year (12 months)	-	-

Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	22.01	17.58
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	22.01	17.58
Interest Cost	1.33	1.34
(Interest Income)	-	-
Net Interest Cost for Next Year	1.33	1.34

Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	3.85	3.25
Net Interest Cost	1.33	1.34
(Expected Contributions by the Employees)	-	-
Expenses Recognized	5.18	4.59

Maturity analysis of the benefit payments		
1st following year	1.41	1.31
2nd following year	1.32	1.36
3rd following year	1.53	1.44
4th following year	1.69	1.56
5th following year	1.69	1.62
Sum of years 6 to 10	8.43	7.67
Sum of years 11 and above	25.56	22.57

Sensitivity analysis		-
PBO on current assumptions	22.01	17.58
Delta effect of +1% change in rate of discounting	(1.80)	(1.29)
Delta effect of -1% change in rate of discounting	2.09	1.48
Delta effect of +1% change in rate of salary increase	1.28	0.80
Delta effect of -1% change in rate of salary increase	(1.29)	(0.80)
Delta effect of +1% change in rate of employee turnover	(0.12)	0.22
Delta effect of -1% change in rate of employee turnover	0.11	(0.26)

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

25.2 Defined Contribution Plans:
The Company has recognised the following amounts as an expense and included in the Employee Benefit Expenses.

Particulars	**FY 2019-20**	**FY 2018-19**
Contribution to provident fund	12.72	9.82
Contribution to ESIC	-	0.00#
Contribution to labour welfare fund	0.00#	0.00#
Total	**12.72**	**9.82**

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.

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Note 26. Other Expenses:-

(₹ in Mn)

Particulars	FY 2019-20	FY 2018-19
Operations and Fund Management expenses	18.91	24.30
Rent and energy cost (Refer note 33)	33.68	30.52
Insurance	1.01	0.46
Repairs & Maintenance	0.24	0.40
Marketing, Advertisement and Business promotion expenses	28.10	31.47
Travelling & Conveyance	16.98	16.06
Legal & professional fees	22.01	11.28
Communication	3.30	4.26
Software Charges / Technology Cost*	29.55	19.73
Office & Other Expenses	46.07	52.17
Directors' fees and commission (Refer note 33)	3.31	2.84
Remuneration to Auditors :		
Audit Fees	0.90	0.75
Corporate Social Responsibility Expenses & Donation (Refer Note 31)	8.51	5.79
Total	**212.57**	**200.03**

* includes write off of ₹6.32 Mn - -

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Note 27. Income taxes
Disclosure pursuant to Ind AS 12 "Income Taxes"
(a) Major components of tax expense/ (income)

(₹ in Mn)

Sr. No.	Particulars	FY 2019-20	FY 2018-19
	Consolidated statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	203.95	130.64
	Tax expense in respect of earlier years	1.39	0.10
		205.34	130.74
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(1.47)	0.97
	Effect on deferred tax balances due to the change in income tax rate	(0.10)	
		(1.57)	0.97
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	203.77	131.71
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	-	-
		-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	1.02	0.44
		1.02	0.44
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	1.02	0.44

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

(₹ in Mn)

Sr. No.	Particulars	FY 2019-20	FY 2018-19
(a)	**Profit/(loss) before tax**	802.33	726.70
(b)	Income tax expense at tax rate applicable to the company	201.93	211.62
(c)	(i) Tax on income subject to lower tax rate		-
	(A) Gains on investments (including fair valuation)	(0.87)	(0.29)
(d)	(ii) Tax on Income exempt from Tax		-
	(A) Income from Investments (Including tax sufferred income on investment in AIF)	(0.00)	(79.84)
	(iii) Tax on expense not tax deductible		-
	(B) Expenses not allowable as tax deductible as per tax laws	1.07	0.84
	(iv) Effect on deferred tax due to change in Income tax	(0.10)	-
	(v) Tax expense in respect of earlier years	1.39	0.10
	(vi) Tax effect on various other items	0.35	(0.72)
	Total effect of tax adjustments [(i) to (xii)]	**1.84**	**(79.91)**
(e)	Tax expense recognised during the year	**203.77**	**131.71**
	Effective tax rate	25.40%	18.12%

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Note 28. Earnings Per Share:

Basic and diluted earnings per share [“EPS”] computed in accordance with INDAS 33 ‘Earnings per share'.

Particulars		**FY 2019-20**	**FY 2018-19**
Face value of equity shares in ₹ fully paid up		10.00	10.00
BASIC			
Profit after tax as per Statement of Profit and Loss	A	598.56	594.99
Weighted average number of shares subscribed	B	32.10	32.10
Face value of equity shares (in ₹) fully paid		10.00	10.00
Basic EPS (₹)	A/B	18.65	18.54
DILUTED			
Profit after tax as per Statement of Profit and Loss	A	598.56	594.99
Weighted number of shares subscribed	B	32.10	32.10
Diluted EPS (₹)	A/D	18.65	18.54

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

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is approved by the board committee.

The Company's principal financial liabilities comprise trade and other payables and other financials liabilities. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, loans, investments and other financial assets that derive directly from its operations and Investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company senior management oversees the management of these risks. The Company senior management is overseen by the audit committee with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

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 assessement on various components 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.

Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables is as follows :

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Balance at the beginning of the year	-	-
Movement in expected credit loss allowances on	0.00#	-
Balance at the end of the year	0.00#	**-**

Amount less than ₹10,000/-

2) Others

In addition to the above, balances and deposits with banks, loans, investments in Alternate Investment Funds and in units of funds 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 Alternate Investment Funds and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments.

Credit risk on loans is considered insignificant considering the loan is given to group companies.

Credit Risk on Other Financial assets is considered insignificant considering the nature of such assets and absence of counterparty risk.

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.

The following table shows the maturity profile of Financial liabilities:

	As at 31st March 2020				
Financial liabilities	**Total**	**Less than 1 months**	**1 months to 6 months**	**6 months to 1 year**	**Between 1 to 5 years**
Derivative financial instruments	-				
Trade Payables	281.90	0.30	278.85	2.75	-
Debt Securities	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	100.23	-	100.05	-	0.18
Total	**382.13**	**0.30**	**378.90**	**2.75**	**0.18**

	As at 31st March 2019				
Financial liabilities	**Total**	**Less than 1 months**	**1 months to 6 months**	**6 months to 1 year**	**Between 1 to 5 years**
Derivative financial instruments	-	-	-	-	-
Trade Payables	115.53	-	115.53	-	-
Debt Securities	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	20.51	-	20.33		0.18
Total	**136.04**	**-**	**135.86**	**-**	**0.18**

For Finance Lease Obligation maturity refer note no. 12

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.

The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.

29C.1 Currency Risk

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments.However the company does have some exposure

to foreign currencies through its business operations or by mainitaing 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 2019-2020 are as below:

(Amount in ₹)

Particulars	USD	HKD	AED	CAD	SGD	OMR
Cash and cash equivalents	0.00	0.01	0.00	0.01	-	0.09
Trade receivables	21.84	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Trade payables	1.44	-	-	-	-	-

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

(Amount in ₹)

Particulars	USD	HKD	AED	CAD	SGD	OMR
Cash and cash equivalents	0.00	0.03	0.00	0.02	0.00	0.17
Trade receivables	8.17	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Trade payables	-	-	-	-		-

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

	2019-20	2018-19
Increase		
Impact on Profit and Loss after tax	0.18	0.06
Impact on Equity	0.18	0.06
Decrease		
Impact on Profit and Loss after tax	(0.18)	(0.06)
Impact on Equity	(0.18)	(0.06)

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. Since all loans and borrowings are fixed rate there is no interest rate sensitivity

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

Other price risk is related to the change in market reference price of the investments 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 March 31, 2020	As at March 31, 2019
Financial Assets		
Derivative financial instruments	-	-
Investments	29.31	30.51
	29.31	**30.51**
Financial Liabilities		
Derivative financial instruments	-	-
Debt securities	-	-
	-	**-**

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

	2019-20	2018-19
Increase of 100 basis point		
Impact on Profit and Loss after tax	0.22	0.22
Impact on Equity	0.22	0.22
Decrease of 100 basis point		
Impact on Profit and Loss after tax	(0.22)	(0.22)
Impact on Equity	(0.22)	(0.22)

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.

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

Sr No.	Particulars	As at 31st March 2020 Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive	Total
	Financial Assets				
(a)	Cash and cash equivalents	29.58	-	-	29.58
(b)	Bank balance other than (a) above	-	-	-	-
(c)	Derivative financial instruments	-	-	-	-
(d)	Receivables				-
	(I) Trade receivables	650.57	-	-	650.57
	(II) Other receivables	9.89	-	-	9.89
(e)	Loans	1,521.24			1,521.24
(f)	Investments	-	29.31	-	29.31
(g)	Other financial assets	0.10	-	-	0.10
	Total	**2,211.38**	**29.31**	**-**	**2,240.69**
	Financial Liabilities				
(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	281.90	-	-	281.90
(b)	Financial Lease Obligation	1.67	-	-	1.67
(c)	Other financial liabilities	100.23	-	-	100.23
	Total	**383.79**	**-**	**-**	**383.79**

Sr No.	Particulars	As at 31st March 2019 Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive	Total
	Financial Assets				
(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	1,403.18			1,403.18
(d)	Investments	-	30.51	-	30.51
(e)	Other financial assets	4.17	-	-	4.17
	Total	**1,833.99**	**30.51**	**-**	**1,864.50**
	Financial Liabilities				
(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	115.53	-	-	115.53
(b)	Other financial liabilities	20.51	-	-	20.51
	Total	**136.04**	**-**	**-**	**136.04**

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, optins, 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.

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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.

	Recurring fair value measurements at 31.03.2020			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments in Mutual funds	28.67			28.67
Investments in Equity Shares #			0.50	0.50
Investments in Alternate Investment Funds *			0.14	0.14
Total Assets	**28.67**	**-**	**0.64**	**29.31**

	Recurring fair value measurements at 31.03.2019			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
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
Total Assets	**29.72**	**-**	**0.79**	**30.51**

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 2020**	**As at 31st March 2019**
Opening Balance	0.79	0.91
Total gains or losses		
- in profit or loss		0.02
MTM Gain / (Loss)	0.00	-
Purchases		-
Disposal/ Settlements	(0.15)	(0.14)
Transfer out of Level 3		-
Closing Balance	0.64	0.79

37E. 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 2020**		**As at 31st March 2019**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets				
Cash and cash equivalents	29.58	29.58	3.45	3.45
Bank balance other than above	-	-	-	-
Receivables				
(I) Trade receivables	650.57	650.57	422.12	422.12
(II) Other receivables	9.89	9.89	1.07	1.07
Loans	1,521.24	1,521.24	1,403.18	1,403.18
Other financial assets	0.10	0.10	4.17	4.17
Financial Liabilities				
(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	281.90	281.90	115.53	115.53
Debt securities	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-
Financial Lease Obligation	1.67	1.67	-	-
Other financial liabilities	100.23	100.23	20.51	20.51

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.

Financial liabilities measured at amortised cost:

The carrying amounts of trade payables, other financial liabilities and lease liabilities are considered to be the same as their fair values.

DELOITTE HASKINS & SELLS
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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 ₹1.45 Mn (P.Y. ₹5.69 Mn) as against ₹8.51 Mn (P.Y. ₹5.69 Mn) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company is committed to supporting development of the country by contributing in achieving 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 education, community awareness, sports, environmental sustainability, and health

Note 32. Segment Reporting

In the opinion of the management, there is only one reportable business segment - 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.

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 33. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2020

a) List of Related Parties:

Nature of relationship	Name of party
Director/ Key Managerial Personel	Ms. Homai Daruwalla, Independent Director (resigned w.e.f. March 21, 2020)
	Mr. Pranab Pattanayak, Independent Director (resigned w.e.f. March 21, 2020)
	Mr. Amit Shah, Director (resigned w.e.f. January 24, 2019)
	Mr. Venkataraman Rajamani (appointed w.e.f. October 18, 2019)
	Mr. Kumar Sharadindu (appointed w.e.f. January 22, 2020)
	Ms. Smita Aggarwal (appointed w.e.f. March 11, 2020)
	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
Fellow Subsidiaries	IIFL Wealth Finance Limited
	IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)
	IIFL Distribution Services Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Trustee Limited
	IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)
	IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019)
	IIFL Altiore 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)
	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFL Capital Pte. Limited
	IIFLW CSR Foundation (w.e.f Jan 20, 2020)
Other Related Parties (Due to common promoter w.e.f. April 01, 2018)	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	5paisa Capital Limited
	India Infoline Foundation
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
	IIFL Securities Services IFSC Limited
	IIFL Asset Reconstruction Limited (w.e.f May 09, 2017)
	India Infoline Finance Limited
	IIFL Home Finance Limited
	Clara Developers Private Limited
	Samasta Microfinance Limited (w.e.f March 01, 2017)
	Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)
	Ayusha Dairy Private Limited (w.e.f March 01, 2017)
	Geocentric Solutions Private Limited (w.e.f. December 20, 2019 and upto March 25, 2020)
	Shreyans Foundation LLP
	General Atlantic Singapore Fund Pte Limited
	FIH Mauritius Investment Limited
	Mr. Karan Bhagat, Managing Director
	Mr. Yatin Shah, Whole-time Director
	Mr. Nirmal Jain, Director
	Mr. Venkataraman Rajamani, Director
	Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Ms. Ami Shah (Spouse of Mr. Yatin Shah)
	Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)
	Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah)
	Varun Bhagat
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	Kyrush Trading & Investments Private Limited
	India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017)
	Yatin Investments

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

a) List of Related Parties (continued):

Nature of relationship	Name of party
Other Related Parties (Due to common promoter w.e.f. April 01, 2018)	CDE Real Estate Private Limited
	Financial advisors (India)Private Limited
	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	5paisa P2P Limited
	5paisa Insurance Brokers Limited
	5paisa Trading Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Sunder Bhawar Holiday Home Private Limited (Upto Mar 04, 2018)
	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
	Kiaan Shah Family Private Trust
	Financial advisors (India)Private Limited
	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	5paisa P2P Limited
	5paisa Insurance Brokers Limited
	5paisa Trading Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Sunder Bhawar Holiday Home Private Limited (Upto Mar 04, 2018)
	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
	Kiaan Shah Family Private Trust

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

b) Significant Transactions with Related Parties

(₹ in Mn)

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties (Group Companies upto April 01, 2018)	Other Related Parties	Total
ICD Given						
IIFL Wealth Mangement Limited	-	7,354.30	-	-	-	7,354.30
	-	(2,870.70)	-	-	-	(2,870.70)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	2,027.10	-	-	2,027.10
	-	-	(3,473.40)	-	-	(3,473.40)
IIFL Wealth Finance Limited	-	-	540.00	-	-	540.00
	-	-	(268.30)	-	-	(268.30)
ICD Received back						
IIFL Wealth Mangement Limited	-	7,240.50	-	-	-	7,240.50
	-	(1,484.50)	-	-	-	(1,484.50)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	2,027.10	-	-	2,027.10
	-	-	(4,583.40)	-	-	(4,583.40)
IIFL Wealth Finance Limited	-	-	540.00	-	-	540.00
	-	-	(268.30)	-	-	(268.30)
ICD Taken						
IIFL Wealth Mangement Limited	-	-	-	-	-	-
	-	(224.10)	-	-	-	(224.10)
IIFL Wealth Finance Limited	-	-	3,567.20	-	-	3,567.20
	-	-	(190.00)	-	-	(190.00)
ICD Repaid						-
IIFL Wealth Mangement Limited	-	-	-	-	-	-
	-	(249.10)	-	-	-	(249.10)
IIFL Wealth Finance Limited	-	-	3,567.20	-	-	3,567.20
	-	-	(340.00)	-	-	(340.00)
Interest Income						
IIFL Wealth Management Limited	-	132.76	-	-	-	132.76
	-	(24.64)	-	-	-	(24.64)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	2.60	-	-	2.60
	-	-	(100.81)	-	-	(100.81)
IIFL Wealth Finance Limited	-	-	0.03	-	-	0.03
	-	-	(0.08)	-	-	(0.08)
Interest Expenses						
IIFL Wealth Management Limited	-	-	-	-	-	-
	-	(0.70)	-	-	-	(0.70)
IIFL Wealth Finance Limited	-	-	5.06	-	-	5.06
	-	-	(0.49)	-	-	(0.49)
Fees/Expenses incurred/Reimbursed For Services Procured						
IIFL Securities Limited	-	-	-	124.45	-	124.45
	-	-	-	(54.34)	-	(54.34)
5 Paisa Capital Limited	-	-	-	-	-	-
	-	-	-	(0.00)	-	(0.00)
IIFL Wealth Management Limited	-	26.61	-	-	-	26.61
	-	-	-	-	-	-
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	34.97	-	-	34.97
	-	-	(62.31)	-	-	(62.31)
IIFL Facilities Services Limited	-	-	-	-	-	-
	-	-	-	(14.09)	-	(14.09)
Corporate Social Responsibility (CSR)						
India Infoline Foundation Limited	-	-	-	-	1.45	1.45
	-	-	-	-	(1.34)	(1.34)
Fees Earned For Services (including Brokerage) rendered						-
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	8.64	-	-	8.64
	-	-	-	-	-	-
Remuneration to KMP's						-
Prashastha Seth	24.93	-	-	-	-	24.93
	-	-	-	-	-	-
Anup Maheshwari	40.03	-	-	-	-	40.03
	(13.34)	-	-	-	-	(13.34)
Varun Bhagat	-	-	-	-	1.49	1.49
	-	-	-	-	-	-

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FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties (Group Companies upto April 01, 2018)	Other Related Parties	Total
Gratuity Expense						
Anup Maheshwari	0.39	-	-	-	-	0.39
	-	-	-	-	-	-
Sitting Fees/Commission To Directors						
Homai A. Daruwalla	1.45	-	-	-	-	1.45
	(1.45)	-	-	-	-	(1.45)
Pranab Pattanaik	1.38	-	-	-	-	1.38
	(1.38)	-	-	-	-	(1.38)
Kumar Sharadindu	0.33	-	-	-	-	0.33
	-	-	-	-	-	-
Smita Aggarwal	0.16	-	-	-	-	0.16
	-	-	-	-	-	-
Allocation / Reimbursement of expenses Paid						
IIFL Wealth Mangement Limited	-	37.15	-	-	-	37.15
	-	(36.27)	-	-	-	(36.27)
IIFL Securities Limited	-	-	-	-	-	-
	-	-	-	(0.00)	-	(0.00)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	0.32	-	-	0.32
	-	-	(0.24)	-	-	(0.24)
IIFL Facilities Services Limited	-	-	-	0.00	-	0.00
	-	-	-	(0.01)	-	(0.01)
IIFL Management Services Limited	-	-	-	2.27	-	2.27
	-	-	-	-	-	-
Other funds received						
IIFL Management Services Limited	-	-	-	-	-	-
	-	-	-	(0.46)	-	(0.46)
IIFL Wealth Mangement Limited	-	1.70	-	-	-	1.70
	-	(0.21)	-	-	-	(0.21)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	0.31	-	-	0.31
	-	-	(0.61)	-	-	(0.61)
IIFL Wealth Finance Limited	-	-	0.12	-	-	0.12
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	-	0.00	-	-	0.00
	-	-	(0.05)	-	-	(0.05)
Other funds Paid						
IIFL Wealth Mangement Limited	-	111.19	-	-	-	111.19
	-	(5.84)	-	-	-	(5.84)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	0.00	-	-	0.00
	-	-	(0.32)	-	-	(0.32)
IIFL Securities Limited	-	-	-	0.00	-	0.00
	-	-	-	(0.00)	-	(0.00)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	-	-	-	-
	-	-	(0.33)	-	-	(0.33)
IIFL Wealth Finance Limited	-	-	15.80	-	-	15.80
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	-	0.01	-	-	0.01
	-	-	-	-	-	-

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

(c) Amount due to / from related parties (Closing Balances): **(₹ in Mn)**

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties (Group Companies upto April 01, 2018)	Other Related Parties	Total
Sundry Payables						
IIFL Securities Limited	-	-	-	29.49	-	29.49
	-	-	-	(9.16)	-	(9.16)
IIFL Wealth Management Limited	-	79.19	-	-	-	79.19
	-	(19.63)	-	-	-	(19.63)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	10.73	-	-	10.73
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Ltd	-	-	0.04	-	-	0.04
	-	-	-	-	-	-
IIFL Management Services Limited	-	-	-	0.22	-	0.22
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	15.68	-	-	15.68
	-	-	-	-	-	-
IIFL Finance Limited	-	-	-	2.47	-	2.47
	-	-	-	-	-	-
Sundry Receivables :						
IIFL Management Services Limited	-	-	-	-	-	-
	-	-	-	(2.30)	-	(2.30)
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)	-	-	-	-	-	-
	-	-	(1.82)	-	-	(1.82)
IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)	-	-	4.73	-	-	4.73
	-	-	-	-	-	-
Payable To Broker a/c:						
IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)			0.00			0.00
	-	-	-	-		-
ICD Given:						
IIFL Wealth Management Limited	-	1,500.00	-	-	-	1,500.00
	-	(1,386.20)	-	-	-	(1,386.20)

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

FINANCIAL STATEMENT OF IIFL ASSET MANAGEMENT LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 34. Maturity analysis of assets and liabilities as at March 31, 2020 **(₹ in Mn)**

SR. No.	Particulars	Within 12 months	After 12 months	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	29.58	-	29.58
(b)	Receivables			
	(I) Trade receivables	650.57	-	650.57
	(II) Other receivables	-	9.89	9.89
(c)	Loans	1,520.08	1.16	1,521.24
(d)	Investments	-	29.31	29.31
(e)	Other financial assets	0.06	0.04	0.10
2	**Non-Financial Assets**			
(a)	Current tax assets (net)	-	51.89	51.89
(b)	Deferred tax assets (net)	-	6.06	6.06
(c)	Property, plant and equipment	-	0.05	0.05
(d)	Capital work-in-progress	-	-	-
(e)	Other intangible assets	-	6.32	6.32
(f)	Right to Use Asset	-	1.59	1.59
(g)	Other non-financial assets	253.68	393.62	647.29
	Total Assets	**2,453.96**	**499.92**	**2,953.89**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(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	281.90	-	281.90
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(b)	Financial Lease Obligation	0.60	1.07	1.67
(c)	Other financial liabilities	100.05	0.18	100.23
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	61.28		61.28
(b)	Provisions	1.41	20.59	22.01
(c)	Other non-financial liabilities	27.62	-	27.62
3	**EQUITY**			
(a)	Equity share capital	-	321.00	321.00
(b)	Other equity	-	2,138.18	2,138.18
	Total Liabilities and Equity	**472.86**	**2,481.02**	**2,953.89**

DELOITTE HASKINS & SELLS LLP
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Maturity analysis of assets and liabilities as at March 31, 2019 **(₹ in Mn)**

SR. No.	Particulars	Within 12 months	After 12 months	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	3.45	-	3.45
(b)	Bank balance other than (a) above			-
(c)	Derivative financial instruments			-
(b)	Receivables			
	(I) Trade receivables	422.12	-	422.12
	(II) Other receivables	-	1.07	1.07
(c)	Loans	1,401.06	2.13	1,403.18
(d)	Investments	-	30.51	30.51
(e)	Other financial assets	0.04	4.13	4.17
2	**Non-Financial Assets**			
(a)	Inventories			-
(a)	Current tax assets (net)	-	59.08	59.08
(b)	Deferred tax assets (net)	-	3.47	3.47
(d)	Investment property			-
(e)	Biological assets other than bearer plants			-
(c)	Property, plant and equipment	-	0.08	0.08
(d)	Capital work-in-progress	-	-	6.32
(h)	Intangible assets under development			-
(e)	Other intangible assets	-	10.51	10.51
(f)	Right to Use Asset	-	-	-
(g)	Other non-financial assets	71.71	68.12	139.84
3	**Assets classified as held for sale**			-
	Total Assets	**1,898.39**	**179.10**	**2,083.80**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Derivative financial instruments	-	-	-
(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	115.53	-	115.53
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Debt securities			-
(b)	Borrowings (other than debt securities)			-
(e)	Deposits			
(b)	Financial Lease Obligation	-	-	-
(c)	Other financial liabilities	20.33	0.18	20.51
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)	14.74		14.74
(b)	Provisions	1.31	16.28	17.58
(c)	Deferred tax liabilities (net)			-
(c)	Other non-financial liabilities	51.76	-	51.76
3	**EQUITY**			
(a)	Equity share capital	-	321.00	321.00
(b)	Other equity	-	1,542.67	1,542.67
	Total Liabilities and Equity	**203.67**	**1,880.12**	**2,083.79**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Note 35. Subsequent Events
There were no subsequent events from the date of financial statements till the date of adoption of accounts

Note 36. The spread of COVID-19 across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are as yet unknown. The Company has continued to engage with clients and employees through extensive business continuity planning and robust technology platform with minimal disruption on any business activity during the lockdown phase. Further, the Company has assessed that it would be able to navigate currently prevailing uncertain economic conditions based on its business model, profile of assets and liabilities, availability of liquidity and capital at its disposal. The extent to which the COVID-19 pandemic will impact the Company's operations and results will depend on future developments, which remain uncertain. Accordingly, the Company has undertaken extensive scenario planning to better prepare itself and will continue to actively monitor any material changes to the future economic conditions.

Note 37. Approval of Financial Statements
The financial statements were approved for issuance by the Board of Directors on June 11, 2020

Note 38. The previous year figures have been regrouped wherever necessary

For and on behalf of the Board of Directors

Kumar Sharadindu
Chairman
(DIN: 07341455)

Anup Maheshwari
Whole Time Director
(DIN: 08258671)

Prashasta Seth
Chief Executive Officer

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

Place : Mumbai
Dated: June 11, 2020