

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset Advisors Limited)  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset Advisors 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 Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report including Annexures to Director's 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 Director's report including Annexures to Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

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

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

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



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

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

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

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

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

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.



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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.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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, no remuneration was paid by the Company to its directors during the year.
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.





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- 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: 20105035AAAADH6552

Place: **Mumbai**  
Date: June 11, 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 Wealth Portfolio Managers Limited (Formerly known as IIFL Alternate Asset Advisors 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: June 11, 2020

**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 trading inventory has been verified by the management with demat holding statements during the year. In our opinion, the frequency of verification is reasonable. No discrepancies were noticed on verification of inventories when compared with books of accounts.
- (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 balance sheet date.
- (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 and making investments.
- (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) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.



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(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) Details of dues of Income-tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in million)	Amount Unpaid (Rs. million)
Income Tax Act, 1961	Disallowances under 14A and Disallowances of Expense	Commissioner of Income- Tax (Appeals)	A.Y 2016-2017	86.61	69.28


- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. There were no loans or borrowings from financial institutions, banks or government.
- (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 fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided managerial remuneration during the year and hence reporting under clause (xi) of the CARO is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order 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.



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- (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 to the Company.
- (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 the directors of the 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-I 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: June 11, 2020

**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS 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
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	3	111.64	0.32
(b)	Receivables	4		
	(I) Trade receivables		286.24	149.81
	(II) Other receivables		107.62	29.47
(c)	Loans	5	650.00	2,194.72
(d)	Investments	6	1,144.63	126.11
(e)	Other financial assets	7	294.74	32.03
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)		28.41	23.30
(b)	Deferred tax assets (net)	8	8.57	3.23
(c)	Property, plant and equipment	9	0.08	0.09
(d)	Other intangible assets	10	0.73	1.87
(e)	Right to Use Assets	11	2.40	-
(f)	Other non-financial assets	12	1.38	2.21
	<b>Total Assets</b>		<b>2,636.44</b>	<b>2,563.16</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables	13		
	(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		54.29	55.47
	(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)	Debt securities	14	-	50.00
(c)	Financial Lease Obligation	11	2.52	-
(d)	Other financial liabilities	15	114.06	236.49
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)		72.57	-
(b)	Provisions	16	9.52	1.24
(c)	Other non-financial liabilities	17	23.78	8.51
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	18	2.49	2.49
(b)	Other equity	19	2,357.21	2,208.96
	<b>Total Liabilities and Equity</b>		<b>2,636.44</b>	<b>2,563.16</b>

See accompanying Notes to the Financial Statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants



**Pallavi A. Gorakshakar**  
Partner

**For and on behalf of the Board of Directors**



**Yatin Shah**  
Director  
(DIN: 03231090)



**Sandeep Jethwani**  
Whole Time Director  
(DIN: 07984864)

Place : Mumbai  
Dated: June 11, 2020



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

(₹ in Mn)

SR. No.	Particulars	Note No.	2019-20	2018-19
<b>1</b>	<b>Revenue from operations</b>			
(a)	Interest income	20	179.52	191.25
(b)	Dividend & Distribution income on investments	21	0.61	25.11
(c)	Fees and commission income	22	533.91	290.38
(d)	Net gain on fair value changes	23	193.87	96.82
(e)	Sale of products		410.41	205.95
	<b>Total revenue from operations</b>		<b>1,318.32</b>	<b>809.51</b>
<b>2</b>	<b>Other income</b>	24	-	0.19
<b>3</b>	<b>Total income (1+2)</b>		<b>1,318.32</b>	<b>809.70</b>
	<b>Expenses</b>			
(a)	Finance costs	25	85.26	298.79
(b)	Fees and commission expenses		133.18	39.49
(c)	Impairment on financial instruments	26	0.02	-
(d)	Purchases of Stock-in-trade		420.48	205.62
(e)	Employee benefits expenses	27	67.21	47.24
(f)	Depreciation, amortization and impairment	9,10 & 11	1.83	1.44
(g)	Others expenses	28	36.72	34.50
<b>4</b>	<b>Total expenses</b>		<b>744.70</b>	<b>627.08</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>573.62</b>	<b>182.62</b>
<b>6</b>	<b>Tax expense:</b>			
(a)	Current tax	29	158.19	36.30
(b)	Deferred tax	29	(4.66)	(1.95)
<b>7</b>	<b>Profit for the year (5-6)</b>		<b>420.09</b>	<b>148.27</b>
<b>8</b>	<b>Other comprehensive income</b>			
(a)	(i) Items that will not be reclassified to profit or loss	27.1		
	- Remeasurements of Employee Benefits		(2.69)	(0.15)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	29	0.68	0.04
	<b>Total Other comprehensive income/ loss (a+b)</b>		<b>(2.01)</b>	<b>(0.11)</b>
<b>9</b>	<b>Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive loss for the year)</b>		<b>418.08</b>	<b>148.16</b>
<b>10</b>	<b>Earnings per equity share</b>			
	Basic (Rs.)	30	1,683.86	811.08
	Diluted (Rs.)	30	1,683.86	811.08

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**



**Yatin Shah**  
Director  
(DIN: 03231090)



**Sandeep Jethwani**  
Whole Time Director  
(DIN: 07984864)

Place : Mumbai  
Dated: June 11, 2020

**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(₹ in Mn)

Particulars	2019-20	2018-19
<b>A. Cash flows from operating activities</b>		
Profit before taxation and extraordinary item	573.62	182.62
Adjustments for:		
Depreciation & amortisation	1.83	1.44
Provisions for employee benefits	0.35	(0.38)
Net changes in fair value through Profit and Loss of investments		
- Realised	(222.98)	(99.28)
- Unrealised	45.70	2.46
Provision for Expected credit loss	0.02	0.00
Interest income	(179.52)	(191.24)
Interest expenses	85.25	292.67
Dividend & Distribution Income from investments	(0.61)	(25.11)
<b>Operating profit before working capital changes</b>	<b>303.66</b>	<b>163.18</b>
<b>Changes in working Capital :</b>		
(Increase)/ Decrease in Financial/Non-financial Assets	(354.35)	(133.01)
Increase/ (Decrease) in Financial/Non-financial Liabilities	(150.78)	156.48
<b>Cash generated from/ (used in) operations</b>	<b>(201.47)</b>	<b>186.65</b>
<b>Cash flow before extraordinary item</b>	<b>-</b>	<b>-</b>
Net income tax(paid) / refunds	(90.73)	(58.05)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>(292.20)</b>	<b>128.60</b>
<b>B. Cash flows from investing activities</b>		
Purchase of investments	(66,208.81)	(37,191.25)
Sale of investments	65,366.97	39,876.03
Interest received	180.64	191.24
Dividend income	1.21	1.18
Purchase/sale of Property, plant and equipment (includes intangible assets)	(0.95)	(0.04)
Slumpsale acquisition cost	(110.00)	-
Intercompany Deposit - given	(9,960.45)	(3,380.21)
Intercompany Deposit - received	11,502.94	1,186.61
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>771.55</b>	<b>683.56</b>
<b>C. Cash flows from financing activities</b>		
Issuance of share capital	-	1.99
Securities premium received	-	1,996.00
Dividend paid (including dividend distribution tax)	(240.61)	-
Debt securities bought back	(50.00)	50.00
Borrowings - taken	51,731.02	47,606.50
Borrowings - repaid	(51,731.02)	(50,176.50)
Interest paid	(77.42)	(292.68)
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(368.03)</b>	<b>(814.67)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>111.32</b>	<b>(2.51)</b>
Opening Cash & cash equivalents	0.32	2.83
<b>Closing Cash &amp; cash equivalents</b>	<b>111.64</b>	<b>0.32</b>

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

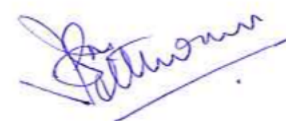


**Pallavi A. Gorakshakar**  
Partner

**For and on behalf of the Board of Directors**



**Yatin Shah**  
Director  
(DIN: 03231090)



**Sandeep Jethwani**  
Whole Time Director  
(DIN: 07984864)

FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Mn)

₹ in Mn)

Particulars	Equity Attributable to Owners of the Company							Total
	Equity Share Capital	Other Equity					Total Other Equity	
		Securities Premium	General Reserve	Capital Reserve*	Debenture Redemption Reserve [Refer note 4.5]	Retained Earnings*		
Balance as at 1st Apr, 2019	2.49	1,996.00	50.00	(102.52)	12.50	252.98	2,208.96	2,211.45
Profits for the year						420.09	420.09	420.09
Other Comprehensive income						(2.01)	(2.01)	(2.01)
Dividend Paid						(240.61)	(240.61)	(240.61)
Transfer (to)/from other reserves			12.50	131.51	(12.50)	(131.51)	-	-
Addition on account of business combination				(29.21)			(29.21)	(29.21)
Balance at the 31 Mar 2020	2.49	1,996.00	62.50	(0.22)	-	298.94	2,357.22	2,359.71

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

(₹ in Mn)

₹ in Mn)

Particulars	Equity attributable to owners of the Company							Total
	Equity Share Capital	Reserves & Surplus					Total Other Equity	
		Securities Premium	General Reserve	Capital Reserve*	Debenture Redemption Reserve [Refer note 4.5]	Retained Earnings*		
Balance as at 1st Apr, 2018	0.50	-	-	-		183.01	183.01	183.51
Addition on account of business combination				(116.50)			(116.50)	(116.50)
Reinstated balance as at 1st Apr, 2018	0.50	-	-	(116.50)	-	183.01	66.51	67.01
Shares issued during the year	1.99	1,998.00					1,998.00	1,999.99
Share issue expenses		(2.00)					(2.00)	(2.00)
Profits for the year						148.27	148.27	148.27
Other comprehensive income						(0.11)	(0.11)	(0.11)
Transfer (to)/from other reserves		-	50.00	15.69	(50.00)	(15.69)	-	-
Addition on account of business combination				(1.71)			(1.71)	(1.71)
Debenture Redemption Reserve created				-	62.50	(62.50)	-	-
Balance at the 31 Mar 2019	2.49	1,996.00	50.00	(102.52)	12.50	252.98	2,208.96	2,211.45

\* Refer Note 37

**Securities Premium**

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

**General Reserve**

On Buyback of debentures, the debenture redemption reserve was transferred to General Reserve

**Capital Reserve**

The net assets have been acquired by the Company from the Holding company via slump sale agreement at a net excess consideration of ₹0.22 Mn. Such excess consideration has been recognised as debit to Capital Reserves. (Refer Note 37)

**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.

**Debenture Redemption Reserve (DRR)**

The Company has issued Non-convertible debentures and created DRR in terms of the Companies (Share capital and Debenture) Rules, 2014 (as amended). The amounts credited to DRR may not be utilised except to redeem the debentures.


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

  
Yatin Shah  
Director  
(DIN: 03231090)

  
Sandeep Jethwani  
Whole Time Director  
(DIN: 07984864)

Place : Mumbai  
Dated: June 11, 2020

**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the period ended March 31, 2020**

**Note 1. Corporate Information:**

IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited) (the "Company") is a public limited company incorporated under the Companies Act, 1956. The Company acts as an Investment Manager to schemes of Alternative Investment Funds and obtained registration from SEBI for Portfolio Management Services. The Company also acts as wealth manager and provides services relating to financial products distribution, advisory, portfolio management services by mobilizing funds and assets of various classes of investors including High Net worth Individuals.

**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.
- Advisory Fees: Revenue is recognised over time or when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction in accordance with the underlying arrangements
- 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.



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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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 ₹ 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



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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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.



A handwritten signature in blue ink, appearing to be "S. Sathya", written over a horizontal line.



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
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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:



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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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 advantageous 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.



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
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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 or substantively enacted by the end of reporting period.

**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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**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 and the Company also operates Defined Contribution Plans pertaining to Provident Fund Scheme.

**Recognition and measurement of defined contribution plans:** The Company recognizes contribution payable to a defined contribution plan as an expense in the 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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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the period ended March 31, 2020**

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,



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

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.





**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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Notes forming part of Financial Statements for the period ended March 31, 2020**

**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.

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

**- Expected Credit Loss**

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



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
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**Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 3. Cash and Cash Equivalents**

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents</b>		
Cash on hand	-	-
Balance with banks		
-In current accounts	-	-
- In client account	-	-
- Others	111.64	0.32
<b>Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)</b>	<b>111.64</b>	<b>0.32</b>

**Note 4. Receivables (Refer Note 32)**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(i) Trade receivables</b>		
Receivables considered good - Unsecured (Refer Note 36)	286.24	149.81
Receivables - credit impaired	0.01	0.49
<b>Total (i)- Gross</b>	<b>286.25</b>	<b>150.30</b>
Less: Impairment loss allowance	(0.01)	(0.49)
<b>Total (i)- Net</b>	<b>286.24</b>	<b>149.81</b>
<b>(ii) Other receivables</b>		
Receivables considered good - Unsecured	107.62	29.47
<b>Total (ii)- Gross</b>	<b>107.62</b>	<b>29.47</b>
Less: Impairment loss allowance	-	-
<b>Total (ii)- Net</b>	<b>107.62</b>	<b>29.47</b>

- No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2020 and 31st March 2019.
- Other receivables include receivables on sale of Investments aggregating to ₹ 47.32 Mn (31/03/2019- ₹ 26.23Mn )
- The Company has adopted simplified approach for impairment allowance on Trade Receivables. Expected credit loss (ECL) has been recognised for credit impaired trade receivables.
- No trade receivables are interest bearing



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS 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					Total	As at March 31, 2019					
	Amortised cost	At Fair value			Subtotal		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*	650.00	-	-	-	-	650.00	2,194.72	-	-	-	-	2,194.72
(ii) Others	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) -Gross	650.00	-	-	-	-	650.00	2,194.72	-	-	-	-	2,194.72
Less:Impairment loss allowance	-	-	-	-	-		-	-	-	-	-	-
Total (A) - Net	650.00	-	-	-	-	650.00	2,194.72	-	-	-	-	2,194.72
(B)												
(i) Unsecured	650.00						2,194.72	-	-	-	-	2,194.72
Total (B)-Gross	650.00	-	-	-	-		2,194.72	-	-	-	-	2,194.72
(C )												
(I) Loans in India	650.00	-	-	-	-	650.00	2,194.72	-	-	-	-	2,194.72
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total(C) (I)-Net	650.00	-	-	-	-	650.00	2,194.72	-	-	-	-	2,194.72
(II)Loans outside India	-	-	-	-	-	-						
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-						
Total C(I) and C(II)	650.00	-	-	-	-	650.00	2,194.72	-	-	-	-	2,194.72

\* Includes Loan to related parties- Refer Note 36



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Note 6. Investments

(₹ in Mn)

Investments	As at March 31, 2020							As at March 31, 2019						
	Amortised cost	At Fair value				Others	Total	Amortised cost	At Fair value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
	1	2	3	4	5=2+3+4	6	7=1+5+6	1	2	3	4	5=2+3+4	6	7=1+5+6
(A)														
Mutual funds	-	-	263.39	-	263.39	-	263.39	-	-	-	-	-	-	-
Debt securities	-	-	725.80	-	725.80	-	725.80	-	-	0.27	-	0.27	-	0.27
Alternate invetment funds	-	-	155.44	-	155.44	-	155.44	-	-	125.84	-	125.84	-	125.84
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	-	-	1,144.63	-	1,144.63	-	1,144.63	-	-	126.11	-	126.11	-	126.11
(B)														
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	-	1,144.63	-	1,144.63	-	1,144.63	-	-	126.11	-	126.11	-	126.11
Total (B)	-	-	1,144.63	-	1,144.63	-	1,144.63	-	-	126.11	-	126.11	-	126.11
(C)														
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Net (D) = A-C	-	-	1,144.63	-	1,144.63	-	1,144.63	-	-	126.11	-	126.11	-	126.11



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 6. Investments (continued)

(₹ in Mn)

Name of Investment	As at March 31, 2020			As at March 31, 2019		
	Face Value	No. of Units	Total Amount	Face Value	No. of Units	Total Amount
<b>Investment in Mutual Funds include :</b>						
HDFC MUTUAL FUND FMP 1124D JU 18 (1) SR 41 DIR GROWTH 26JL21	10	4,545,000.00	52.03		-	-
HDFC MUTUAL FUND LIQUID FUND RG GROWTH OPEN ENDED	1,000	2,925.00	11.43		-	-
IIFL MUTUAL FUND INDIA GROWTH FD DIR GROWTH OPEN	10	6,467,210.37	94.01		-	-
L & T MUTUAL FUND FMP SR XIV SCHEME A(1233D) GROWTH 15MY20	10	8,758,338.00	105.92		-	-
<b>Total (A)</b>			<b>263.39</b>			<b>-</b>
<b>Investment in Debt Securities include :</b>						
IIFL WEALTH FINANCE LIMITED SERIES - IFRS-01 BR NCD 05DC19 FVRS1LAC		-	-	100,000.00	1.00	0.10
ECL FINANCE LIMITED SR-19J603A BR NCD 05FB20 FVRS1LAC		-	-	100,000.00	1.00	0.17
IIFL WEALTH FINANCE LIMITED SERIES 02 BR NCD 15JU21 FVRS1LAC	100,000	2.00	0.20		-	-
IIFL WEALTH FINANCE LIMITED SR-A1-JUNE2022 LOA 13JU22 FVRS10LAC	1,000,000	29.00	37.32		-	-
IIFL WEALTH FINANCE LIMITED SR-A3 NCD 10JN24 FVRS10LAC	1,000,000	33.00	36.62		-	-
IIFL WEALTH FINANCE LIMITED SR-C LOA 24JU22 FVRS10LAC	1,000,000	19.00	24.37		-	-
IIFLWF-IFM - 01-MLD-2030	100,000	150.00	14.39		-	-
PUNJAB NATIONAL BANK SR-IX9.21BDPERPETUALFVRS10LACLOAUPTO27AP17	1,000,000	2.00	1.97		-	-
PUNJAB NATIONAL BANK SR-VIII8.95 BDPERPETUALFVRS10LACLOAUPTO02AP17	1,000,000	63.00	62.53		-	-
STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL FVRS10LAC	1,000,000	27.00	27.95		-	-
STATE BANK OF INDIA SR-IV 8.15 BD PERPETUAL FVRS10LAC	1,000,000	500.00	520.45		-	-
<b>Total (B)</b>			<b>725.80</b>			<b>0.27</b>
<b>Investment in Alternate investment funds include :</b>						
BLUME VENTURES (OPPORTUNITIES) FUND IIA	100	400,045.84	43.41	100	260,000.00	25.60
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - Class A1	9	1,008,589.44	8.72	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - CAPACITE INFRAP	10	19,057.50	0.06	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - INDIA ENERGY EX	10	68,860.16	0.55	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NATIONAL STOCK	10	357,904.57	3.70	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NAZARA TECHNOI	10	189,046.18	1.45	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - NORTHERN ARC C	10	85723.402	0.57	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CO INVESTMENT - RELIANCE NIPPON	10	161912.9	1.59	-	-	-
IIFL YIELD ENHANCER FUND - CLASS A	2	9657585.277	19.23	-	-	-
INDIA HOUSING FUND - CLASS A	10	581,911.20	6.37	-	-	-
INDIA HOUSING FUND - CLASS B	10	713,259.07	7.82	-	-	-
INDIAREIT FUND SCHEME I	100,000	188.91	0.81	100,000	188.91	0.81
MALABAR VALUE FUND	100	855,837.93	61.16	100	855,837.93	99.43
<b>Total (C)</b>			<b>155.44</b>			<b>125.84</b>
<b>Total (A + B + C)</b>			<b>1,144.63</b>			<b>126.11</b>



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
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**Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 7. Other financial assets**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Other deposits	0.09	0.09
Advances to Group/Holding company *	0.15	17.56
Balance with Broker*	294.50	14.27
Receivable from Employees	-	0.11
<b>Total</b>	<b>294.74</b>	<b>32.03</b>

\* Includes balances with Related Party (Refer note 36)

**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*	On account of Slump sale#	MAT credit (utilised)/(reversed)/ Created	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2020
<b>Deferred tax assets:</b>						
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	-	0.13	0.01	-	-	0.14
Impairment of Financial Assets	-	-	-	-	-	-
Recast Impact	0.17	(0.19)	-	-	0.02	-
Retirement benefits for employees	0.23	1.44	0.07	-	0.66	2.40
Impact of IndAS 116	-	0.03	-	-	-	0.03
Unspent CSR	-	0.14	-	-	-	0.14
Unrealised profit on investments etc.	(0.07)	5.93	-	-	-	5.86
Unutilised MAT credit	2.90	-	-	(2.90)	-	-
<b>Total deferred tax assets (A)</b>	<b>3.23</b>	<b>7.48</b>	<b>0.08</b>	<b>(2.90)</b>	<b>0.68</b>	<b>8.57</b>
<b>Deferred tax liabilities:</b>						
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	-	-	-	-	-	-
Unrealised profit on investments etc.	-	-	-	-	-	-
<b>Total deferred tax liabilities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets (A - B)</b>	<b>3.23</b>	<b>7.48</b>	<b>0.08</b>	<b>(2.90)</b>	<b>0.68</b>	<b>8.57</b>

\* Includes impact of ₹ 0.03 mn in Statement of Profit and Loss due to change in income tax rates during the year ended March 31, 2020. Refer note below.

# Refer note 37

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	On account of Slump sale	MAT credit (utilised)/(reversed)/ Created	Recognised in/reclassified from OCI	Closing balance as at Mar 31, 2019
<b>Deferred tax assets:</b>						
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	-	-	-	-	-	-
Impairment of Financial Assets	-	-	-	-	-	-
Recast Impact	0.08	0.09	-	-	-	0.17
Retirement benefits for employees	0.16	0.04	-	-	0.03	0.23
Unutilised MAT credit	1.39	1.51	-	-	-	2.90
<b>Total deferred tax assets (A)</b>	<b>1.63</b>	<b>1.64</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>3.30</b>
<b>Deferred tax liabilities:</b>						
Property, plant and equipment	-	-	-	-	-	-
Depreciation	(0.01)	0.01	-	-	-	-
Unrealised profit on investments etc.	(0.38)	0.31	-	-	-	(0.07)
<b>Total deferred tax liabilities (B)</b>	<b>(0.39)</b>	<b>0.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.07)</b>
<b>Deferred tax assets (A - B)</b>	<b>1.24</b>	<b>1.96</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>3.23</b>

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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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 9. Property Plant and Equipment**

(₹ in Mn)

Particulars	Computers
<b>Gross Block as on April 01, 2019</b>	<b>0.39</b>
Additions	0.09
Additions related to acquisitions	-
Deductions/ Adjustments during the year	-
<b>As at March 31, 2020</b>	<b>0.48</b>
<b>Depreciation</b>	
<b>Upto April 01, 2019</b>	<b>0.30</b>
Op. Dep. On Acquisition	-
Depreciation for the year	0.10
Add. Depreciation on Acquisition	-
Deductions/Adjustments during the year	-
<b>Upto March 31, 2020</b>	<b>0.40</b>
<b>Net Block as at March 31, 2020</b>	<b>0.08</b>

**Property Plant and Equipment (Previous year)**

(₹ in Mn)

Particulars	Computers
<b>Gross Block as on April 01, 2018</b>	
Additions	-
Additions related to business combination*	0.39
Deductions/ Adjustments during the year	-
<b>As at March 31, 2019</b>	<b>0.39</b>
<b>Depreciation</b>	
<b>Upto April 01, 2018</b>	<b>-</b>
Op. Dep. related to business combination*	0.17
Depreciation for the year	0.13
Deductions/Adjustments during the year	-
<b>Upto March 31, 2019</b>	<b>0.30</b>
<b>Net Block as at March 31, 2019</b>	<b>0.09</b>

\*Refer Note 37





**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 10. Other Intangible Assets**

	(₹ in Mn)
Particulars	2019-20
Software/Intangible assets acquired	
Gross Block as on April 01, 2019	3.91
Additions	0.20
As at March 31, 2020	4.11
Amortisation	
Upto April 01, 2019	2.04
Op. Dep. on acquisition	-
Amortisation for the year	1.34
Upto March 31, 2020	3.38
Net Block as at March 31, 2020	0.73

**Other Intangible Assets (Previous year)**

	(₹ in Mn)
Particulars	2018-19
Software/Intangible assets acquired	
Gross Block as on April 01, 2018	3.87
Additions	0.04
As at March 31, 2019	3.91
Amortisation	
Upto April 01, 2018	0.73
Op. Dep. on acquisition	-
Amortisation for the year	1.31
Upto March 31, 2019	2.04
Net Block as at March 31, 2019	1.87



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 11. Disclosure Pursuant to Ind AS 116 "Leases"**

**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 ₹ 0.48 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".

	(₹ in Mn)
Particular	Vehicles
Lease commitments as at 31 March 2019	-
Add/(less): contracts reassessed as lease contracts	0.48
Add/(less): adjustments on account of extension/termination	-
<b>Lease liabilities as on 1 April 2019</b>	<b>0.48</b>

**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	1.15
Non-current lease liabilities	1.37
<b>Total</b>	<b>2.52</b>

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

Particulars	Vehicles
<b>Balance as at 01 April, 2019</b>	<b>0.48</b>
Additions during the year	2.27
Additions during the year (on account of Business Combination)	0.85
Depreciation charge for the year	(0.27)
Accumulated Depreciatin (on account of Business Combination)	(0.11)
Deletions during the year	(0.82)
<b>Balance as at March 31, 2020</b>	<b>2.40</b>

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

Particulars	Vehicles
<b>Balance as at 01 April, 2019</b>	<b>0.48</b>
Additions	2.27
Additions on account of Business combination	0.75
Deletion	(0.81)
Finance cost accrued during the period	0.05
Payment of lease liabilities	(0.22)
<b>Balance as at March 31, 2020</b>	<b>2.52</b>

**Maturity analysis – contractual undiscounted cash flows**

Particulars	As at March 31, 2020
Less than one year	1.32
One to five years	1.54
More than five years	-
<b>Total undiscounted lease liabilities at 31 March 2020</b>	<b>2.86</b>
<b>Lease liabilities included in the statement of financial position at 31 March 2020</b>	<b>2.52</b>

**Amounts recognised in profit or loss**

Particulars	As at March 31, 2020
Interest on lease liabilities	0.05
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	3.14
Depreciation relating to leases	0.27
<b>Total</b>	<b>3.46</b>

**Amounts recognised in the statement of cash flows**

Particulars	As at March 31, 2020
Total cash outflow for leases	0.22



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 12. Other Non Financial Assets**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses - Unsecured	1.29	2.21
Advances recoverable in cash or in kind or for value to be received – Unsecured	0.09	-
<b>Total</b>	<b>1.38</b>	<b>2.21</b>

**Note 13. Payables**

(₹ in Mn)

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 13.1)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
- Sundry creditors for expenses	4.53	13.62
- Accrued salaries and benefits	0.14	0.04
- Provision for expenses	49.62	41.81
<b>Total</b>	<b>54.29</b>	<b>55.47</b>

**13.1. 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:

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-

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



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 14. Debt Securities**

(₹ in Mn)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised cost	At Fair value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3
Liability component of compound financial instruments	-	-	-	-	-	-	-	-
Bonds/ Debentures	-	-	-	-	-	50.00	-	50.00
<b>Total</b>	-	-	-	-	-	50.00	-	50.00
Debt securities in India	-	-	-	-	-	50.00	-	50.00
Debt securities outside India	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	50.00	-	50.00

Residual maturity	As at March 31, 2020		As at March 31, 2019	
	Balance outstanding	Interest rate % (p.a) *	Balance outstanding	Interest rate % (p.a) *
At Fair value through profit or loss				
Above 5 years	-	-	-	-
1-5 years	-	-	50.00	12.72%
Less than 1 year	-	-	-	-

\* indicates Effective Interest Rate

The Secured Listed Non-Convertible Debentures of the Company are Secured by pari passu charge on investment in AIF units (present and future) receivables of the Company to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.

**Explanatory Notes**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Debentures include :</b>		
Market Linked Non Convertible Debenture of Face Value Rs. 1,00,000 Each Redeemable on 22/05/2020	-	50.00



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
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
Interest accrued on Debt Securities	-	0.82
Interest accrued on ICD from group companies*	7.76	-
Margin money on derivatives	2.27	-
Payable to holding co / group companies*	13.69	146.95
Others	90.34	88.72
<b>Total</b>	<b>114.06</b>	<b>236.49</b>

\*Includes balances from Related Party (Refer note 36)

**15.1** No amount was required to be transferred in Investor Education and Protection fund account as per Section 125 of Companies Act, 2013 on account of Unclaimed Dividend and Unclaimed dues on account of NCD.

**Note 16. Provisions:**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 27.1)	9.52	1.24
<b>Total</b>	<b>9.52</b>	<b>1.24</b>

**Note 17. Other Non Financial Liabilities:**

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Remittance	23.78	8.51
<b>Total</b>	<b>23.78</b>	<b>8.51</b>



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

**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	
	No. of shares	₹ in Mn	No. of shares	₹ in Mn
Equity Shares of ₹ 10 each	300,000	3.00	300,000	3.00
Issued, Subscribed and Paid Up: Equity Shares of ₹ 10 each fully paid	249,481	2.49	249,481	2.49
<b>Total</b>		<b>2.49</b>		<b>2.49</b>

(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	₹ in Mn	No. of shares	₹ in Mn
At the beginning of the year	249,481	2.49	50,000	0.50
Add: Issued during the year	-	-	199,481	1.99
<b>Outstanding at the end of the year</b>	<b>249,481</b>	<b>2.49</b>	<b>249,481</b>	<b>2.49</b>

(c) Terms/rights attached to equity shares:

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

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	249,481	100%	249,481	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	249,481	100%	249,481	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.



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 19. Other Equity:

(₹ in Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	1,996.00	1,996.00
General reserve	62.50	50.00
Capital reserve	(0.22)	(102.52)
Debenture Redemption Reserve	-	12.50
Retained earnings	298.93	252.98
<b>Total</b>	<b>2,357.21</b>	<b>2,208.96</b>

Note 20. Interest Income

(₹ in Mn)

Particulars	2019-20				2018-19			
	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total	On financial assets measured at fair value through OCI	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total
Interest on loans (Refer note 36)	-	145.51	-	145.51	-	2.95	-	2.95
Interest income from investments	-	34.01	-	34.01	-	188.30	-	188.30
<b>Total</b>	<b>-</b>	<b>179.52</b>	<b>-</b>	<b>179.52</b>	<b>-</b>	<b>191.25</b>	<b>-</b>	<b>191.25</b>



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 21. Dividend & Distribution income on investments** (₹ in Mn)

Particulars	2019-20	2018-19
Dividend Income	1.21	1.18
Distribution income on investments	(0.60)	23.93
<b>TOTAL</b>	<b>0.61</b>	<b>25.11</b>

**Note 22. Fee and Commission Income**

(₹ in Mn)

Particulars	2019-20	2018-19
Distribution Fees (Refer Note 36)	33.60	82.03
Investment / Fund Management Fees	500.31	208.35
<b>TOTAL</b>	<b>533.91</b>	<b>290.38</b>

**Note 23. Net Gain/Loss On Fair Value Change:-**

(₹ in Mn)

Particulars	2019-20	2018-19
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	177.28	96.82
- Derivatives	(2.27)	-
- Trading	18.86	-
<b>Total net gain/(loss) on fair value changes (C)</b>	<b>193.87</b>	<b>96.82</b>
(B) Fair value changes:		
-Realised	239.57	99.28
-Unrealised	(45.70)	(2.46)
<b>Total net gain/(loss) on fair value changes(D) to tally with (C)</b>	<b>193.87</b>	<b>96.82</b>

**Note 24. Other Income**

(₹ in Mn)

Particulars	2019-20	2018-19
Interest income on Income Tax refund	-	0.19
<b>Total</b>	<b>-</b>	<b>0.19</b>



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 25. Finance Cost

(₹ in Mn)

Particulars	2019-20			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 deposits	-	-	-	-	-	-
Interest on borrowings (Refer Note 36)	-	83.78	83.78	-	292.67	292.67
Interest on debt securities	1.40	-	1.40	5.99	-	5.99
Interest on subordinated liabilities	-	-	-	-	-	-
Other interest expense	-	0.08	0.08	-	0.13	0.13
<b>Total</b>	<b>1.40</b>	<b>83.86</b>	<b>85.26</b>	<b>5.99</b>	<b>292.80</b>	<b>298.79</b>

Note 26. Impairment On Financial Instruments

(₹ in Mn)

Particulars	2019-20		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
Trade Receivables	-	0.02	-	-
<b>Total</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>-</b>



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 27. Employee Benefit Expenses**

(₹ in Mn)

Particulars	2019-20	2018-19
Salaries and wages	61.75	43.78
Contribution to provident and other funds	1.75	1.53
Share based payments to employees	2.39	0.27
Staff welfare expenses	0.97	2.03
Gratuity expense (Refer Note 27.1)	0.35	0.38
Leave encashment	-	(0.75)
<b>Total</b>	<b>67.21</b>	<b>47.24</b>

**27.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) for the year 2019-20**

Particulars	Current Period	Current Period
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	Funded	Funded
Starting period	01-Apr-19	01-Apr-18
Date of reporting	31-Mar-20	31-Mar-19
Period of reporting	12 Months	12 Months

Assumptions (current period)		
Expected return on plan assets	6.04%	7.59%
Rate of discounting	6.04%	7.59%
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 (PBO) at the beginning of the period	2.36	1.69
Interest cost	0.18	0.13
Current service cost	0.25	0.33
Liability transferred in/ acquisitions	5.66	0.34
(Liability transferred out/ divestments)	-	(0.20)
(Benefit paid from the fund)	(0.13)	(0.12)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	1.41	0.02
Actuarial (gains)/losses on obligations - due to experience	1.29	0.17
<b>Present value of benefit obligation at the end of the period</b>	<b>11.02</b>	<b>2.36</b>

Table showing change in the fair value of plan assets		
Fair value of plan assets at the beginning of the period	1.13	1.12
Interest income	0.09	0.09
Contributions by the employer	0.40	-
(Benefit paid from the fund)	(0.13)	(0.12)
Return on plan assets, excluding interest income	0.01	0.03
<b>Fair value of plan assets at the end of the period</b>	<b>1.50</b>	<b>1.12</b>



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 27. Employee Benefit Expenses (continued)

(₹ in Mn)

<b>Amount recognized in the balance sheet</b>		
(Present value of benefit obligation at the end of the period)	(11.02)	(2.36)
Fair value of plan assets at the end of the period	1.50	1.12
Funded status (surplus/ (deficit))	(9.52)	(1.24)
Net (liability)/asset recognized in the balance sheet	<b>(9.52)</b>	<b>(1.24)</b>

<b>Net interest cost for current period</b>		
Present value of benefit obligation at the beginning of the period	2.36	1.69
(Fair value of plan assets at the beginning of the period)	(1.12)	(1.12)
<b>Net liability/(asset) at the beginning</b>	<b>1.24</b>	<b>0.57</b>
Interest cost	0.18	0.13
(Interest income)	(0.09)	(0.09)
<b>Net interest cost for current period</b>	<b>0.09</b>	<b>0.04</b>

<b>Expenses recognized in the statement of profit or loss for current period</b>		-
Current service cost	0.26	0.34
Net interest cost	0.09	0.04
<b>Expenses recognized</b>	<b>0.35</b>	<b>0.38</b>

<b>Expenses recognized in the other comprehensive income (OCI) for current period</b>		
Actuarial (gains)/losses on obligation for the period	2.70	0.19
Return on plan assets, excluding interest income	(0.01)	(0.04)
<b>Net (income)/expense for the period recognized in oci</b>	<b>2.69</b>	<b>0.15</b>

<b>Balance sheet reconciliation</b>		
Opening net liability	1.24	0.57
Expenses recognized in statement of profit or loss	0.35	0.38
Expenses recognized in OCI	2.69	0.15
Net liability/(asset) transfer in	5.65	0.34
Net (liability)/asset transfer out	-	(0.20)
(Employer's contribution)	(0.41)	-
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>9.52</b>	<b>1.24</b>

<b>Category of assets</b>		
Insurance fund	1.50	1.12

<b>Other details</b>		-
Weighted average duration of PBO	11	12
Average Expected Future Service	9	9
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	11.02	2.36
(Fair Value of Plan Assets at the End of the Period)	(1.50)	(1.13)
Net Liability/(Asset) at the End of the Period	9.52	1.24
Interest Cost	0.66	0.18
(Interest Income)	(0.09)	(0.09)
<b>Net Interest Cost for Next Year</b>	<b>0.57</b>	<b>0.09</b>

<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	1.71	0.26
Net Interest Cost	0.57	0.09
<b>Expenses Recognized</b>	<b>2.28</b>	<b>0.35</b>



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020  
Note 27. Employee Benefit Expenses (continued)

(₹ in Mn)

Maturity analysis of the benefit payments		
1st following year	0.73	0.17
2nd following year	0.75	0.18
3rd following year	0.81	0.20
4th following year	0.83	0.20
5th following year	0.83	0.23
Sum of years 6 to 10	3.96	0.96
Sum of years 11 and above	13.90	3.50

Sensitivity analysis		
<b>PBO on current assumptions</b>		
PBO on current assumptions	11.02	2.36
Delta effect of +1% change in rate of discounting	(0.95)	(0.19)
Delta effect of -1% change in rate of discounting	1.11	0.22
Delta effect of +1% change in rate of salary increase	0.66	0.14
Delta effect of -1% change in rate of salary increase	(0.66)	(0.14)
Delta effect of +1% change in rate of employee turnover	-	0.02
Delta effect of -1% change in rate of employee turnover	(0.01)	(0.03)

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



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

**27.2 Defined Contribution Plans:**

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

	(₹ in Mn)	
Particulars	2019-20	2018-19
Contribution to provident fund	1.75	1.53
Contribution to ESIC	-	-
Contribution to labour welfare fund	-	-
<b>Total</b>	<b>1.75</b>	<b>1.53</b>

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

**Note 28. Other Expenses\*:**

	(₹ in Mn)	
Particulars	2019-20	2018-19
Operations and Fund Management expenses	15.61	13.37
Rent and energy cost	3.52	8.29
Insurance	0.14	0.02
Repairs & Maintenance	0.07	0.21
Marketing, Advertisement and Business promotion expenses	1.35	0.49
Travelling & Conveyance	2.26	3.27
Legal & professional fees	3.55	2.31
Communication	0.78	0.54
Software Charges / Technology Cost	3.60	2.96
Office & Other Expenses	4.09	1.58
Remuneration to Auditors :		
Audit Fees	0.40	0.23
Certification Expenses	0.03	-
Out Of Pocket Expenses	-	-
Corporate Social Responsibility Expenses & Donation (Refer Note 34)	1.32	1.23
<b>Total</b>	<b>36.72</b>	<b>34.50</b>

\*Includes transactions with Related Parties (Refer note 36)



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
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**Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 29. Income taxes**

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

(₹ in Mn)

Sr. No.	Particulars	2019-20	2018-19
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	154.39	36.20
	Tax expense in respect of earlier years	3.80	0.10
		158.19	36.30
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(4.69)	(1.95)
	Effect on deferred tax balances due to the change in income tax rate	0.03	-
		(4.66)	(1.95)
	<b>Income tax expense reported in the statement of profit or loss [(i)+(ii)]</b>	<b>153.53</b>	<b>34.35</b>
(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	(0.68)	(0.04)
		(0.68)	(0.04)
	<b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>	<b>(0.68)</b>	<b>(0.04)</b>

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

(₹ in Mn)

Sr. No.	Particulars	2019-20	2018-19
(a)	<b>Profit/(loss) before tax</b>	<b>573.62</b>	<b>182.62</b>
(b)	Income tax expense at tax rates applicable to individual entities including deferred tax	144.37	53.18
(c)	(i) Tax on income subject to lower tax rate	-	-
	(A) Gains on investments (including fair valuation)	3.85	(10.77)
(d)	(ii) Tax on Income exempt from Tax	-	-
	(A) Income from Investments (Including tax suffered income on investment in AIF)	(0.15)	(9.68)
	(iii) Tax on expense not tax deductible	-	-
	(A) Expenses not allowable as tax deductible as per tax laws	0.17	0.18
	(iv) Tax effect on account of business recast (Refer note 37)	(0.02)	1.40
	(v) Effect on deferred tax due to change in Income tax	0.03	(0.01)
	(vi) Tax expense in respect of earlier years	3.80	0.10
	(vii) Tax effect on various other items including CSR	1.48	(0.05)
	<b>Total effect of tax adjustments [(i) to (vii)]</b>	<b>9.16</b>	<b>(18.83)</b>
(e)	Tax expense recognised during the year (b+c+d)	<b>153.53</b>	<b>34.35</b>
	Effective tax rate	26.77%	18.81%



*Signature*



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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**Note 30. Earnings Per Share:**

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

Particulars		2019-20	2018-19
Face value of equity shares in ₹ fully paid up		10	10
<b>BASIC</b>			
Profit after tax as per statement of profit and loss	A	420.09	148.27
Weighted average number of shares subscribed	B	249,481	182,805
Face value of equity shares (in ₹) fully paid		10	10
Basic EPS (₹)	A/B	1,683.86	811.08
<b>DILUTED</b>			
Profit after tax as per statement of profit and loss	A	420.09	148.27
Weighted number of shares subscribed	B	249,481	182,805
Add: Potential equity shares on account of conversion of employee stock option	C		-
Weighted average number of shares outstanding	D=B+C	249,481	182,805
Diluted EPS (₹)	A/D	1,683.86	811.08

**Note 31. Contingent Liabilities at Balance Sheet date:**

Particulars	(₹ in Mn)	
	As at March 31, 2020	As at March 31, 2019
In respect of Income tax demand *	86.61	86.61
<b>Total</b>	<b>86.61</b>	<b>86.61</b>

\* Amount paid under protest with respect to income tax demand ₹ 17.33 Mn (P.Y. ₹ 17.33 Mn)

Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
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**Note 32. 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, borrowings and other financial liabilities. The Company's principal financial assets include trade and other receivables, loans, cash and cash equivalents, 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.

**32A.1. Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk assessment 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 for F.Y 19-20 and F.Y 18-19 is as follows :**

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Balance at the beginning of the year	(0.49)	1.53
Recast effect	(0.49)	(1.05)
Movement in expected credit loss allowances on trade receivable	0.97	(0.97)
Balance at the end of the year	(0.01)	(0.49)

**2) Others**

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

**32A.2. Write off**

Contractual amount outstanding on financial assets that were written off during the reporting period is Nil /-(P.Y Nil)

**32B. Liquidity Risk**

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

Financial liabilities	As at 31st March 2020				
	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	54.29	54.29	-	-	-
Debt Securities	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	114.06	25.34	-	88.72	-
<b>Total</b>	<b>168.35</b>	<b>79.63</b>	<b>-</b>	<b>88.72</b>	<b>-</b>

Financial liabilities	As at 31st March 2019				
	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	55.47	55.20	0.27	-	-
Debt Securities	50.00	-	-	-	50.00
Borrowings (Other than Debt Securities)	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	236.49	236.31	0.18	-	-
<b>Total</b>	<b>341.96</b>	<b>291.51</b>	<b>0.45</b>	<b>-</b>	<b>50.00</b>

For Finance Lease Obligation maturity refer note no. 11

**32C. 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.



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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**32C.1 Currency Risk**

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments.

**32C.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. There is no floating rate lending, hence there is no interest rate risk.

**32C.3. Other Price Risk (including Equity Linked Investments)**

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

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

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Financial Assets</b>		
Derivative financial instruments	-	-
Investments	1,144.63	126.11
	<b>1,144.63</b>	<b>126.11</b>
<b>Financial Liabilities</b>		
Derivative financial instruments	-	-
Debt securities	-	50.00
	-	<b>50.00</b>

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

	2019-20	2018-19
<b>Increase of 100 basis point</b>		
Impact on Profit and Loss after tax	8.57	0.54
Impact on Equity	8.57	0.54
<b>Decrease of 100 basis point</b>		
Impact on Profit and Loss after tax	(8.57)	(0.54)
Impact on Equity	(8.57)	(0.54)

**32D.Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

**32E. 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 income (OCI)	Total
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	111.64	-	-	111.64
(b)	Receivables				-
	(I) Trade receivables	286.24	-	-	286.24
	(II) Other receivables	107.62	-	-	107.62
(c)	Loans	650.00			650.00
(d)	Investments	-	1,144.63	-	1,144.63
(e)	Other financial assets	294.74	-	-	294.74
	<b>Total</b>	<b>1,450.24</b>	<b>1,144.63</b>	-	<b>2,594.87</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	54.29	-	-	54.29
(b)	Financial Lease Obligation	2.52	-	-	2.52
(c)	Other financial liabilities	114.06	-	-	114.06
	<b>Total</b>	<b>170.87</b>	-	-	<b>170.87</b>



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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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 income (OCI)	Total
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	0.32	-	-	0.32
(b)	Receivables				-
	(I) Trade receivables	149.81	-	-	149.81
	(II) Other receivables	29.47	-	-	29.47
(c)	Loans	2,194.72			2,194.72
(d)	Investments	-	126.11	-	126.11
(e)	Other financial assets	32.03	-	-	32.03
	<b>Total</b>	<b>2,406.35</b>	<b>126.11</b>	<b>-</b>	<b>2,532.46</b>
	<b>Financial Liabilities</b>				
(a)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	55.47	-	-	55.47
(b)	Debt securities	-	50.00	-	50.00
(c)	Other financial liabilities	236.49	-	-	236.49
	<b>Total</b>	<b>291.96</b>	<b>50.00</b>	<b>-</b>	<b>341.96</b>



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**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
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**32E.1. Fair values of financial instruments**

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company uses widely recognised valuation methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

**32E. 1a. Financial instruments measured at fair value – Fair value hierarchy**

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

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

Financial instruments measured at fair value	Recurring fair value measurements at 31st March, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Mutual Funds	263.39	-	-	263.39
Investments in debt securities	-	725.80	-	725.80
Investments in Alternate Investment Funds*	-	-	155.44	155.44
<b>Total Assets</b>	<b>263.39</b>	<b>725.80</b>	<b>155.44</b>	<b>1,144.63</b>

Financial instruments measured at fair value	Recurring fair value measurements at 31st March 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in debt securities	-	0.27	-	0.27
Investments in Alternate Investment Funds*	-	-	125.84	125.84
<b>Total Assets</b>	-	<b>0.27</b>	<b>125.84</b>	<b>126.11</b>
<b>Financial Liabilities</b>				
Debt securities	-	50.00	-	50.00
<b>Total Liabilities</b>	-	<b>50.00</b>	-	<b>50.00</b>

\*The fair values of these investments are determined basis the unaudited 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	125.84	2,690.10
Total gains or losses	-	-
- in profit or loss	0.51	8.75
MTM Gain / ( Loss )	(42.14)	0.96
Purchases	419.32	2,738.94
Disposal/ Settlements	(348.09)	(5,312.91)
Transfer out of Level 3	-	-
Closing Balance	<b>155.44</b>	<b>125.84</b>

**32E. 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
<b>Financial Assets</b>				
Cash and cash equivalents	111.64	111.64	0.32	0.32
Bank balance other than above	-	-	-	-
Receivables				
(I) Trade receivables	286.24	286.24	149.81	149.81
(II) Other receivables	107.62	107.62	29.47	29.47
Loans	650.00	650.00	2,194.72	2,194.72
Other financial assets	294.74	294.74	32.03	32.03
<b>Financial Liabilities</b>				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	54.29	54.29	55.47	55.47
Financial Lease Obligation	2.52	2.52	-	-
Other financial liabilities	114.06	114.06	236.49	236.49

**Financial assets measured at amortised cost:**

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

**Financial liabilities measured at amortised cost:**

The carrying amounts of trade payables and other financial liabilities are considered to be the same as their fair values due to their short term nature.



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**Note 33.** 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 34. Corporate Social Responsibility**

During the year 2019-20, the Company has spent ₹ 0.25 mn (P.Y. ₹ 0.98 mn) as against ₹ 1.32 mn (P.Y. ₹ 0.98 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 35. Segment Reporting**

In the opinion of the management, there is only one reportable business segment - Investment Manager and Portfolio Management 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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**Note 36. Related Party Disclosures:**

Related party disclosures for the year ended 31st March, 2020

**a) List of Related Parties:**

<b>Nature of relationship</b>	<b>Name of party</b>
<b>Director/ Key Managerial Personnel</b>	Mr. Yatin Shah, Director
	Mr. Umang Papneja, Director
	Mr. Pankaj Fitkariwala, Director (appointed w.e.f. May 03, 2019)
	Mr. Mohan Radhakrishnan, Director (resigned w.e.f. May 06, 2019)
<b>Holding Company</b>	IIFL Wealth Management Limited
<b>Fellow Subsidiaries</b>	IIFL Investment Adviser and Trustee Services Limited
	IIFL Wealth Finance Limited
	IIFL Asset Management Limited
	IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)
	IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f. December 27, 2019)
	IIFL Altire Advisors Limited (w.e.f. November 05, 2018)
	IIFL Trustee Limited
	IIFL Wealth Securities IFSC Limited (w.e.f. June 22, 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)
<b>Other Related Parties (Due to common promoter w.e.f. April 01, 2018)</b>	IIFL Home Finance Limited
	India Infoline Finance Limited
	Samasta Microfinance Limited (w.e.f. March 01, 2017)
	IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	IIFL Securities Services IFSC Limited
	IIFL Asset Reconstruction Limited (w.e.f. May 09, 2017)
	Clara Developers Private Limited
	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
	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)
	India Infoline Foundation
	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
	DE Real Estate Private Limited
	Financial advisors (India) Private Limited



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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)	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	Spaisa Capital Limited
	Spaisa P2P Limited
	Spaisa Insurance Brokers Limited
	Spaisa Trading Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Sunder Bhawar Holiday Home Private Limited (Upto Mar 04, 2018)
	Khimji Kunverji & Co. (Chartered Accountant Firm of Mr. Nilesh Vikamsey)
	Yatin Prakash Shah (HUF)
	Nirmal Madhu Family Private Trust
	Kalki Family Private Trust
	Kush Family Private Trust
	Kyra Family Private Trust
	Bhagat Family Private Trust
	Kyrush Family Private Trust
	Naykia Family Private Trust
	Prakash Shah Family Private Trust
	Naysa Shah Family Private Trust
	Kiaan Shah Family



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FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS 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	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b>Share Capital</b>				
IIFL Wealth Management Limited	-	-	-	-
	(1.99)	-	-	(1.99)
<b>Securities Premium</b>				
IIFL Wealth Management Limited	-	-	-	-
	(1,998.00)	-	-	(1,998.00)
<b>Slump Sale/Business Transfer</b>				
IIFL Wealth Management Limited	110.00	-	-	110.00
	-	-	-	-
<b>Amount received/ receivable on account of reimbursement of Expenses for transition period and creditors paid</b>				
IIFL Wealth Management Limited	3.34	-	-	3.34
	-	-	-	-
<b>Amount paid / payable on account of Transfer of Revenue for transition period &amp; realisation of debtors</b>				
IIFL Wealth Management Limited	89.34	-	-	89.34
	-	-	-	-
<b>Dividend Paid</b>				
IIFL Wealth Management Limited	199.58	-	-	199.58
	-	-	-	-
<b>Purchase of Inventory</b>				
IIFL Investment Adviser & Trustee Services Limited	-	198.23	-	198.23
	-	-	-	-
<b>Sell of Inventory</b>				
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-
	-	(201.86)	-	(201.86)
<b>Subscription of NCD</b>				
IIFL Wealth Finance Limited	-	2,933.64	-	2,933.64
	-	(2,303.00)	-	(2,303.00)
<b>Purchase of Investment:</b>				
IIFL Wealth Management Limited	33.52	-	-	33.52
	(140.41)	-	-	(140.41)
IIFL Wealth Finance Limited	-	-	-	-
	-	(151.61)	-	(151.61)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	500.00	500.00
	-	-	(290.00)	(290.00)
IIFL Home Finance Limited	-	-	-	-
	-	-	(510.00)	(510.00)
Samasta Microfinance Limited	-	-	-	-
	-	-	(219.54)	(219.54)
<b>Sell of Investment:</b>				
IIFL Wealth Finance Limited	-	19,426.44	-	19,426.44
	-	(5,259.99)	-	(5,259.99)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	-	-
	-	-	(139.61)	(139.61)
IIFL Home Finance Limited	-	-	-	-
	-	-	(147.13)	(147.13)
<b>ICD Given:</b>				
IIFL Wealth Management Limited	8,562.15	-	-	8,562.15
	(2,299.61)	-	-	(2,299.61)
IIFL Asset Management Limited	-	-	-	-
	-	(1,010.00)	-	(1,010.00)
IIFL Wealth Finance Limited	-	1,130.30	-	1,130.30
	-	(70.60)	-	(70.60)
<b>ICD Received Back :</b>				
IIFL Wealth Management Limited	10,093.75	-	-	10,093.75
	(118.01)	-	-	(118.01)
IIFL Asset Management Limited	-	-	-	-
	-	(1,010.00)	-	(1,010.00)
IIFL Wealth Finance Limited	-	1,142.30	-	1,142.30
	-	(58.60)	-	(58.60)



*[Handwritten Signature]*

**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b>ICD Taken:</b>				-
IIFL Wealth Management Limited	6,119.10	-	-	6,119.10
	(8,715.90)	-	-	(8,715.90)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)	-	340.00	-	340.00
	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	313.62	-	313.62
	-	(416.50)	-	(416.50)
IIFL Wealth Finance Limited	-	43,559.20	-	43,559.20
	-	(35,000.70)	-	(35,000.70)
IIFL Asset Management Limited	-	2,027.10	-	2,027.10
	-	(3,473.40)	-	(3,473.40)
<b>ICD Repaid:</b>				-
IIFL Wealth Management Limited	6,119.10	-	-	6,119.10
	(8,715.90)	-	-	(8,715.90)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)	-	340.00	-	340.00
	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	313.62	-	313.62
	-	(416.50)	-	(416.50)
IIFL Wealth Finance Limited	-	43,559.20	-	43,559.20
	-	(36,460.70)	-	(36,460.70)
IIFL Asset Management Limited	-	2,027.10	-	2,027.10
	-	(4,583.40)	-	(4,583.40)
<b>Interest Income on ICD :</b>				-
IIFL Wealth Management Limited	144.71	-	-	144.71
	(2.86)	-	-	(2.86)
IIFL Wealth Finance Limited	-	0.80	-	0.80
	-	(0.08)	-	(0.08)
<b>Interest Expenses on ICD :</b>				-
IIFL Wealth Management Limited	8.83	-	-	8.83
	(74.87)	-	-	(74.87)
IIFL Investment Adviser & Trustee Services Limited	-	0.03	-	0.03
	-	(0.58)	-	(0.58)
IIFL Wealth Finance Limited	-	72.30	-	72.30
	-	(116.40)	-	(116.40)
IIFL Asset Management Limited	-	2.60	-	2.60
	-	(100.81)	-	(100.81)
<b>Interest Expense on Investment :</b>				-
IIFL Wealth Management Limited	-	-	-	-
	(1.24)	-	-	(1.24)
<b>Interest income on NCD</b>				-
IIFL Wealth Finance Limited	-	23.14	-	23.14
	-	(5.09)	-	(5.09)
IIFL Finance Limited (Formerly known as IIFL Holdings Limited)	-	-	-	-
	-	-	(1.05)	(1.05)
IIFL Home Finance Limited	-	-	-	-
	-	-	(0.76)	(0.76)
<b>Fees/Expenses incurred/Reimbursed For Services Procured</b>				
IIFL Wealth Management Limited	2.26	-	-	2.26
	-	-	-	-
IIFL Asset Management Limited	-	8.64	-	8.64
	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	9.74	-	9.74
	-	(22.13)	-	(22.13)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)	-	0.57	-	0.57
	-	(0.06)	-	(0.06)
<b>Corporate Social Responsibility Expense (CSR)</b>				-
India Infoline Foundation Limited	-	-	0.25	0.25
	-	-	(0.98)	(0.98)
<b>Fees Earned For Services (including Brokerage) rendered</b>				-
IIFL Wealth Management Limited	15.00	-	-	15.00
	(45.00)	-	-	(45.00)
<b>Allocation / Reimbursement of expenses Received:</b>				-
IIFL Wealth Management Limited	18.27	-	-	18.27
	(51.48)	-	-	(51.48)



*[Handwritten Signature]*

**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED**  
**(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)**  
**Notes forming part of Financial Statements for the year ended March 31, 2020**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b>Allocation / Reimbursement of expenses Paid:</b>				-
IIFL Wealth Management Limited	4.49	-	-	4.49
	(5.46)	-	-	(5.46)
<b>Other Funds Received:</b>				
IIFL Wealth Management Limited	0.09	-	-	0.09
	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	5.49	-	5.49
	-	-	-	-
IIFL Asset Management Limited	-	-	-	-
	-	(0.33)	-	(0.33)
Wealth Advisors (India) Pvt Ltd	-	-	-	-
	-	(0.06)	-	(0.06)
<b>Other Funds Paid:</b>				-
IIFL Wealth Management Limited	10.87	-	-	10.87
	(1.37)	-	-	(1.37)
IIFL Investment Adviser & Trustee Services Limited	-	0.06	-	0.06
	-	-	-	-
Wealth Advisors (India) Pvt Ltd	-	-	-	-
	-	(0.19)	-	(0.19)

**(c) Amount due to / from related parties**

**(₹ in Mn)**

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b>Sundry Payables</b>				
IIFL Wealth Management Limited	9.32	-	-	9.32
	-	-	-	-
IIFL Asset Management Limited	-	4.73	-	4.73
	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	5.39	-	5.39
	-	(13.62)	-	(13.62)
Wealth Advisors (India) Pvt Ltd	-	-	-	-
	-	(0.13)	-	(0.13)
<b>Sundry Receivables :</b>				
IIFL Wealth Management Limited	-	-	-	-
	(34.98)	-	-	(34.98)
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-
	-	-	-	-
IIFL Wealth Finance Limited	-	55.92	-	55.92
	-	(17.57)	-	(17.57)
<b>Broking a/c balance:</b>				
IIFL Wealth Management Limited	-	294.50	-	294.50
	-	(14.27)	-	(14.27)
<b>ICD Given:</b>				
IIFL Wealth Management Limited	650.00	-	-	650.00
	(2,181.60)	-	-	(2,181.60)
IIFL Wealth Finance Limited	-	-	-	-
	-	(12.00)	-	(12.00)



*[Handwritten signature]*

**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 37. Business Combination**

During the year the Company acquired the PMS Business vide a business transfer arrangement with IIFL Wealth Management Limited (holding company) with effect from January 1, 2020. In terms of the said agreement the IIFL Wealth Management Ltd. has transferred, inter-alia, Employees, Assets, Liabilities, Contracts, Intangible Assets, relating to distribution business for a lump sum consideration. This, being a common control business combination within the meaning of IND AS 103, the financial statements of previous reported periods hereunder are recast. the details of the transaction and recast are given below:

Particulars	₹ in Mn
Purchase Consideration	110.00
Net Assets Transferred	109.78
Capital Reserve	(0.22)

The net assets have been acquired by the company at a net excess consideration of ₹ 0.22 mn. Such excess consideration has been recognised as debit to Capital Reserves

(II) Following table showing movement of capital reserve

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Net assets value of PMS Business Undertaking (a)	109.78	7.48	(6.50)
Retain earnings (b)	131.51	15.69	-
Less: Purchase consideration* (c)	110.00	110.00	110.00
<b>Adjustments to Capital Reserve out of above (a-c)</b>	<b>(0.22)</b>	<b>(102.52)</b>	<b>(116.50)</b>

\* Paid in FY 2019-20

The effect of such transfer on the Statement of Balance Sheet and Profit and Loss for the year ended 31 March 2020 and its comparative period is as below:

**Balance Sheet**

Sr. No.	Particulars	March'2019 Restated	March'2019 (Previously Published)
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	0.32	0.32
(b)	Receivables	-	-
	(I) Trade receivables	149.81	95.62
	(II) Other receivables	29.47	29.47
(c)	Loans	2,194.72	2,194.72
(d)	Investments	126.11	126.11
(e)	Other financial assets	32.03	31.92
<b>2</b>	<b>Non-Financial Assets</b>		
(a)	Current tax assets (net)	23.30	31.82
(b)	Deferred tax assets (net)	3.23	3.07
(c)	Property, plant and equipment	0.09	-
(e)	Other intangible assets	1.87	1.87
(f)	Other non-financial assets	2.21	1.65
	<b>Total Assets</b>	<b>2,563.16</b>	<b>2,515.57</b>
	<b>LIABILITIES AND EQUITY</b>		
<b>1</b>	<b>LIABILITIES</b>		
<b>(a)</b>	<b>Financial Liabilities</b>		
	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	55.47	51.79
	(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)	Debt securities	50.00	50.00
(c)	Other financial liabilities	236.49	91.51
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Provisions	1.24	0.79
(b)	Other non-financial liabilities	8.51	8.51
<b>3</b>	<b>EQUITY</b>		
(a)	Equity share capital	2.49	2.49
(b)	Other equity	2,208.96	2,311.48
	<b>Total Liabilities and Equity</b>	<b>2,563.16</b>	<b>2,516.57</b>



*[Signature]*

## Profit and Loss Account

(₹ in Mn)

Sr. No.	Particulars	2019-2020 (including financial performance for the period April – Dec 2019 in respect of acquired business)	2019-2020 (excluding financial performance for the period April – Dec 2019 in respect of acquired business)	2018-2019 (restated)	2018-2019 (previously published)
<b>1</b>	<b>Revenue from operations</b>				
(a)	Interest income	179.52	179.52	191.25	191.25
(b)	Dividend & Distribution income on investments	0.61	0.61	25.11	25.11
(c)	Fees and commission income	533.91	317.39	290.38	216.18
(d)	Net gain on fair value changes	193.87	193.87	96.82	96.82
(e)	Sale of products(including Excise Duty)	410.41	410.41	205.95	205.95
	<b>Total revenue from operations</b>	<b>1,318.32</b>	<b>1,101.80</b>	<b>809.51</b>	<b>735.31</b>
<b>2</b>	<b>Other income</b>	-	-	0.19	0.19
<b>3</b>	<b>Total income (1+2)</b>	<b>1,318.32</b>	<b>1,101.80</b>	<b>809.70</b>	<b>735.50</b>
	<b>Expenses</b>				
(a)	Finance costs	85.26	85.24	298.79	298.79
(b)	Fees and commission expenses	133.18	130.42	39.49	34.67
(c)	Impairment on financial instruments	0.02	0.01	-	-
(d)	Purchases of Stock-in-trade	420.48	420.48	205.62	205.62
(e)	Employee benefits expenses	67.21	42.20	47.24	16.90
(f)	Depreciation, amortization and impairment	1.83	1.63	1.44	1.31
(g)	Other expenses	36.72	24.00	34.50	19.75
<b>4</b>	<b>Total expenses</b>	<b>744.70</b>	<b>703.98</b>	<b>627.08</b>	<b>577.04</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>573.62</b>	<b>397.82</b>	<b>182.62</b>	<b>158.46</b>
<b>6</b>	<b>Tax expense:</b>				
(a)	Current tax	158.19	114.07	36.30	27.79
(b)	Deferred tax	(4.66)	(4.76)	(1.95)	(1.88)
<b>7</b>	<b>Profit for the year (5-6)</b>	<b>420.09</b>	<b>288.51</b>	<b>148.27</b>	<b>132.55</b>
<b>8</b>	<b>Other comprehensive income</b>				
(a)	(i) Items that will not be reclassified to profit or loss	-	-	-	-
	- Remeasurements of Employee Benefits	(2.69)	(2.62)	(0.15)	(0.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.68	0.66	0.04	0.03
	<b>Other comprehensive income/(loss) (a+b)</b>	<b>(2.01)</b>	<b>(1.96)</b>	<b>(0.11)</b>	<b>(0.07)</b>
<b>9</b>	<b>Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income/(loss) for the year)</b>	<b>418.08</b>	<b>286.55</b>	<b>148.16</b>	<b>132.48</b>



FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 38. 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
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	111.64	-	111.64
(b)	Receivables			
	(I) Trade receivables	286.24	-	286.24
	(II) Other receivables	105.10	2.52	107.62
(c)	Loans	650.00	-	650.00
(d)	Investments	429.80	714.83	1,144.63
(e)	Other financial assets	294.65	0.09	294.74
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)	-	28.41	28.41
(b)	Deferred tax assets (net)	-	8.57	8.57
(c)	Property, plant and equipment	-	0.08	0.08
(d)	Other intangible assets	-	0.73	0.73
(e)	Right to Use Asset	-	2.40	2.40
(f)	Other non-financial assets	0.09	1.29	1.38
	<b>Total Assets</b>	<b>1,877.52</b>	<b>758.92</b>	<b>2,636.44</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			
	(I) Trade payables			-
	(i) total outstanding dues of micro enterprises and small enterprises			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	54.29	-	54.29
	(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	1.15	1.37	2.52
(c)	Other financial liabilities	114.06	-	114.06
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	72.57	-	72.57
(b)	Provisions	0.73	8.79	9.52
(c)	Other non-financial liabilities	23.78	-	23.78
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	2.49	2.49
(b)	Other equity	-	2,357.21	2,357.21
	<b>Total Liabilities and Equity</b>	<b>266.58</b>	<b>2,369.86</b>	<b>2,636.44</b>



*[Handwritten signature]*



## 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
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	0.32	-	0.32
(b)	Receivables			
	(I) Trade receivables	149.81	-	149.81
	(II) Other receivables	26.23	3.24	29.47
(c)	Loans	2,194.72		2,194.72
(d)	Investments	126.11	-	126.11
(e)	Other financial assets	31.94	0.09	32.03
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Current tax assets (net)	-	23.30	23.30
(b)	Deferred tax assets (net)	-	3.23	3.23
(c)	Property, plant and equipment	-	0.09	0.09
(d)	Other intangible assets	-	1.87	1.87
(e)	Right to Use Asset	-	-	-
(f)	Other non-financial assets	1.20	1.01	2.21
	<b>Total Assets</b>	<b>2,530.33</b>	<b>32.83</b>	<b>2,563.16</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	55.47	-	55.47
	(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)	Debt securities		50.00	50.00
(c)	Other financial liabilities	236.49		236.49
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current tax liabilities (net)	-		-
(b)	Provisions	0.17	1.07	1.24
(c)	Other non-financial liabilities	8.51	-	8.51
<b>3</b>	<b>EQUITY</b>			
(a)	Equity share capital	-	2.49	2.49
(b)	Other equity	-	2,208.96	2,208.96
	<b>Total Liabilities and Equity</b>	<b>300.64</b>	<b>2,262.52</b>	<b>2,563.16</b>



**FINANCIAL STATEMENT OF IIFL WEALTH PORTFOLIO MANAGERS LIMITED  
(FORMERLY KNOWN AS IIFL ALTERNATE ASSET ADVISORS LIMITED)  
Notes forming part of Financial Statements for the year ended March 31, 2020**

**Note 39. Subsequent Events**

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

**Note 40.** 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 41. Approval of Financial Statements**

The financial statements were approved for issuance by the Board of Directors on Jun 11, 2020

**Note 42.** The previous year figures have been regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation

**For and on behalf of the Board of Directors**



**Yatin Shah**  
Director  
(DIN: 03231090)



**Sandeep Jethwani**  
Whole Time Director  
(DIN: 07984864)

Place : Mumbai

Dated: June 11, 2020

