

IIFL ALTERNATE ASSET ADVISORS LIMITED
ANNUAL REPORT FY 2016-17

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the **Sixth Annual Report** of IIFL Alternate Asset Advisors Limited ("**the Company**") together with the Audited Financial Statements for the year ended March 31, 2017.

1. Financial Results - The highlights of the financial results for the year under review are as under:
(Rs. In million)

Particulars	2016-2017	2015-2016
Gross Total Income	144.29	555.87
Less: Expenditure	135.03	449.24
Profit /(Loss) Before Taxation	9.26	106.63
Less: Taxation - Current	3.18	21.05
- Deferred	(3.22)	-
- MAT Credit Gains	-	-
- Short or Excess Provision of Income Tax	-	0.16
Net Profit / (Loss) After Tax	9.30	85.42

2. Review of Business and Operations:

During the year under review, the gross total income of the Company was Rs. 144.29 million and the net profit after tax was Rs. 9.30million.

3. Macroeconomic Overview:

RBI Prudent, no cut in repo rate for 2017

The central bank wants to assess the transient effects of demonetisation before chalking out interest rate trajectory. Although note ban effects are gradually fading, there are early signs of uptick in food inflation and with persistent price pressure evident in the services segment, RBI intends to manage inflation in a calibrated manner. The central bank remains committed to the medium term CPI target of a level closer to 4% on a sustainable basis. With headline inflation projected to scale higher later this fiscal year, we sense that Monetary Policy Committee will keep the policy rate on hold for next two quarters.

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(An IIFL Group Company)

CIN: U74120MH2011PLC219930

Headline inflation in control, though upside risks prevail

Although consumer inflation remains benign, recent softening in perishable commodities is transient and price pressure is expected to resurface. RBI sees upside risks to its inflation projections, including uncertainty regarding monsoon in light of a probable El Niño event, implementation of 7th CPC (Pay Commission), impact of GST and rising fiscal deficit in wake of loan waivers. The central bank is particularly concerned by the prospects of increase in house rent allowance as recommended by the 7th CPC, stating that it can push baseline inflation by an estimated 100-150bps over a period of 12-18 months. RBI sees inflation averaging 4.5% for the first half of FY18 and 5% for the rest of the year

Economic Growth – Steady recovery this fiscal year

GVA growth for FY2017-18 is projected to strengthen to 7.4% from 6.7% in the prior fiscal year. Recovery will be helped by re-monetization induced pent-up discretionary consumer demand, monetary policy transmission into lower lending rates, Union Budget's emphasis on higher capital expenditure & rural demand and structural reforms like GST.

Equity:

Global backdrop congenial for Indian equities

Even as Indian equities cross the 9000 Nifty level, we continue to remain overweight given the convergence of many a favourable factor – both global and local. For one, the FPI flows into India have been circuitously helped by a conducive US environment after quite some time. The rising business confidence in US has spurred hopes of a credible earnings recovery as also upped consumer confidence against the backdrop of a falling unemployment rate. The recent tone of US Fed statements and its commitment to not merely rate hikes, but a faster pace of rate hikes is also reflective of the central bank's faith in an improving US economy. Notwithstanding any near-to-medium term correction possibility induced by the rate hikes as and when enforced, the outlook for the rest of the year looks bright. It's clear and evident that US equities are likely to get a boost on the back of a discernible recovery hope; the earnings yield is more attractive than treasury yields. This augurs well for a reasonably sustainable equities rally in India.

Abundant domestic liquidity

Back home, domestic liquidity seems to be on a roll with money pouring into equities even as the charm of other asset classes is losing shine and bank deposits are far from attractive. Even for those who traditionally steered clear of equities are facing the typical predicament of 'There Is No Alternative'. The sizeable chunk that's coming in through the SIP route, not being hot money, won't reverse in a hurry even if sentiments were to take a temporary hit. More importantly, the domestic

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liquidity is now pouring more into midcaps thereby making the rally more broad-based than even before.

Earnings recovery seems imminent

Coming to another decisive factor of earnings recovery (or descent), there's enough reason to hope for, nay expect the best. Given the expanding P/E multiples, only an earnings recovery can take markets substantially higher. Having eluded us for many years in a row, an earnings recovery looks imminent now, given the low base of several years, a new beginning in the form of growth-led GST regime, improved consumption on the back of remonetization, the business boost from rising commodity prices (notwithstanding the impact on margins), a positive WPI (which is now above CPI) and a possible export pick up led by an impending global recovery. Operating leverage may kick in on the slightest of recoveries and aid margins.

Wave of reforms on the anvil

Most important, India's business confidence is at its peak, enormously helped by the thumping state election triumph of the ruling party, which is akin to a people's verdict in favour of seemingly tough decisions like the demonetization drive. With public support on its side, the government would now be enthused to usher in a resurgent wave of reforms and pragmatic initiatives, including more FDI investment through the automatic route, fund raising through a mine auction and disinvestment spree. From the FPI perspective, India is clearly the best proposition among emerging markets.

Fixed Income:

Higher yield curve amid prospects of more rate hikes in US

We continue to remain cautious. Ever since the MPC kept interest rates on hold in its sixth bi-monthly monetary policy review in Feb meeting and changed its stance on monetary policy from accommodative to neutral, the domestic bond yield is on a northbound journey. The continuous flow of positive US macro data along with indications of two more rate hikes by Federal Reserve has weighed on market sentiment. Yield on the 10-year benchmark bond (6.97% GS 2026) surged about 70 bps to ~6.90% against the low of ~6.20% attained in the quarter and the entire Yield-curve surged higher. Yield on corporate bonds also moved higher mirroring the trend prevailing in the sovereign curve. Liquidity continues to remain in surplus mode, providing some support to the front-end of the curve.

Defensive outlook, with positioning only at the front-end of the curve

Going ahead bond yields will continue to be dictated by inflation trajectory, particularly core inflation. Earlier, MPC projected that inflation may increase in the second half of the current fiscal and RBI

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governor too expressed concerns regarding high core inflation. Furthermore, with issuance of SDLs and UDAY Bonds remaining high, and with resumption of new calendar supply, bond yields are expected to trade range-bound with an upward bias in the near term. We recommend positioning only at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile and risk-return is not in favour for long duration positioning. Global environment will also dictate terms with market positioning.

Future Outlook of the business:

Indian and Global economic conditions continue to be supportive. Corporate earnings are slowly inching up, and government policy is becoming more transparent, with ease of doing business gaining focus. All these macro factors make the outlook for next few years conducive for robust growth for IIFLW. Penetrating existing markets with new client acquisition, as well as creating presence in under-represented markets in India will continue to be the domestic wealth policy. Creation of a focused NRI offering will help tap the global markets for wealth. Innovation in product offering, estate planning and trust advisory continue being the pillars for gaining and retaining client assets.

With an average loan book of over Rs. 2200/- cr and a closing book of over Rs. 3600/- cr, the NBFC business has seen a very rapid growth, and we expect the same momentum over the next few years. In house DP and broking ops within the wealth entity will make margin funding a robust offering in the near future.

The AMC business garnered large sums via the niche focus area of AIF's. Hiring of a domestic sales team, realignment of the offshore AMC sales teams, and beefing up of the fund management and operations teams has given a new impetus to the AMC business. Systems are being evaluated to replace legacy manual and inefficient systems to enhance ease of doing business as well as the client experience. The investment in people and infrastructure should lead to a robust business growth in the AMC revenues and contribution to firm revenues.

4. Dividend:

In view to conserve resources, your Directors do not recommend any Dividend.

5. Transfer to Reserves:

During the FY 2016-2017, the Company has not transferred any amount to the General Reserve.

6. Share Capital:

The total share capital of the Company is Rs. 5,00,000/-.

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7. Directors and Key Managerial Personnel:

a. Directors:

The Board consists of Mr. Mohan Radhakrishnan, Mr. Narendra Jain and Mr. Yatin Shah as the Directors of the Company. In terms of provisions of Companies Act, 2013 and in terms of applicable provisions of the Articles of Association of the Company, Mr. Narendra Jain, Director of your Company, retires by rotation and being eligible, offers himself for re-appointment.

- a. **Meetings of the Board of Directors** - The Board met six times during the year to discuss and approved various matters including financials, appointment of auditor, review of audit reports and other board businesses.

The details of attendance of the Directors at Board Meetings, and the previous Annual General Meeting of the Company are, given below:

Name of Director	Board Meetings (May 04, 2016, May 24, 2016, July 26, 2016, October 24, 2016, January 10, 2017, January 23, 2017)		CSR Committee Meetings held on July 26, 2016 and March 23, 2017		Whether present at previous AGM held on July 22, 2016
	Held	Attended	Held	Attended	
Mr. Mohan Radhakrishnan	6	6	2	2	Yes
Mr. Narendra Jain	6	6	2	2	Yes
Mr. Balaji Raghavan*	3	3	-	-	No
Mr. Yatin Shah	3	3	2	2	No

Note*- Mr. Balaji Raghavan resigned as the Director of the Company with effect from July 26, 2016.

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b. Committees of the Board Committees of the Board -

In accordance with the Companies Act, 2013, the Board has constituted following Committee as per the applicable provision of Companies Act, 2013:

- **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee ("CSR Committee") comprises of Mr. Mohan Radhakrishnan, Non-Executive Director, Mr. Narendra Jain, Non-Executive Director and Mr. Yatin Shah, Non-Executive Director. The CSR Committee has approved CSR Policy of the Company. IIFL group has set-up India Infoline Foundation (referred as "IIFL Foundation") a Section 8 Company under the Companies Act, 2013, which will act as the principal arm to undertake CSR initiatives on behalf of the IIFL Group.

c. Formal annual evaluation – Pursuant to the provisions of the Companies Act, 2013, the Board is not required to carry out the performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees.

b. Key Managerial Personnel – During the year, the Company was not required to appoint any key managerial personnel as per the Companies Act, 2013.

8. Managerial Remuneration:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the financial year 2016-17 is available for inspection at the registered office of the Company.

9. Risk Management Policy and Internal Adequacy:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

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

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10. Corporate Social Responsibility (CSR):

During the financial year, your Company deployed 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding three years on CSR projects.

All CSR efforts have been directed towards identifying and undertaking projects that hold the potential to create long-term social impact, to empower marginalized communities and enhance their quality of life. In alignment with this objective, in FY16-17, the Company undertook projects in the core areas of encouraging entrepreneurship, tribal developments, woman empowerment and healthcare and education.

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

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

11. Extract of Annual Return:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure – II**.

12. Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the going concern status of the Company:

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

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

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

14. Auditors:

At the Annual General Meeting held on July 27, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2020. In terms of the provision of Section 139 of the Companies Act, 2013, the appointment of the said auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company, is placed for ratification by the shareholders.

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15. Comments on auditors' report:

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

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

The details of loans, guarantees or investments made are provided in the standalone financial statement (please refer Note No.10 and 13).

17. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were at arm's length. No contract/ arrangement have been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related party are disclosed by way of notes to accounts vide note no. 31 in the standalone financial results of the Company for the financial year ended March 31, 2017.

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

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

Conservation of energy:

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

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

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

Technology absorption and innovation:

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

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

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

Foreign exchange earnings/outgo:

- a.) The Foreign exchange earnings: Nil (P.Y. Nil)
- b.) The Foreign exchange expenditure: Nil (P.Y. Nil)

Research and Development (R & D): The Company is engaged in distribution of various financial products, which entails internal research of investment products, sectors and markets.

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

The Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its women employees are not subjected to any form of harassment. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

20. Directors Responsibility Statement:

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

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

Acknowledgements:

Your Directors take this opportunity to thank Securities and Exchange Board of India, Association of Mutual Funds of India, financial institutions, banks, and all other stakeholders for their continued support and assistance during the period under review. Your Directors would also like to thank the employees for their dedication towards the growth of the Company.

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For and on behalf of the Board of Directors



Mohan Radhakrishnan
Director
DIN- 00012070



Yatin Shah
Director
DIN- 03231090

Date: May 03, 2017

Place: Mumbai

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ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE – I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	IIFL Alternate Asset Advisors ("the Company") has carried out CSR activities through IIFL Foundation and contributed to CSR Projects, as referred below. The CSR Policy has been uploaded on website under http://www.indiaonline.com/aboutus/iifl-csr-policy link
2. The Composition of the CSR Committee	CSR Committee of the Company comprises of: (i) Mr. Mohan Radhakrishnan (ii) Mr. Narendra Jain (iii) Mr. Yatin Shah
3. Average net profit of the company for last three financial years	INR 61,132,880/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	INR 1,222,658/-
5. Details of CSR spent during the financial year	
a) Total amount to be spent for the financial year;	INR 1,222,658/-
b) Amount Spent; and	INR 1,222,700/-
c) Amount unspent, if any.	NIL
Manner in which the amount spent during the financial year is detailed below:	

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Sr. No	Project s/ Activiti es	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise (Rs.)	Amount Spent on the Projects or programs (Rs.)	Cumulative Expenditur e upto Reporting Period (Rs.)	Amount Spent : Direct or through Implementin g Agency (Rs.)
1	Sports Develo pment and support	Trainin g to promot e nationa lly recogni zed sports.	Pan India	12,22,700	Direct 12,22,000 /-	12,22,000/-	12,22,700/- Through Indiainfoline Foundation.
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report				<p>During the financial year 2016-17, the Company successfully deployed 2 % of its average net profits of the preceding three years on CSR projects.</p> <p>In line with the company's CSR strategy, the Company has focused its efforts on identifying and undertaking CSR projects that support the overarching mission of contributing proactively towards Nation building. Women Empowerment, Education and Health continue to be one of the key focus areas.</p>			

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Responsibility Statement - Through this report, the Company seeks to communicate to the Ministry of Corporate Affairs, Government of India, its commitment towards CSR. The implementation and monitoring of the Company's CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcome for marginalized segments of society. The Company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135 of the Companies Act, 2013, the Company has also established a monitoring mechanism to track the progress of its CSR projects.



Mohan Radhakrishnan
Chairman, CSR Committee
& Director
DIN- 00012070



Yatin Shah
Director
DIN- 03231090

Date: May 03, 2017

Place: Mumbai

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ANNEXURE - II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i) CIN	U74120MH2011PLC219930
ii) Registration Date	July 19, 2011
iii) Name of the Company	IIFL Alternate Asset Advisors Limited
iv) Category / Sub-Category of the Company	Public Company, Limited by shares
v) Address of the Registered office and contact details	IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane-400604 Tel No.: 022-42499000 Fax No.: 022- 25806654
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime Private Limited Address : C-101, 247 Park, LBS Marg, Vikhroli (West) - 400083 Tel: +91 22 4918 6000 Fax: +91 22 4918 6060 E-mail : mumbai@linkintime.co.in Website: www.linkintime.co.in

II. Principal business activities of the company:

All the Business activities contributing 10 % or more of the total turnover of the company are given below:-

Name and Description of main products/ services	NIC Code of the Product/ service *	% to total turnover of the company
Arranging & distribution of various class of assets	6619	100

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

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III. Particulars of holding, subsidiary and associate companies:

Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable section
IIFL Wealth Management Limited	U74140MH2008PLC177884	Holding	100	2(46)

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01 st April 2016)				No. of Shares held at the end of the year (31 st March 2017)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	49994	6	50000	100	49994	6	50000	100	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	49994	6	50000	100	49994	6	50000	100	0.00
(2) Foreign									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	49994	6	50000	100	49994	6	50000	100	0.00

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(An IIFL Group Company)

CIN: U74120MH2011PLC219930

B. Public shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others(specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by Custodian for GDRs&ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	49994	6	50000	100	49994	6	50000	100	0.00

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ii) **Shareholding of Promoters:**

Shareholder's Name	Shareholding at the beginning of the year (01 st April 2016)			Shareholding at the end of the year (31 st March 2017)			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
IIFL Wealth Management Limited*	50000	100	Nil	50000	100	Nil	0.00
Total	50000	100	Nil	50000	100	Nil	0.00

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

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

	Shareholding at the beginning of the year (01-04-16)		Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	50000	100	50000	100
Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	-	-
At the end of the year	50000	100	50000	100

Note: There is no change in the promoters' shareholding during the period from 01-04-2016 to 31-03-2017.

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

	No. of shares at the beginning (01-04-16)/end of the year (31-03-17)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
NIL	0	0	0	0	0	0	0

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

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v) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
	No. of shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the company				No. of shares	% of total shares of the company
A. DIRECTORS:							
-	-	-	-	-	-	-	-
B. Key Managerial Personnel (KMP's)							
-	-	-	-	-	-	-	-

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V. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payments -

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		803,581,000	-	803,581,000
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	803,581,000	-	803,581,000
Change in Indebtedness during the financial year				
• Addition		5,265,100,000	-	5,265,100,000
• Reduction		(6,068,681,000)		(6,068,681,000)
Net Change	-	(803,581,000)	-	(803,581,000)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of directors and Key Managerial Personnel:

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

Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount (Rs.)
	-	-	-
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income- tax Act,	Nil	Nil	Nil
(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	Nil	Nil	Nil

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(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2. Stock Option	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission - as % of profit - others, specify	Nil	Nil	Nil
5. Others, please specify	Nil	Nil	Nil
TOTAL (A)	Nil	Nil	Nil
Ceiling as per the Act	Rs. 9,25,619/- (being 10% of the net profit of the Company calculated as per Section 198 of the Companies, 2013)		

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				Total Amount
	R. Mohan	Narendra Jain	Balaji Raghavan	Yatin Shah	
i. Independent Directors					
- Fee for attending board/committee meetings	NIL	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL	NIL
TOTAL (1)	NIL	NIL	NIL	NIL	NIL
ii. Other Non-Executive					
- Fee for attending	NIL	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL	NIL
TOTAL (2)	NIL	NIL	NIL	NIL	NIL
TOTAL (B)= (1+2)	NIL	NIL	NIL	NIL	NIL
Total Managerial Remuneration	NIL				
Overall Ceiling as per the Act	Rs. 92,561/-cr (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

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

Particulars of Remuneration	Key Managerial Personnel		
	-	-	Total Amount
1. Gross salary	Nil	Nil	Nil
a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil
c. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil
d. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2. Stock Option	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission - as % of profit - others, specify	Nil	Nil	Nil
5. Others, please specify	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil

VII. Penalties / Punishment/ Compounding of offences:

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

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IIFL ALTERNATE ASSET ADVISORS LIMITED**

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL ALTERNATE ASSET ADVISORS LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory 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 Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of



the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative



contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.

2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") 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 CARO 2016.

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

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



MUMBAI, 3 May 2017
PG/SB-2017

Report on Internal Financial Controls Over Financial Reporting

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 ALTERNATE ASSET ADVISORS LIMITED** (the "Company") as of 31 March 2017 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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 the 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 based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by ICAI.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

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

MUMBAI, 3 May 2017
PG/SB- 2017



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) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties 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, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, 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, Excise Duty, Customs Duty and Value Added Tax is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Service Tax which have not been deposited as on March 31, 2017 on account of disputes.



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) 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 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of holding Company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
Partner
(Membership No.105035)

Mumbai, 3 May 2017
PG/SB -2017



IIFL ALTERNATE ASSET ADVISORS LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2017	As at Mar 31, 2016
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	500,000	500,000
(b) Reserves and Surplus	4	154,412,135	145,116,889
(c) Money received against share warrants		-	-
Sub total		154,912,135	145,616,889
(2) Share application money pending allotment		-	-
(3) Non Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities		-	-
(d) Long-term provisions	5	53,479	-
Sub total		53,479	-
(4) Current liabilities			
(a) Short-term borrowings	6	-	803,581,000
(b) Trade payables	7	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		214,420	114,426
(c) Other current liabilities	8	300,275	2,776,841
(d) Short-term provisions	9	65,557	829,864
Sub total		580,252	807,302,131
TOTAL		155,545,866	952,919,020
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capitalwork-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub total		-	-
(b) Non-current investments	10	-	59,861,500
(c) Deferred Tax Asset	11	3,219,629	1,717
(d) Long-term loans & advances	12	2,334,720	320,539
(e) Other non-current assets		-	-
Sub total		5,554,349	60,183,756
(2) Current assets			
(a) Current investments	13	-	876,975,411
(b) Inventories		-	-
(c) Trade receivables	14	-	7,636,884
(d) Cash and cash equivalents	15	148,121,891	6,317,468
(e) Short-term loans & advances	16	1,853,325	1,805,501
(f) Other current assets	17	16,301	-
Sub total		149,991,517	892,735,264
TOTAL		155,545,866	952,919,020
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Pallavi A. Gorakshakar
Partner
Place: Mumbai
Date: May 03, 2017

R. Mohan
R. Mohan
Director
(DIN: 00012070)

Narendra Jain
Narendra Jain
Director
(DIN: 01984467)



IIFL ALTERNATE ASSET ADVISORS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017


Particulars	Note No.	2016-2017	2015-2016
INCOME :			
Revenue From Operations			
- Revenue From Investing & Financing activities	18	57,228,332	290,920,859
- Sale of traded goods	19	87,060,990	264,944,185
Other Income		-	-
Total Revenue		144,289,322	555,865,044
EXPENSES :			
Employee Benefit Expenses	20	987,290	-
Other Expenses	21	4,840,226	10,985,456
Purchase of traded goods	22	87,279,150	265,097,238
Finance Charges	23	52,201,502	156,776,055
Depreciation and Amortisation		-	-
Provision & Write off	24	(10,275,045)	16,376,045
Total Expenditure		135,033,123	449,234,794
Profit before tax		9,256,199	106,630,250
Tax expenses :			
Current tax expense		3,178,865	21,051,415
Deferred tax	11	(3,217,912)	1,348
Short / (excess) provision for income tax		-	155,713
Net tax expense/(benefit)		(39,047)	21,208,476
Profit for the year		9,295,246	85,421,774
Earning Per Share- Basic	25	185.90	1,708.44
Earning Per Share- Diluted	25	185.90	1,708.44
Face Value Per Share		10.00	10.00
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors


Pallavi A. Gorakshakar
Partner
Place : Mumbai
Date: May 03, 2017


R. Mohan
Director
(DIN: 00012070)


Narendra Jain
Director
(DIN: 01984467)



IIFL ALTERNATE ASSET ADVISORS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	9,256,198	106,630,250
Adjustments for:		
Provisions for Gratuity	53,616	-
Provisions for Leave Encashment	65,420	-
Provision for Diminution in Investment	(10,275,045)	16,376,045
Interest Income	(23,203,846)	-
Interest expenses	52,088,092	156,698,565
Dividend Income	(88,750)	(1,767,747)
Profit on sale of Investments	(22,931,041)	1,771,053
Operating profit before working capital changes	4,964,644	279,708,166
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	7,572,760	(6,208,114)
Increase/ (Decrease) in Current/Non Current Liabilities	(2,376,572)	2,761,901
Cash generated from operations	10,160,832	276,261,953
Net income tax (paid) including interest	(6,022,910)	(22,057,909)
Net cash generated from operating activities (A)	4,137,922	254,204,044
B. Cash flows from investing activities		
Purchase of Investments	(6,814,820,552)	(4,643,587,906)
Sale of Investments	7,784,863,549	3,788,603,897
Interest Received	23,203,846	-
Dividend Income	88,750	1,767,747
Inter Corporate Deposit given	(1,661,200,000)	-
Inter Corporate Deposit received	1,661,200,000	-
Net cash generated from/(used in) investing activities (B)	993,335,593	(853,216,262)
C. Cash flows from financing activities		
ICD taken	5,265,100,000	11,709,752,884
ICD paid	(6,068,681,000)	(10,942,898,171)
Interest Paid	(52,088,092)	(161,525,027)
Net cash generated from/(used in) financing activities (C)	(855,669,092)	605,329,686
Net increase in cash and cash equivalents (A+B+C)	141,804,423	6,317,468
Opening Cash and Cash Equivalents (Refer Note no. 15)	6,317,468	-
Closing Cash and Cash Equivalents	148,121,891	6,317,468
See accompanying notes forming part of the financial statements		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors


Pallavi A. Gorakshakar
Partner
Chartered Accountants


R. Mohan
Director
(DIN: 00012070)


Narendra Jain
Director
(DIN: 01984467)

Place : Mumbai
Date: May 03, 2017



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended on March 31, 2017

Note 1. Corporate Information:

IIFL Alternate Asset Advisors Limited (the "Company") is a public limited company incorporated under the Companies Act, 1956. The Company is engaged in the business of arranging and distribution of various classes of assets including financial products, real estate, wealth management and private asset management. The Company was acting as Investment Manager to IIFL Venture Fund, IIFL Private Equity Fund and IIFL Opportunities Fund, Category I, II and III-Alternative Investment Funds registered with SEBI and IIFL Real Estate Fund (Domestic) – Series 1, a scheme launched by India Infoline Venture Capital Fund. The Company has ceased its investment managing activities from 1st March, 2014.

Note 2. Significant Accounting Policies:

2.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as prescribed under section 133 of Companies Act, 2013 (Act). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

2.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the Net Assets Value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

2.4 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.6 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. When there is a possible obligation or a



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets are neither recognized nor disclosed in the financial statements.

2.7 Taxation:

Tax expense comprises current and deferred tax.

Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier. Deferred tax is measured using the tax rate and the tax laws enacted or substantively enacted at the Balance Sheet date. The deferred tax asset is recognised or unrecognised, to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. At each reporting date, the Company re-assesses unrecognized deferred tax assets. Deferred tax liability is recognised as and when it arises.

2.8 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- Distribution Fee/Commission is recognized on accrual basis in accordance with the terms agreed with the counter party.
- Interest Income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Profit or loss on sale of investments is recognized on the trade date reckoning the weighted average cost.

2.9 Employee Benefits:

The company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the statement of Profit & loss. The Company has provided "Compensated Absences" on the basis of actuarial valuation.

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.

2.10 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the statement of Profit & Loss in accordance with Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India.



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

2.11 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The Company has not issued any financial Instrument that entitles or may entitle its holder to acquire equity shares in future.

2.12 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.13 Borrowing cost

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

2.14 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3. 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:

(Amount in ₹)

Authorised :	As at March 31, 2017	As at March 31, 2016
50,000 Equity Shares of ₹ 10/- each with voting rights	500,000	500,000
Issued, Subscribed and Paid-up :		
50,000 (Previous Year 50,000 equity shares of ₹ 10/- each)		
Equity Shares of ₹ 10/- each fully paid-up each with voting rights	500,000	500,000
Total	500,000	500,000

- b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

(Amount in ₹)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount	Numbers	Amount
Outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Outstanding at the End of the year	50,000	500,000	50,000	500,000

- 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, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

d) Details of shares held by holding company.

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	% holding	Numbers	% holding
Equity shares of ₹10 each fully paid				
IIFL Wealth Management Limited & its nominees	50,000	100%	50,000	100%

e) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	% holding	Numbers	% holding
IIFL Wealth Management Limited & its nominees	50,000	100%	50,000	100%

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Surplus in statement of Profit and Loss		
Opening Balance	145,116,889	59,695,115
Addition: Profit for the year	9,295,246	85,421,774
Total	154,412,135	145,116,889

Note 5. Long Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits:		
- Provision for Gratuity (Refer Note 20)	53,479	-
Total	53,479	-

Note 6. Short term borrowings:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Loans		
Inter Corporate Deposits (ICD) from related parties (Refer note 31)	-	803,581,000
Total	-	803,581,000

Note 7. Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
- Accrued Salaries and Benefits	9,409	
- Provision for Expenses	163,000	114,426
- Payable to Holding Co / Group Companies (Refer Note no 31)	42,011	-
Total	214,420	114,426

Trade payable includes ₹ Nil (previous year - ₹ Nil) payable to "suppliers" referred under the Micro, Small and Medium Enterprises Development Act, 2006. No Interest has been paid/is payable by the Company during the year to "Suppliers" referred under the said Act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 8. Other Current liabilities:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Statutory Liabilities Payables	300,275	2,776,841
Total	300,275	2,776,841

Note 9. Short-term provisions:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits:		
- Provision for Leave Encashment	65,420	-
- Provision for Gratuity (Refer note 20)	137	-
(b) Others:		
- Provision for Tax (Net of Advance tax and TDS ₹ NIL) (Previous Year ₹ 20,221,551/-)	-	829,864
Total	65,557	829,864

Note 10. Non-Current Investments (At cost):

(Amount in ₹)

Particulars	As At March 31, 2017			As At March 31, 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Unquoted, Non Trade Investment:						
Investment in Venture funds/AIFs						
Blume Ventures Fund (P.Y. NAV ₹ 20,755)	-	-	-	10,000	1,487.5	22,361,500
IIFL Seed Ventures Fund 1(P.Y. NAV ₹10.00)	-	-	-		3,750,000	37,500,000
Sub Total			-			59,861,500
Investment in Bonds & NCD						
Arch Agro Ind Pvt Ltd	10,000	1,139	6,101,000	10,000	1,139	6,101,000
Less: Provision for Dimunition in value of investments			(6,101,000)			(6,101,000)
Sub Total			-			-
Total			-			59,861,500
Aggregate Value of Unquoted Investments			-			59,861,500

Note 11. Deferred Tax Asset:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
On Gratuity/Leave Encashment	13,806	-
On Carried forward Business Losses	3,205,823	-
Preliminary Expenses	-	1,717
Total	3,219,629	1,717

Based on the projections reviewed by the Management, the Company is confident of recovery of this Deferred Tax Asset against future tax liability.



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 12. Long Term Loans and Advances:

(Amount in ₹)

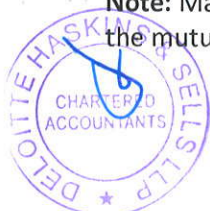
Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advance tax (Net of provision for tax ₹ 27,202,822) (previous year ₹ 2,972,542/-)	2,334,720	320,539
Total	2,334,720	320,539

Note 13. Current Investments (At lower of cost and fair value, unless otherwise stated):

(Amount in ₹)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Face Value ₹	Quantity	Amount	Face Value ₹	Quantity	Amount
Quoted, Non Trade Investment:						
Investment in Mutual Fund Units:						
JP Morgan MF India FMP SR 38 Regular Plan Growth 29AP19 (P.Y. NAV- ₹11.999)	-	-	-	10	100,000	1,094,020
Reliance MF Fixed Horizon FD XXVI Sr 21 Growth 30MY17 (P.Y. NAV- ₹11.9569)	-	-	-	10	100,000	1,112,630
HDFC MF Debt Fund For Cancer Cure CR14(P.Y. NAV- ₹10.3525)	-	-	-	10	500,000	5,523,000
IIFL India Growth Fund (P.Y. NAV- ₹10.333)	-	-	-	10	278,028	3,013,403
Less: Provision for Diminution in value of investments	-	-	-			(487,285)
Sub Total						10,255,768
Unquoted, Non Trade Investment:						
Investment in Venture funds/AIFS						
AIF CAT-III IIFL Cash Opportunities Fund(P.Y. NAV- ₹10.6057)	-	-	-	10	67,810,915	713,125,218
AIF CAT-III IIFL National Development Agenda Fund (P.Y. NAV ₹ 10.7723)	-	-	-	10	5,902,354	64,317,949
AIF CAT-III IIFL Best of Class Fund 1(P.Y. NAV ₹ 8.6228)	-	-	-	10	5,000,000	49,679,997
AIF CAT-III IIFL Best of Class Fund 2(P.Y. NAV ₹ 9.3797)	-	-	-	10	5,000,000	49,384,239
Less: Provision for Diminution in value of investments						(9,787,760)
Sub Total						866,719,643
Total			-			876,975,411
Aggregate Value of Quoted Investments			-			10,255,768
Aggregate Value of Unquoted Investments	-	-	-	-	-	866,719,643
Market value of Quoted Investments	-	-	-	-	-	10,444,703
Aggregate provision for diminution in the value of Current Investments	-	-	-	-	-	16,376,045

Note: Market value of investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds.



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 14. Trade Receivables :

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, Considered good	-	3,136
- Unsecured, Considered doubtful	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Unsecured, Considered good	-	7,633,748
- Unsecured, Considered doubtful	-	-
Total	-	7,636,884

Note 15. Cash and Cash equivalents:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash equivalents (As per AS 3 Cash Flow Statements)		
Cash in Hand	-	-
Cheques in hand	-	175,495
Balances with Bank:		
- In Current accounts	8,121,891	6,141,973
- In Deposit accounts (Original maturity of 3 months or less)	140,000,000	-
Total	148,121,891	6,317,468

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as required by MCA notification S.O. 3407(E), dated the 8th November, 2016 has been provided in the Table below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Note 16. Short Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
- Service tax receivable	1,621,067	1,574,444
- Receivable from Holding Co/Group Companies (Refer Note no 31)	202,800	231,057
- Others	29,458	-
Total	1,853,325	1,805,501

Note 17. Other Current Assets:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest on Fixed Deposit	16,301	-
Total	16,301	



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 18. Revenue from Investing & Financing activities:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Distribution Income	11,004,695	114,928,566
Profit on sale of Current Investments	16,407,972	(2,671,494)
Profit on sale of Non-Current Investments	6,523,069	906,341
Dividend Income	88,750	1,767,747
Interest Income		-
- Interest on Current Investments	6,420,951	20,713,637
- Interest on ICD (Refer note. 31)	14,987,898	-
- Interest on FD	1,794,997	-
Profit/ (Loss) from Trading Activities	-	155,276,062
Total	57,228,332	290,920,859

Note 19. Sale of traded goods:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Commodity sale		
- Gold (30 Kgs)	87,060,990	
- Silver (7055.48 Kgs)		264,944,185
Total	87,060,990	264,944,185

Note 20. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Salaries and bonus	823,929	-
Contribution to provident and other funds**	44,325	-
Gratuity Expenses*	53,616	-
Staff Welfare Expenses	-	-
Leave Encashment Expenses	65,420	-
Total	987,290	-

*The Company is recognising and accruing the employee benefit as per accounting standard (AS)-15 on "Employee Benefits" as prescribed under section 133 of the Act, the disclosures of which are as under:

(Amount in ₹)

Assumptions	2016-2017	2015-2016
Discount rate	7.26%	0.00%
Salary Escalation	5.00%	0.00%
Attrition rate	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Change in Benefit Obligation	2016-2017	2015-2016
Liability at the beginning of the year	-	-
Interest Cost	-	-
Current Service Cost	-	-
Liability transferred in	-	-
Liability transferred out	-	-
Actuarial (gain)/ Loss on obligations	53,616	-
Liability at the end of the year	53,616	-
Amount Recognised in the Balance Sheet	2016-2017	2015-2016
Liability at the end of the year	53,616	-
Fair Value of Plan Assets at the end of the year		
Funded Status(Surplus/ Deficit)	53,616	-
Amount of Liability Recognised in the balance sheet	53,616	-
Expenses Recognised in the Income statement	2016-2017	2015-2016
Current Service cost	-	-
Interest Cost	-	-
Actuarial Gain or Loss	53,616	-
Expense Recognised in the Statement of Profit & Loss	53,616	-
Balance Sheet reconciliation	2016-2017	2015-2016
Opening Net liability	-	-
Expense as above	53,616	-
Net Transfer In	-	-
Net Transfer Out	-	-
Liability Recognised in Balance sheet	53,616	-

Experience Adjustment	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Present Value of the Obligation	53,616	-	-	719,592	-
Fair Value of Plan Assets		-	-	-	-
(Surplus) or Deficit	53,616	-	-	719,592	-
Actuarial (Gains)/ Losses on Obligations - Due to Experience	53,616	-	-	250,526	-
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	-	-	-	-	-

Note: The estimate of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

****Defined Contribution Plans:**

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

(Amount in ₹)

Particulars	2016-2017	2015-2016
Contribution to Provident and other Fund	44,325	-



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Note 21. Other expenses:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Exchange and Statutory Charges	2,494,004	200,000
Marketing and Commission Expenses	64,077	70,132
Direct Operating Expenses	-	1,211,100
Bank Charges	402	1,124
Communication Expenses	-	175,575
Donation	44,375	116,750
Electricity Expenses	-	510,793
Legal & Professional Fees	849,690	65,875
Miscellaneous Expenses	6,007	501,011
Subscription Charges	-	57,000
Printing and Stationery	-	500,681
Rent Expenses	-	5,392,438
Rates & taxes	8,596	5,000
Remuneration to Auditors :		
- Audit Fees (net of Service tax input credit)	150,000	75,000
- Swachh Bharat Cess	375	
- Out of Pocket expenses	-	-
Software Charges	-	1,197,811
Travelling and Conveyance	-	905,166
Corporate Social Responsibility Expenses (Refer Note 32)	1,222,700	-
Total	4,840,226	10,985,456

Note 22. Purchase of traded goods:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Commodity purchase		
- Gold (30 Kgs)	87,279,150	
- Silver (7055.48 Kgs)		265,097,238
Total	87,279,150	265,097,238

Note 23. Finance cost:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Interest Expenses		
- Interest on ICD (Refer note 31)	52,088,092	156,698,565
- Interest on Delayed payment of Taxes	113,410	77,490
Total	52,201,502	156,776,055

Note 24. Provisions and Write off:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Provision for diminution in value of investments	(10,275,045)	16,376,045
Total	(10,275,045)	16,376,045



IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)**

Note 25. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 "Earnings per share" as prescriber under Section 133 of the Act.

(Amount in ₹)			
PARTICULARS		2016-2017	2015-2016
BASIC & DILUTED			
Profit after tax as per statement of Profit and Loss	A	9,295,246	85,421,774
Weighted average number of Shares	B	50,000	50,000
Face Value of Equity Shares (₹) fully paid		10	10
Basic & Diluted EPS (₹)	A/B	185.90	1708.44

Note 26. The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / subsidiaries / 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 from them 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 were difficult to determine.

Note 27. Capital and Other Commitments

The Company does not have any outstanding commitments of capital expenditure as on the balance sheet date.

Note 28. The Company does not have any contingent liability not provided for as on the balance sheet date.

Note 29. There are no pending litigations by and on the Company as on the balance sheet date.

Note 30. Segment Reporting:

In the opinion of the management, there is only one reportable business segment of Investing and Trading as envisaged by AS17 'Segment Reporting', 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 segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 31. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2017

a) List of Related Parties:

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited
Holding company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Distribution Services IIFL Investment Adviser and Trustee Services Limited IIFL Asset Management Limited IIFL Trustee Limited India Alternatives Investment Advisors Private Limited (Upto March 31, 2017) IIFL Wealth Finance Limited IIFL Private Wealth Management (Dubai) Limited IIFL Asia Pte Limited IIFL Inc



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of relationship	Name of party
	IIFL Private Wealth Hong Kong Limited IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Ltd) IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	India Infoline Limited India Infoline Finance Limited India Infoline Insurance Services Limited India Infoline Commodities Limited IIFL Realty Limited India Infoline Housing Finance Limited India Infoline Media & Research Services Limited IIFL Capital Limited India Infoline Commodities DMCC IIFL Wealth UK Limited IIFL Capital Inc India Infoline Foundation IIFL Properties Private Limited IIFL Asset Reconstruction Limited India Infoline Insurance Brokers Limited
Key Managerial Personnel	-
Others Related Parties	Mr. Karan Bhagat Mr. Yatin Shah Mr. Amit Shah Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Dhara Shah Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment

b) Significant Transactions with Related Parties:

(Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Purchase of Inventory:					
	-	-	-	-	-
IIFL Wealth Management Limited	-	(1,794,887,757)	-	-	(1,794,887,757)
India Infoline Media & Research Services Ltd	-	-	-	-	-
	-	-	-	(64,317,949)	(64,317,949)
Sale of Inventory:					
	-	-	-	-	-
IIFL Wealth Management Limited	-	(1,464,155,704)	-	-	(1,464,155,704)



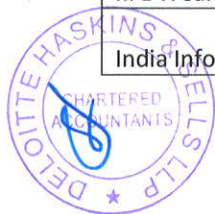
IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
IIFL Wealth Finance Limited	-	-	253,093,440	-	253,093,440
	-	-	-	-	-
Dividend Income:					
India Infoline Finance Limited	-	-	-	-	-
	-	-	-	(1,534,247)	(1,534,247)
Interest Income on ICD :					
IIFL Wealth Management Limited	-	6,475,890	-	-	6,475,890
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	8,504,357	-	8,504,357
	-	-	-	-	-
IIFL Asset Management Limited	-	-	7,652	-	7,652
	-	-	-	-	-
Corporate Social Responsibility Expense (CSR)					
India Infoline Foundation Limited	-	-	-	1,222,700	1,222,700
	-	-	-	-	-
Interest Expenses on ICD :					
IIFL Wealth Management Limited	-	756,399	-	-	756,399
	-	(39,166,861)	-	-	(39,166,861)
IIFL Distribution Services Limited	-	-	-	-	-
	-	-	(1,695,082)	-	(1,695,082)
IIFL Holdings Limited	(2,684,240)	-	-	-	(2,684,240)
IIFL Investment Adviser & Trustee Services Limited	-	-	7,884,812	-	7,884,812
	-	-	(14,126,381)	-	(14,126,381)
IIFL Facilities Services Limited	-	-	-	-	-
	-	-	-	(851,869)	(851,869)
India Infoline Finance Limited	-	-	-	(45,442,932)	(45,442,932)
IIFL Wealth Finance Limited	-	-	26,888,415	-	26,888,415
	-	-	-	-	-
IIFL Asset Management Limited	-	-	16,558,466	-	16,558,466
	-	-	(52,731,200)	-	(52,731,200)
ICD Repaid:					
IIFL Wealth Management Limited	-	572,100,000	-	-	572,100,000
	-	(4,818,207,884)	-	-	(4,818,207,884)
IIFL Distribution Services Limited	-	-	-	-	-
	-	-	(30,000,000)	-	(30,000,000)
IIFL Holdings Limited	(366,800,000)	-	-	-	(366,800,000)
IIFL Investment Adviser & Trustee Services Limited	-	-	533,281,000	-	533,281,000
	-	-	(506,719,000)	-	(506,719,000)
IIFL Facilities Services Limited	-	-	-	-	-
	-	-	-	(472,400,000)	(472,400,000)
India Infoline Finance Limited	-	-	-	-	-
	-	-	-	(4,747,500,000)	(4,747,500,000)
IIFL Wealth Finance Limited	-	-	4,352,000,000	-	4,352,000,000
	-	-	-	-	-
IIFL Asset Management Limited	-	-	611,300,000	-	611,300,000
	-	-	-	-	-



IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
ICD Taken:					
IIFL Wealth Management Limited	-	572,100,000	-	-	572,100,000
	-	(4,782,752,884)	-	-	(4,782,752,884)
IIFL Distribution Services Limited	-	-	-	-	-
	-	-	(30,000,000)	-	(30,000,000)
IIFL Holdings Limited	(366,800,000)	-	-	-	(366,800,000)
IIFL Investment Adviser & Trustee Services Limited	-	-	340,000,000	-	340,000,000
	-	-	(700,000,000)	-	(700,000,000)
IIFL Facilities Services Limited	-	-	-	-	-
	-	-	-	(472,400,000)	(472,400,000)
India Infoline Finance Limited	-	-	-	-	-
	-	-	-	(4,747,500,000)	(4,747,500,000)
IIFL Wealth Finance Limited	-	-	4,352,000,000	-	4,352,000,000
	-	-	-	-	-
IIFL Asset Management Limited	-	-	1,000,000	-	1,000,000
	-	-	(610,300,000)	-	(610,300,000)
ICD Given:					
IIFL Wealth Management Limited	-	635,000,000	-	-	635,000,000
	-	-	-	-	-
IIFL Asset Management Limited	-	-	4,200,000	-	4,200,000
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	1022,000,000	-	1022,000,000
	-	-	-	-	-
ICD Received Back :					
IIFL Wealth Management Limited	-	635,000,000	-	-	635,000,000
	-	-	-	-	-
IIFL Asset Management Limited	-	-	4,200,000	-	4,200,000
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	1022,000,000	-	1022,000,000
	-	-	-	-	-
Other Funds Received:					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(821,856)	-	-	(821,856)
Other Funds Paid:					
IIFL Wealth Management Limited	-	346,216	-	-	346,216
	-	(2,544,815)	-	-	(2,544,815)
Allocation / Reimbursement of expenses Paid:					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(9,860,443)	-	-	(9,860,443)
India Infoline Limited	-	-	-	-	-
	-	-	-	(6,252)	(6,252)



IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017 (Continued)

c) Amount due to/ from related parties (Closing Balance)**(Amount in ₹)**

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Sundry Payables					
	-	42,011	-	-	42,011
IIFL Wealth Management Limited	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	-	(193,281,000)	-	(193,281,000)
	-	-	-	-	-
IIFL Asset Management Limited	-	-	(610,300,000)	-	(610,300,000)
Sundry Receivables:					
	-	-	-	202,800	202,800
India Infoline Limited	-	-	-	(231,057)	(231,057)

Note :

- I Figures in bracket represents previous year figures.
- II Related parties are identified and certified by the management.

Note 32. Corporate Social Responsibility:

During the financial year 2016-17, the Company has spent ₹ 1,222,700/- (P.Y ₹ NIL) out of the total amount of ₹ 1,222,658/- (P.Y ₹ NIL) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company is focused on implementing the projects identified by the CSR Committee and has successfully completed most of the projects. The Company has utilised the amount required to be spent on CSR projects.

Note 33. Details of Inter Corporate Deposit:

a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note No. 31. The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates of 9.50% to 11% p.a. for the purpose of meeting working capital and business requirements of the borrowers.

b) The Outstanding balance of Inter Corporate Deposits as on March 31, 2017, with related parties is detailed under the table of related party transactions appearing under Note No. 31.

Note 34. Previous year figures are regrouped, reclassified and rearranged wherever considered necessary.

For and on behalf of the Board of Directors



R. Mohan
Director
(DIN: 00012070)



Narendra Jain
Director
(DIN: 01984467)

Place: Mumbai
Date: May 03, 2017

