

IIFL ALTERNATE ASSET ADVISORS LIMITED
ANNUAL REPORT FY 2017-18

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the **Seventh Annual Report** of IIFL Alternate Asset Advisors Limited ("**the Company**") together with the Audited Financial Statements for the year ended March 31, 2018.

1. Financial Results - The highlights of the financial results for the year under review are as under:

Particulars	(Rs. In million)	
	2017-18	2016-2017
Gross Total Income	63.46	144.29
Less: Expenditure	32.81	135.03
Profit /(Loss) Before Taxation	30.66	9.26
Less: Taxation - Current	5.53	3.18
- Deferred	3.07	(3.22)
- Mat Credit Gains	(1.39)	-
- Short or Excess Provision of Income Tax	0.14	-
Net Profit / (Loss) After Tax	23.32	9.30

2. Review of Business and Operations:

During FY 2017-2018, the Company continued making good progress in all its business segments. Total Income on a consolidated basis increased to Rs. 1,738 crore, up 60% year on year (y-o-y). Net Profit (after tax) increased to Rs. 385 crore up 54% y-o-y. Total Client Assets grew by 38.81% YoY and the Company now manages around Rs. 1,31,762 Crore in Client assets.

The Domestic Asset management business manages over Rs. 13,583 crore of Assets which comprises of Rs. 11,736 Crore in AIF Assets, Rs. 946 crore in PMS assets and Rs. 901 crore in Mutual Fund Assets. The offshore Asset Management business manages Rs. 10,586 crore of assets. The total assets managed under the AMC business is therefore Rs. 24,169 crore resulting in a YOY growth of 20.57%.

The NBFC subsidiary has made great progress, with a closing loan book of over Rs. 6,700 crore reporting a growth of 85% over the previous year. The book is diverse with healthy flows from

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Corporate & Registered Office:

IIFL Centre, Kamala City, Senapati Bapat Marg,
Lower Parel West, Mumbai – 400 013

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(An IIFL Group Company)

CIN: U74120MH2011PLC219930

Loan Against Shares, IPO financing and to a very small extent margin funding and Loan Against Property.

3. Macroeconomic Overview:

- **Lower Government Borrowing in H1 FY19 – Positive surprise:** Indian government reduced its borrowing target for the first half of this fiscal year, with gross borrowing through government securities pegged at Rs. 2.88 lakh crore in the first half of FY19 against Rs. 3.72 lakh crore in first half of FY18. Though total gross borrowings for fiscal 2019 is budgeted at Rs. 6.05 trillion, higher than previous year's revised estimated of Rs. 5.99 trillion.
- **Pause on monetary policy, though rate hike a possibility towards end of FY19:** In concurrence with the expectations, RBI maintained status quo on the policy rates and neutral stance. However, MPC's decision was yet again not unanimous (similar to the previous policy meeting), with one member (Dr. Patra) reiterating the case for a rate hike. Although the central bank has lowered inflation projections, we sense that rising domestic demand, stubborn core inflation and fiscal pressure will prompt a long pause, followed by a probable rate hike towards the end of this fiscal year.
- **Lower Headline inflation, though core price pressure sustains:** With food prices dipping during first two months of this year, CPI projections for H1FY19 is revised lower to 4.7-5.1%, when compared with earlier estimate of 5.1-5.6%. Similarly, for H2FY19, RBI sees inflation at 4.4%, lower than prior projection of 4-4.6%. However, core inflation continues to remain sticky around 5.2%, driven by price pressure in the housing segment. The central bank has also cited risks to the inflation projections, emanating from the uncertainty over the revised MSP formula, fiscal slippage of Central & State government and volatile crude oil prices.
- **Growth – Higher trajectory:** With output gap narrowing and revival in investment activity, RBI projects GDP growth for FY19 at 7.4%, significantly higher than estimates of 6.6% for FY18. Growth during H1FY19 is pegged at 7.3-7.4%, while H2 is seen expanding around 7.3-7.6%.
- **Global GDP estimates ensure Bull-Run longevity:** The global economic momentum would remain intact for this year and next, given consensual upgrade on global GDP projections by IMF, World Bank and OECD. Stronger US consumer spends, stable exports from Europe and resilient Chinese manufacturing reinstate the perception of a steady global economy.
- **Equity markets would learn to live with Trump's rhetoric:** Beyond doubt, there would be a recurring fear of assortments and different flavors of the protectionist stance erupting during the Trump regime. Nevertheless, we reckon financial markets would learn to live with the ongoing

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protectionism rhetoric given the consensus that world trade would not be significantly impacted by the selective trade tariffs by US and China. In fact, global trade volume numbers for the first two months of this year exhibit impressive strength, notwithstanding the trade war bombast. Markets would gradually realise that neither US nor China are implementing tariffs immediately, implying that pricing in the worst at this stage will be quite untimely and ill-conceived. We can also take a leaf out of the currency war episode, where global equities have done reasonably well despite nations resorting to beggar thy neighbour policy. Deliberate debasement or weakening of currencies initially stoked concerns of a far-reaching, destabilizing impact on global economy. But as we have seen, it failed to depress market sentiment over the long term.

- **Fading impact of negatives, overweight stance intact:** Indian equities have largely absorbed most of the pain emanating from a string of adverse events, including PNB fiasco, spike in bond yields, BJP's loss in UP by-poll elections and the trade war rhetoric. Although more negative news pertinent to NPA woes of certain banks could still emerge, market response would be limited to knee-jerk reactions. Most negatives are already priced in, with markets responding swiftly and sharp corrections seen in mid-caps and small-caps. The broader 2018-19 positive outlook is intact, though near term risk of Trump's twitter rhetoric cannot be ruled out.
- **Large caps relatively insulated:** Relative resilience of large-caps corroborates our stance of higher weightage to the same. Large caps are expected to hold well, unless something adverse materializes and drags the Index lower. Stocks like HDFC, ITC, Reliance and Infosys are brimming with promise. In fact, 70% of Nifty components (on weightages) is doing well on Price to Book value basis.
- **Improving variables:** Auto sales remain healthy, manifested by strongest numbers ever reported by Hero Motors and Maruti. There is traction in tractor sales as well, ditto for air traffic. Bank credit growth is being restored, now growing at double digit growth rate. Implementation of e-way bill could boost GST revenues, while direct tax collections are also on the rise. On political front, outcome of Rajya Sabha elections is deemed positive for the incumbent BJP, with Karnataka likely to spring a positive surprise.

Fixed Income:

- **Lower H1FY19 Borrowings softens yields:** Sovereign bond yields mellowed significantly following the government announcement of the borrowing plan dip. It would raise Rs. 2.88 trillion in the first six months, about 48% of the total borrowing for this fiscal year. This is very low given that the government generally tends to borrow around 60% in the first half. The government will issue less quantum of long tenure bonds and tap more funds from small saving schemes. Hike in FPI limit for government bonds is also in the works. Moreover, issuance of floating rate bonds is

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deemed short term positive for markets, as it entails relatively lower risk given that interest rates are aligned every six months.

- **Respite for Banks:** Amid mounting Treasury losses from elevated bond yields, RBI provided much-needed breathing space to banks by sanctioning loss rollover on bond exposure, and set off in ensuing four quarters. PSU banks would largely benefit as they hold abundant government paper, in excess of SLR requirements.
- **Fiscal slippage risk weighs on sentiments:** Governmental Revenue - Expenditure Gap is expected to remain wide, with India's fiscal deficit during 11 months of FY18 well above budgetary estimates. The fiscal shortfall till February stood at Rs. 7.16 lakh crore, as against the revised estimate of Rs. 5.95 lakh crore. Although the government would borrow less H1FY19, there is a sense that government will backload in the second half in wake of seasonally high credit demand. For this fiscal year, gross borrowings through government securities is budgeted at Rs. 6.05 trillion, higher than the estimates of Rs. 5.99 trillion in FY18.
- **RBI on guard:** With successive Fed rate hikes and more to follow, RBI is clearly constrained about any accommodation on monetary policy. Domestic issues like sticky core inflation and fiscal slippage concerns would compel it to tighten later this fiscal year., In fact, markets are pricing in a probability of 25-bps repo rate during Q4 FY19. The central bank would likely monitor monsoon developments and its impact on inflation before the decisive call.
- **Range bound yields, tilted towards short duration:** With a likely RBI rate hike later this fiscal year, bond yields are expected to stay around 7.-7.4%, a comfortable 100bps spread over Repo. Positioning at the front end of the curve remains the call as risk-reward is not in favor of long duration moderate-to-low duration exposure. Three-year AAA corporate bonds fetching around 7-8% yield would be in favor.

Future Outlook of the business:

Indian and Global economic conditions saw a few challenges, led by Trump policy and the US/China trade war. The violence and recent govt fiascos in governance, as well as the PSU banking scams of Nirav Modi, PNB and lately ICICI Bank continue being a shadow on the equity markets. Having said that, the business has done well, with continuing robust growth in all areas of the business. The focus of the year has been on business process engineering and transformation including digitization. IIFLW Investment Managers engaged Accenture to map all operational processes across the firm, with a view to tighten governance and introduce digitization and efficiency.

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The business closed with assets of Rs. 1,31,762 Cr, and 330+ sales staff, keeping IIFLW the clear leader in the industry. The core transaction system will undergo major transformation and replacement going forward, and the RM and Client journeys at IIFLW especially will see a major digital thrust.

With closing loan book of over Rs. 6,700 Crore, the NBFC subsidiary continues rapid momentum, and we expect the same momentum over the next few years. The Company's Broking business has started commodities and currency trading for select corporate and HNI clients.

The AMC subsidiary created a record, garnering commitments of over Rs. 8,450 cr in the Special Opportunities Fund, including approximately 3,000 cr from third party channel partners other than IIFLW. Wealth spectrum has been successfully implemented as core system of domestic AMC, and the firm is replacing the offshore systems as well.

4. Dividend:

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

5. Transfer to Reserves:

During the FY 2017-2018, 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/-.

7. Directors and Key Managerial Personnel:

a. Directors:

The Board consists of Mr. Mohan Radhakrishnan, Mr. Umang Papneja 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. Mohan Radhakrishnan, 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 eight times during the year to discuss and approved various matters including financials, appointment of auditor, review of audit reports and other board businesses.

b. 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. Umang Papneja, Non-Executive

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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 2017-18 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.

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 FY 17-18, the Company undertook projects in the core areas of encouraging entrepreneurship, tribal developments, woman empowerment and healthcare and education.

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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.

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.

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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.11,13 and 14).

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. 33 in the standalone financial results of the Company for the financial year ended March 31, 2018.

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.

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

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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.

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

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

Umang Papneja
Director
DIN- 07357053

Date: May 02, 2018
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 2017-18

[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 link http://www.indiainfoline.com/aboutus/iifl-csr-policy
2. The Composition of the CSR Committee	CSR Committee of the Company comprises of: (i) Mr. Mohan Radhakrishnan (ii) Mr. Umang Papneja (iii) Mr. Yatin Shah
3. Average net profit of the company for last three financial years	INR 4,16,08,882 /-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	INR 8,32,178/-
5. Details of CSR spent during the financial year	
a) Total amount to be spent for the financial year;	INR 8,32,178/-
b) Amount Spent; and	INR 8,98,156/-
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	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Projects or Programs wise	Amount Spent on the Projects or programs	Cumulative Expenditure upto Reporting Period	Amount Spent : Direct or through Implementing Agency
1	Ensuring environmental sustainability	Environment	Mumbai Maharashtra	8,00,000/-	8,00,000/-	8,00,000/-	8,00,000/- Through India Infoline Foundation
2	Provide educational opportunities to out of school children	Education	Udaipur Rajasthan	98,156/-	98,156/-	98,156/-	98,156/- Through India Infoline Foundation
6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report				During the financial year 2017-18, the Company successfully deployed 2 % of its average net profits of the preceding three years on CSR projects. In line with the company's CSR strategy, the Company has focused its efforts on identifying and undertaking CSR projects that support the overarching mission of contributing proactively towards Nation building. Women Empowerment, Education and Health continue to be one of the key focus areas.			

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.

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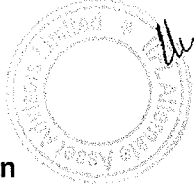
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A handwritten signature in black ink, appearing to read 'Mohan'.



A handwritten signature in black ink, appearing to read 'Umang Papneja'.

Mohan Radhakrishnan
Chairman-CSR Committee
& Director
DIN- 00012070

Umang Papneja
Director
DIN- 07357053

Date: May 02, 2018
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, 2018

[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 Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013 Tel: (91-22) 3958 5600 Fax: (91-22) 4646 4706
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
Fund management & related activities	6619	99.94%

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

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CIN: U74120MH2011PLC219930

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 2017)				No. of Shares held at the end of the year (31 st March 2018)				% 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	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

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Total shareholding of Promoter (A) = (A)(1)+(A)(2)	49994	6	50000	100	49994	6	50000	100	0.00
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

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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	4999	6	5000	100	49994	6	50000	100	0.00

ii) Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year (01 st April 2017)			Shareholding at the end of the year (31 st March 2018)			% 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.

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

	Shareholding at the beginning of the year (01-04-17)		Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	50,000	100	50,000	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	50,000	100	50,000	100

Note: There is no change in the promoters' shareholding during the period from 01-04-2017 to 31-03-2018.

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

	No. of shares at the beginning (01-04-17)/end of the year (31-03-18)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

v) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
	No. of shares at the beginning (01-04-17)/end of the year (31-03-18)	% of total shares of the compa ny				No. of shares	% of total shares of the compa ny
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	Unsecured	Deposits	Total Indebtedness
	excluding deposits	Loans		
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	7,55,10,00,000	7,55,10,00,000
• Reduction	-	-	(4,98,10,00,000)	(4,98,10,00,000)
Net Change	-	-	2,57,00,00,000	2,57,00,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	2,57,00,00,000	2,57,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	2,57,00,00,000	2,57,00,00,000

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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/MTD/ Manager		Total Amount (Rs.)
	-	-	-
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	Nil	Nil	Nil
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(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. 30,65,734/- (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	Umang Papneja	Yatin Shah	
i. Independent Directors				
- Fee for attending board/committee meetings	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL
TOTAL (1)	NIL	NIL	NIL	NIL
ii. Other Non-Executive Directors				

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- Fee for attending board/committee meetings	NIL	NIL	NIL	NIL
- Commission	NIL	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL	NIL
TOTAL (2)	NIL	NIL	NIL	NIL
TOTAL (B)= (1+2)	NIL	NIL	NIL	NIL
Total Managerial Remuneration NIL				
Overall Ceiling as per the Act	Rs. 3,06,573/- (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

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

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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

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 2018, 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 and the Order issued under section 143(11) of the Act.

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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, 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 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 of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as



amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order/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 Order.

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



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

Place: Mumbai
Date: 2 May 2018

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 2018 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. 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 respective 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



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

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 tangible 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, Goods & 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, Service Tax, Goods & Service Tax, cess and other material statutory dues in



arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax and Goods & Service Tax which have not been deposited as on March 31, 2018 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
Partner
(Membership No.105035)

Place: Mumbai
Date: 2 May 2018

IIFL ALTERNATE ASSET ADVISORS LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	500,000	500,000
(b) Reserves and Surplus	4	177,727,274	154,412,135
Sub total		178,227,274	154,912,135
(2) Non Current Liabilities			
(a) Long-term provisions	5	357,734	53,479
Sub total		357,734	53,479
(3) Current liabilities			
(a) Short-term borrowings	6	2,570,000,000	-
(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		9,475,030	172,409
(c) Other current liabilities	8	6,620,260	342,286
(d) Short-term provisions	9	2,620,234	65,557
Sub total		2,588,715,524	580,252
TOTAL		2,767,300,532	155,545,866
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Intangible assets	10	3,137,467	-
Sub total		3,137,467	-
(b) Non-current investments	11	2,368,170,956	-
(c) Deferred Tax Asset (Net)	12	148,389	3,219,629
(d) Long-term loans & advances	13	4,532,873	2,334,720
Sub total		2,372,852,218	5,554,349
(2) Current assets			
(a) Current investments	14	316,235,294	-
(b) Trade receivables	15	39,125,501	-
(c) Cash and cash equivalents	16	2,835,470	148,121,891
(d) Short-term loans & advances	17	493,211	1,853,325
(e) Other current assets	18	32,621,371	16,301
Sub total		391,310,847	149,991,517
TOTAL		2,767,300,532	155,545,866
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018

IIFL ALTERNATE ASSET ADVISORS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	2017-2018	2016-2017
INCOME :			
Revenue From Operations			
- Revenue From Investing & Financing activities	19	63,422,307	57,228,332
- Sale of traded goods	20	-	87,060,990
Other Income	21	40,435	-
Total Revenue		63,462,742	144,289,322
EXPENSES :			
Employee Benefit Expenses	22	11,019,646	987,290
Other Expenses	23	17,969,911	4,840,226
Purchase of traded goods	24	-	87,279,150
Finance Charges	25	9,187,587	52,201,502
Depreciation and Amortisation	10	729,252	-
Provisions and Write off	26	(6,101,000)	(10,275,045)
Total Expenditure		32,805,396	135,033,123
Profit before tax		30,657,346	9,256,199
Tax expenses/(benefits) :			
Current tax expense		5,527,727	3,178,865
Deferred tax expenses/(credit)	12	3,071,240	(3,217,912)
MAT Credit Entitlement		(1,392,413)	-
Short / (excess) provision for income tax		135,653	-
Net tax expense/(benefit)		7,342,207	(39,047)
Profit for the year		23,315,139	9,295,246
Earning Per Share- Basic	27	466.30	185.90
Earning Per Share- Diluted	27	466.30	185.90
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



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018

IIFL ALTERNATE ASSET ADVISORS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018


(Amount in ₹)

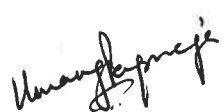
Particulars	2017-2018	2016-2017
A. Cash flows from operating activities		
Net profit before tax	30,657,346	9,256,199
Adjustments for:		
Depreciation/Amortisation	729,252	-
Provisions for Gratuity	213,461	53,616
Provisions for Compensated Absences	200,139	65,420
Charge for Diminution in Investment	(6,101,000)	(10,275,045)
Interest Income	(10,711,082)	(23,203,846)
Interest expenses	9,187,587	52,088,092
Dividend Income	-	(88,750)
Profit on sale of Investments	(11,696,270)	(22,931,041)
Operating profit before working capital changes	12,479,433	4,964,645
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	(71,181,086)	7,589,060
Increase/ (Decrease) in Current/Non Current Liabilities	17,235,538	(2,376,572)
Cash generated from/(used in) operations	(41,466,115)	10,177,133
Net income tax (paid) including interest	(4,884,403)	(6,022,910)
Net cash generated from/(used in) operating activities (A)	(46,350,518)	4,154,223
B. Cash flows from investing activities		
Purchase of Investments	(11,357,891,165)	(6,814,820,552)
Sale of Investments	8,691,282,185	7,784,863,549
Purchase of fixed assets (includes intangible assets)	(3,866,719)	-
Interest Received	10,727,383	23,187,545
Dividend Income	-	88,750
Inter Corporate Deposit given	(1,124,500,000)	(1,661,200,000)
Inter Corporate Deposit received	1,124,500,000	1,661,200,000
Net cash generated from/(used in) investing activities (B)	(2,659,748,316)	993,319,292
C. Cash flows from financing activities		
Inter Corporate Deposits taken	7,551,000,000	5,265,100,000
Inter Corporate Deposits paid	(4,981,000,000)	(6,068,681,000)
Interest Paid	(9,187,587)	(52,088,092)
Net cash generated from/(used in) financing activities (C)	2,560,812,413	(855,669,092)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(145,286,421)	141,804,423
Opening Cash and Cash Equivalents (Refer Note 16)	148,121,891	6,317,468
Closing Cash and Cash Equivalents	2,835,470	148,121,891
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


Umang Jagmohan Papneja
Director
(DIN: 07357053)


R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018

Note 1. Corporate Information:

IIFL Alternate Asset Advisors Limited (the "Company") is a public limited company incorporated under the Companies Act, 1956. The Company acts as an Investment Manager to schemes of Alternative Investment Funds and is also sought registration from SEBI for Portfolio Management Services.

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 Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. 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 Fixed assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Office equipment	5
Software	3

2.4 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) declare by the Mutual Funds at the balance sheet date is considered as the fair value.

Current investments have been valued at the lower of cost and fair value. Long-term investments have been valued at cost, except that any permanent diminution in their value has been provided for in ascertaining their carrying amount.



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2.5 Cash and cash equivalents:

Cash comprises cash on hand. Cash equivalents comprises demand deposits and 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.

2.6 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 Company are segregated based on the available information.

2.7 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 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.

2.8 Taxation:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

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. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the 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 years. 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 arises.

2.9 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.

- Management fees are accounted on accrual basis.



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- Distribution Income/ Commission 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.

2.10 Employee Benefits:

The Company's contribution towards Provident Fund is defined contribution and is accounted for on an accrual basis and recognised in the Statement of Profit and 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.

2.11 Operating Leases:

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

2.12 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.

2.13 Service tax/Goods and Services tax input credit:

Service tax/ Goods and Services 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.

2.14 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.

2.15 Operating Cycle:

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



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
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:

Authorised :	As at March 31,2018	As at March 31,2017
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

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
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.

(d) Details of shares held by holding company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% 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 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% 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, 2018	As at March 31, 2017
Surplus in the Statement of Profit and Loss		
Opening Balance	154,412,135	145,116,889
Addition: Profit during the Year	23,315,139	9,295,246
Closing Balance	177,727,274	154,412,135

Note 5. Long Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits:		
- Provision for Gratuity (Refer Note 22.1)	357,734	53,479
Total	357,734	53,479



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IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 6: Short Term borrowings:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Inter corporate deposits (ICD) – Related Party (Refer Note 33)	2,570,000,000	-
Total	2,570,000,000	-

Note 7: Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises - Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Accrued Salaries and Benefits	63,505	9,409
- Provision for Expenses	9,411,525	163,000
Total	9,475,030	172,409

Details under the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	2017 - 18	2016 - 17
a) Principal amount and interest due thereon remaining unpaid to any supplier at the end year.	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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, 2018****Note: 8. Other current liabilities:****(Amount in ₹)**

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory Liabilities Payable	4,590,765	300,275
Payable to Holding Co / Group Companies (Refer Note 33)	2,029,495	42,011
Total	6,620,260	342,286

Note 9. Short Term Provisions:**(Amount in ₹)**

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Provision for employee benefits:		
- Provision for compensated absences	310,660	65,420
- Provision for Gratuity (Refer note 22.1)	19,185	137
- Provision for Bonus	1,500,000	-
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS - ₹ 4,737,338/-) (Previous Year- ₹ Nil)	790,389	-
Total	2,620,234	65,557

Note 10. Intangible Assets (other than internally generated):**(Amount in ₹)**

Particulars	Total
Software/Intangible assets	
Gross Block as at April 01, 2017	-
Additions	3,866,719
Deductions / Adjustments during the year	-
As at March 31, 2018	3,866,719
Amortisation	
As at April 1, 2017	-
Amortisation for the year	729,252
Deductions / Adjustments during the year	-
Up to March 31, 2018	729,252
Net Block as at March 31, 2018	3,137,467
Net Block as at March 31, 2017	-

IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 11. Non Current Investments (At cost):
(Amount in ₹)

Particulars	As At March 31, 2018			As At March 31, 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Unquoted, Non Trade Investment:						
Investment in Venture funds/AIFs						
IIFL INCOME OPPORTUNITIES SERIES DEBT ADVANTAGE (NAV - ₹ 10.69, P.Y. - NIL)	10	17,867,792.09	190,969,175	-	-	-
IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS S (NAV - ₹ 10.29, P.Y. - NIL)	10	10,000,000.00	102,949,000	-	-	-
IIFL REAL ESTATE FUND SERIES 3 CLASS S (NAV - ₹ 10.73, P.Y. - NIL)	10	25,000,000.00	268,142,500	-	-	-
IIFL SEED VENTURES FUND 1 (NAV - ₹ 16.26, P.Y. - NIL)	10	18,584,493.69	302,107,671	-	-	-
IIFL SELECT EQUITY FUND - SPONSOR CONTRIBUTION (NAV - ₹ 9.77, P.Y. - NIL)	10	2,038,086.15	19,921,273	-	-	-
IIFL SPECIAL OPPORTUNITIES 4 - Nazara Technology (NAV - ₹ 10, P.Y. - NIL)	10	6,866,724.10	68,639,774	-	-	-
IIFL SPECIAL OPPORTUNITIES 5 - Nazara Technology (NAV - ₹ 10, P.Y. - NIL)	10	60,000.61	599,766	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - NAZARA TECHNOLOGIES - CO-INVESTMENT (NAV - ₹ 9.99, P.Y. - NIL)	10	175,010.98	1,748,832	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - CAPACITE (NAV - ₹ 12.2, P.Y. - NIL)	10	47,643.75	563,059	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - ICICI (NAV - ₹ 16.9, P.Y. - NIL)	10	381,093.15	6,187,200	-	-	-
IIFL Special Opportunities Fund - 1 - (COINVESTMENT) - RELIANCE (NAV - ₹ 9.9, P.Y. - NIL)	10	404,782.25	3,918,454	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - ICICI (NAV - ₹ 16.9, P.Y. - NIL)	10	381,093.15	6,187,200	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - RELIANCE (NAV - ₹ 9.9, P.Y. - NIL)	10	404,782.25	3,918,454	-	-	-
IIFL Special Opportunities Fund - 2 - (COINVESTMENT) - CAPACITE (NAV - ₹ 12.2, P.Y. - NIL)	10	47,643.75	563,059	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - ICICI (NAV - ₹ 16.9, P.Y. - NIL)	10	381,093.15	6,187,200	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - RELIANCE (NAV - ₹ 9.9, P.Y. - NIL)	10	404,782.25	3,918,454	-	-	-
IIFL Special Opportunities Fund - 3 - (COINVESTMENT) - CAPACITE (NAV - ₹ 12.2, P.Y. - NIL)	10	47,643.75	563,059	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - CO INVESTMENT (NSDL E-GOVERNANCE INFRASTRUCTURE) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	485,026.05	4,849,727	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CLASS S (NAV - ₹ 11.58, P.Y. - NIL)	10	3,543,689.24	40,704,941	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 CO INVESTMENT (NSE INDIA LTD) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	893,170.63	8,928,402	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CLASS S (NAV - ₹ 11.17, P.Y. - NIL)	10	3,599,649.97	39,847,765	-	-	-



IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Particulars	As At March 31, 2018			As At March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - NAZARA TECHNOLOGIES - CO-INVESTMENT (NAV - ₹ 9.99, P.Y. - NIL)	10	175,010.98	1,748,832		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 CO INVESTMENT (IEX) CLASS S (NAV - ₹ 9.81, P.Y. - NIL)	10	172,476.76	1,600,964		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 CO INVESTMENT (NSDL E-GOVERNANCE INFRASTRUCTURE) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	485,026.05	4,849,727		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 CO INVESTMENT (NSE INDIA LTD) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	893,068.16	8,927,377		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - NAZARA TECHNOLOGIES - CO-INVESTMENT (NAV - ₹ 9.99, P.Y. - NIL)	10	175,010.98	1,748,832		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CLASS S (NAV - ₹ 10.95, P.Y. - NIL)	10	3,644,632.21	39,605,125		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 CO INVESTMENT (IEX) CLASS S (NAV - ₹ 9.81, P.Y. - NIL)	10	172,476.76	1,600,964		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 CO INVESTMENT (NSDL E-GOVERNANCE INFRASTRUCTURE) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	485,026.05	4,849,727		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 CO INVESTMENT (NSE INDIA LTD) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	894,851.80	8,944,581		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CLASS S (NAV - ₹ 10.05, P.Y. - NIL)	10	2,509,318.96	25,094,695		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - NAZARA TECHNOLOGIES - CO-INVESTMENT (NAV - ₹ 9.99, P.Y. - NIL)	10	175,010.98	1,748,832		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 CO INVESTMENT (IEX) CLASS S (NAV - ₹ 9.81, P.Y. - NIL)	10	172,476.76	1,600,964		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 CO INVESTMENT (NSDL E-GOVERNANCE INFRASTRUCTURE) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	485,026.05	4,849,727		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 CO INVESTMENT (NSE INDIA LTD) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	890,061.60	8,897,412		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CLASS S (NAV - ₹ 9.9, P.Y. - NIL)	10	2,529,204.23	24,950,094		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - NAZARA TECHNOLOGIES - CO-INVESTMENT (NAV - ₹ 9.99, P.Y. - NIL)	10	175,010.98	1,748,850		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 CO INVESTMENT (IEX) CLASS S (NAV - ₹ 9.81, P.Y. - NIL)	10	172,476.76	1,600,964		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 CO INVESTMENT (NSDL E-GOVERNANCE INFRASTRUCTURE) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	485,026.05	4,849,727		-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 CO INVESTMENT (NSE INDIA LTD) CLASS S (NAV - ₹ 10, P.Y. - NIL)	10	890,654.40	8,903,160		-	-
IIFL SPECIAL OPPORTUNITIES FUND 7 (NAV - ₹ 10.05, P.Y. - NIL)	10	5,000,000.00	50,209,000		-	-
IIFL SPECIAL OPPORTUNITIES FUND CO INVESTMENT (IEX) CLASS S (NAV - ₹ 9.81, P.Y. - NIL)	10	172,476.76	1,600,964		-	-
IIFL SPECIAL OPPORTUNITIES FUND-(Co-Investment - NAZARA TECHNOLOGIES) SERIES 1 (NAV - ₹ 9.99, P.Y. - NIL)	10	299,021.46	2,988,749		-	-



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Particulars	As At March 31, 2018			As At March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
IIFL SPECIAL OPPORTUNITIES FUND-(Co-Investment – NAZARA TECHNOLOGIES) SERIES 2 (NAV - ₹ 9.99, P.Y. - NIL)	10	299,021.46	2,988,749	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND-(Co-Investment – NAZARA TECHNOLOGIES) SERIES 3 (NAV - ₹ 9.99, P.Y. - NIL)	10	299,021.46	2,988,720	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND-(Co-Investment – NAZARA TECHNOLOGIES) SERIES 4 (NAV - ₹ 9.99, P.Y. - NIL)	10	299,021.46	2,988,749	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND-(Co-Investment – NAZARA TECHNOLOGIES) SERIES 5 (NAV - ₹ 10, P.Y. - NIL)	10	299,021.46	2,988,749	-	-	-
India Housing Fund (NAV - ₹ 10.05, P.Y. - NIL)	10	5,000,000.00	50,625,500	-	-	-
IA ALL CAP FUND (NAV - ₹ 9.66, P.Y. - NIL)	10	5,000,000.00	48,258,500	-	-	-
IA ALL CAP FUND (NAV - ₹ 9.66, P.Y. - NIL)	10	645,048.00	6,225,810	-	-	-
IA Diversified Fund (NAV - ₹ 10.11, P.Y. - NIL)	10	7,500,000.00	75,684,000	-	-	-
IIFL Asset Revival Fund 2 Class 2 (NAV - ₹ 14.11, P.Y. - NIL)	10	10,000,000.00	138,886,000	-	-	-
IIFL ASSET REVIVAL FUND-SERIES 3 - AIF CAT -III (NAV - ₹ 12.95, P.Y. - NIL)	10	2,941,414.09	37,328,016	-	-	-
IIFL Best of Class Fund -Class A Class 3 (HDFC) (NAV - ₹ 12.72, P.Y. - NIL)	10	5,000,000.00	63,156,000	-	-	-
IIFL Best of Class Fund -Class B Class 3 (RELIANCE) (NAV - ₹ 11.07, P.Y. - NIL)	10	5,000,000.00	54,546,000	-	-	-
IIFL Blended Fund Series - A - CAPMETRICS - CONCENTRATED HIGH GROWTH (NAV - ₹ 10.31, P.Y. - NIL)	10	625,000.00	6,433,438	-	-	-
IIFL Blended Fund Series - A - MOTILAL - LONG TERM VALUE (NAV - ₹ 9.64, P.Y. - NIL)	10	637,623.51	6,142,610	-	-	-
IIFL Blended Fund Series - A - NO ADVISOR - MULTI CAP STRATEGY (NAV - ₹ 9.38, P.Y. - NIL)	10	638,199.45	5,980,056	-	-	-
IIFL Blended Fund Series - A - TRIVANTAGE - RESURGENT FINANCIALS (NAV - ₹ 8.68, P.Y. - NIL)	10	651,268.11	5,654,700	-	-	-
IIFL Blended Fund Series - C (NAV - ₹ 9.8, P.Y. - NIL)	10	3,010,000.00	29,470,910	-	-	-
IIFL CASH OPPORTUNITIES FUND SPONSER CLASS A (NAV - ₹ 12.08, P.Y. - NIL)	10	9,326,065.00	112,312,868	-	-	-
IIFL FOCUSED EQUITY STRATEGIES FUND - S1 (CAPMETRICS) (NAV - ₹ 15.04, P.Y. - NIL)	10	2,156,072.27	31,684,129	-	-	-
IIFL FOCUSED EQUITY STRATEGIES FUND - S2 (TRIVANTAGE) (NAV - ₹ 11.05, P.Y. - NIL)	10	2,118,433.75	23,879,833	-	-	-
IIFL FOCUSED EQUITY STRATEGIES FUND - S3 (IIFL AMC) (NAV - ₹ 11.67, P.Y. - NIL)	10	2,307,261.49	26,707,013	-	-	-
IIFL LONG TERM EQUITY GROWTH FUND(SPONSOR) (NAV - ₹ 10.54, P.Y. - NIL)	10	1,000,000.00	10,525,500	-	-	-
IIFL LONG TERM GROWTH FUND I - CLASS S (NAV - ₹ 10.32, P.Y. - NIL)	10	10,000,000.00	102,726,000	-	-	-
IIFL PHOENIX CASH OPPORTUNITIES FUND (A CATEGORY III AIF) (NAV - ₹ 10.93, P.Y. - NIL)	10	2,896,148.43	31,527,472	-	-	-
IIFL RE ORGANIZE INDIA EQUITY FUND - SPNOSOR CONTRIBUTION (NAV - ₹ 9.02, P.Y. - NIL)	10	4,984,299.23	44,915,516	-	-	-
IIFL SELECT SERIES I CAT III AIF CLASS A (NAV - ₹ 12.53, P.Y. - NIL)	10	1,680,799.34	20,693,665	-	-	-
IIFL YIELD ENHANCER FUND (CAT III AIF) - CLASS S (NAV - ₹ 4.15, P.Y. - NIL)	10	30,218,767.72	128,493,221	-	-	-
IIFL BLENDED SERIES - C (NAV - ₹ 9.76, P.Y. - NIL)	10	2,500.00	25,000	-	-	-
Sub Total			2,368,170,956			-
Investment in Bonds & NCD						
Arch Agro Ind Pvt Ltd				10,000	1,139	6,101,000
Less: Diminution						(6,101,000)
Sub Total			-			-
Total			2,368,170,956			-
Aggregate Value of Unquoted Investments			2,368,170,956			6,101,000
Aggregate Value of Quoted Investments			-			-
Market Value of Quoted Investments			-			-



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 12. Deferred Tax Asset (Net):

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has provided for ₹ 3,071,240/- (P.Y. taken credit of ₹ 3,217,912/-) in the Statement of Profit and Loss towards deferred tax asset (net) during the year on account of timing differences.

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Assets		
On Employee benefits	148,389	13,806
On Carried forward Business Losses	-	3,205,823
Total	148,389	3,219,629

Note 13. Long Term Loans & Advances:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered good		
Prepaid expenses	794,328	-
Advance Income Tax (Net of provision for tax ₹ 27,202,822/-, Previous Year ₹ 27,202,822/-)	2,346,132	2,334,720
MAT Credit Entitlement	1,392,413	-
Total	4,532,873	2,334,720

Note 14. Current Investments:

(Amount in ₹)

Particulars	As At March 31, 2018			As At March 31, 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Unquoted, Non Trade Investment:						
Investment in Venture funds/AIFs						
IIFL INCOME OPPORTUNITIES SERIES DEBT ADVANTAGE (NAV - ₹ 10.69, P.Y. - NIL)	10	1,000,000.00	10,690,600	-	-	-
IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CLASS A (NAV - ₹ 10.32, P.Y. - NIL)	10	24,326,678.87	251,114,575	-	-	-
IIFL REAL ESTATE FUND DOMESTIC SERIES 3 CLASS B (NAV - ₹ 10.33, P.Y. - NIL)	10	1,953,224.76	20,178,960	-	-	-
IIFL REAL ESTATE FUND DOMESTIC SERIES 3 CLASS C (NAV - ₹ 5.96, P.Y. - NIL)	10	3,680,000.00	21,949,360	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 CO INVESTMENT (NSE INDIA LTD) CLASS A2 (NAV - ₹ 9.98, P.Y. - NIL)	10	224,996.60	2,246,435	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 Class A1 (NAV - ₹ 9.81, P.Y. - NIL)	10	516,578.61	5,030,907	-	-	-
IIFL Yield Enhancer Fund (NAV - ₹ 3.99, P.Y. - NIL)	10	1,235,846.37	5,024,457	-	-	-
Total			316,235,294			-
Aggregate Value of Quoted Investments			-			-
Aggregate Value of Unquoted Investments			316,235,294			-
Market Value of Quoted Investments			-			-

Note 15. Trade Receivables:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	-	-
- Considered doubtful	-	-
Provision for doubtful receivables	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	39,125,501	-
- Considered doubtful	-	-
- Provision for doubtful receivables	-	-
Total	39,125,501	-

Note 16. Cash and Cash Equivalents:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Bank Balances		
- In Current accounts	2,835,470	8,121,891
- In Deposit accounts (Original Maturity less than 3 months)	-	140,000,000
Total	2,835,470	148,121,891

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IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 17. Short Term Loans and Advances:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
- Goods and Services tax input credit	-	1,621,067
- Advances recoverable in cash or in kind	50,000	-
- Prepaid expenses	402,689	-
- Receivable from Group Companies (Refer Note no 33)	40,522	204,000
- Others	-	28,258
Total	493,211	1,853,325

Note 18. Other Current Assets:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued on Fixed Deposit	-	16,301
Receivable from Mutual fund	32,621,371	-
Total	32,621,371	16,301

Note 19. Revenue from Operations:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Distribution Income	24,561,104	11,004,695
Management fees from AIF	16,453,851	-
Profit on sale of Current Investments	9,298,378	5,046,481
Profit on sale of Non-Current Investments	-	6,523,069
Dividend Income	-	88,750
Interest Income		
- Interest on Current Investments	3,598,452	6,420,951
- Interest on ICD (Refer note. 33)	6,967,169	14,987,898
- Interest on Fixed Deposits	145,461	1,794,997
Income/Profit from Trading Activities-Mutual fund - Current Investments	2,397,892	11,361,491
Total	63,422,307	57,228,332

Note 20. Sale of traded goods:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Commodity sale - Gold (30 Kgs)	-	87,060,990
Total	-	87,060,990

Note 21. Other Income:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Interest on staff loan	40,435	-
Total	40,435	-

Note 22. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Salaries and Bonus	10,199,332	823,929
Contribution to Provident Fund	398,543	44,325
Gratuity Expense (Refer Note 22.1)	213,461	53,616
Compensated Absences	200,139	65,420
Staff Welfare Expenses	8,171	-
Total	11,019,646	987,290



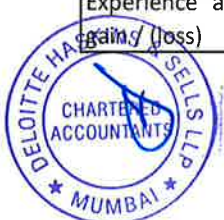
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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 22.1 The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on “Employee Benefits” the disclosures of which are as under:

Assumptions	2017-2018	2016-2017
Discount rate	7.71%	7.26%
Salary Escalation	7.50%	5.00%
Attrition rate	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.
Change in Benefit Obligation	2017-2018	2016-2017
Liability at the beginning of the year	53,616	-
Interest Cost	3,893	-
Current Service Cost	53,479	-
Liability transferred in	109,842	-
Liability transferred out	-	-
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	156,089	53,616
Liability at the end of the year	376,919	53,616
Amount Recognised in the Balance Sheet	2017-2018	2016-2017
Liability at the end of the year	376,919	53,616
Fair Value of Plan Assets at the end of the year	-	-
Differences	376,919	53,616
Amount of (Liability)/ Asset Recognised in the Balance Sheet	376,919	53,616
Expenses Recognised in the Statement of Profit and Loss	2017-2018	2016-2017
Current Service cost	53,479	-
Interest Cost	3,893	-
Actuarial Gain or Loss	156,089	53,616
Expenses Recognised in the Statement of Profit and Loss	213,461	53,616
Balance Sheet Reconciliation	2017-2018	2016-2017
Opening Net liability	53,616	-
Expense as above	213,461	53,616
Net Transfer In	109,842	-
Net Transfer Out	-	-
Benefit Paid Directly by the Employer	-	-
Liability/(Asset) Recognised in Balance sheet	376,919	53,616

Experience Adjustment	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Present Value of the Obligation	376,919	53,616	-	-	719,592
Fair Value of Plan Assets	-	-	-	-	-
Surplus) or Deficit)	376,919	53,616	-	-	719,592
Experience adjustment on Liability – (gain) / loss	99,333	53,616	-	-	250,526
Experience adjustment on Asset – (gain) / loss	-	-	-	-	-



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IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018**

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

Note 23. Other Expenses:

(Amount in ₹)		
Particulars	2017-2018	2016-2017
Brokerage and other expenses	10,720,566	2,558,082
Bank Charges	590	402
Communication Expenses	90,569	-
Electricity Expenses	110,833	-
Legal and Professional Charges	2,348,912	849,690
Miscellaneous Expenses	6	982
Office Expenses	868,745	5,025
Rent Expenses	1,507,757	-
Insurance charges	87,945	-
Rates and Taxes	28,281	8,595
Remuneration to Auditors:		
- Statutory Audit (net of service tax input credit)	150,000	150,000
- Swachh Bharat Cess	750	375
Software Charges/ Technology Cost	677,411	-
Subscription & Business promotion	403,390	-
Corporate Social Responsibility Expenses (Refer Note 34)	898,156	1,222,700
Total	17,969,911	4,840,226

Note 24. Purchase of traded goods:

(Amount in ₹)		
Particulars	2017-2018	2016-2017
Commodity purchase		
- Gold (30 Kgs)	-	87,279,150
Total	-	87,279,150

Note 25. Finance Charges:

(Amount in ₹)		
Particulars	2017-2018	2016-2017
Interest Expenses		
- Inter corporate deposits (Refer Note 33)	9,187,587	52,088,092
- On delayed payment of taxes	-	113,410
Total	9,187,587	52,201,502

Note 26. Provisions and Write off:

(Amount in ₹)		
Particulars	2017-2018	2016-2017
Charge for diminution in value of investments	(6,101,000)	(10,275,045)
Total	(6,101,000)	(10,275,045)



IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 27. Basic and Diluted Earnings Per Share:**

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'.

Particulars		2017-2018	2016-2017
BASIC & DILUTED EPS			
Profit after tax as per Statement of Profit and Loss	A	23,315,139	9,295,246
Weighted Average Number of Shares	B	50,000	50,000
Face Value of Equity Shares (₹) fully paid		10	10
Basic & Diluted EPS (₹)	A/B	466.30	185.90

Note 28. The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / fellow 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 by/from the Company based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual expenses were difficult to determine.

Note 29. Capital and Other Commitments:

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 657,615,662/- (Previous year Nil)

Note 30. Contingent Liabilities at Balance Sheet date:

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

Note 31. There are no pending litigations by and on the Company as on the balance sheet date.

Note 32. Segment Reporting:

In the opinion of the management, there is only one reportable business segment of Fund Management and related activities 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.



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 33. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2018.

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 IIFL Wealth Finance Limited IIFL Private Wealth Management (Dubai) Limited IIFL Asia Pte Limited IIFL Inc IIFL Private Wealth Hong Kong Limited IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Ltd) IIFL Private Wealth (Suisse) SA IIFL Capital (Canada) Ltd. IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	IIFL Securities Limited (Formerly known as India Infoline Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited IIFL Management Services Limited India Infoline Insurance Brokers Limited Clara Developers Private Limited IIFL Facilities Services Limited Samasta Microfinance Ltd IIFL Wealth (UK) Limited IIFL Capital Inc. Ayusha Dairy Pvt. Limited IIFL Asset Reconstruction Limited
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 India Alternatives Investment Advisors Private Limited (Fellow subsidiary upto 31st March 2017)

b) Significant Transactions with Related Parties

(Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Sale of Inventory/Investment:					-
IIFL Wealth Finance Limited	-	-	-	-	-
	-	-	(253,093,440)	-	(253,093,440)
Referral Fee Income					
IIFL Investment Adviser & Trustee Services Limited	-	-	23,604,655	-	23,604,655
	-	-	-	-	-



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Interest Income on ICD :					-
IIFL Wealth Management Limited	-	6,967,169	-	-	6,967,169
	-	(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		-	-	-	-
		-		(1,222,700)	(1,222,700)
Interest Expenses on ICD :					-
IIFL Wealth Management Limited	-	4,880,396	-	-	4,880,396
	-	(756,399)		-	(756,399)
IIFL Investment Adviser & Trustee Services Limited	-		-		-
	-		(7,884,812)		(7,884,812)
IIFL Wealth Finance Limited	-		3,463,287		3,463,287
	-		(26,888,416)		(26,888,416)
IIFL Asset Management Limited	-		843,904		843,904
	-		(16,558,466)	-	(16,558,466)
ICD Taken:					-
IIFL Wealth Management Limited	-	3,721,000,000	-	-	3,721,000,000
	-	(572,100,000)		-	(572,100,000)
IIFL Investment Adviser & Trustee Services Limited	-		-	-	-
	-	-	(340,000,000)		(340,000,000)
IIFL Wealth Finance Limited			2,720,000,000		2,720,000,000
			(4,352,000,000)		(4,352,000,000)
IIFL Asset Management Limited	-		1,110,000,000		1,110,000,000
	-		(1,000,000)		(1,000,000)
ICD Repaid:					-
IIFL Wealth Management Limited	-	3,721,000,000	-	-	3,721,000,000
	-	(572,100,000)		-	(572,100,000)
IIFL Investment Adviser & Trustee Services Limited	-		-	-	-
	-		(533,281,000)		(533,281,000)
IIFL Wealth Finance Limited	-		1,260,000,000	-	1,260,000,000
	-		(4,352,000,000)	-	(4,352,000,000)
IIFL Asset Management Limited	-		-	-	-
	-		(611,300,000)	-	(611,300,000)
ICD Given:					-
IIFL Wealth Management Limited	-	1,124,500,000	-	-	1,124,500,000
	-	(635,000,000)			(635,000,000)
IIFL Asset Management Limited			-		-
			(4,200,000)		(4,200,000)
IIFL Wealth Finance Limited	-		-		-
	-		(1,022,000,000)		(1,022,000,000)
ICD Received Back :					-
IIFL Wealth Management Limited	-	1,124,500,000	-	-	1,124,500,000
	-	(635,000,000)			(635,000,000)
IIFL Asset Management Limited			-		-
			(4,200,000)		(4,200,000)
IIFL Wealth Finance Limited	-		-		-
	-		(1,022,000,000)		(1,022,000,000)



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Other Funds Received:					-
IIFL Wealth Management Limited	-	8,932	-	-	8,932
	-	-	-	-	-
IIFL Distribution Services Limited	-	-	1,044,340	-	1,044,340
	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	-	312,329	-	312,329
	-	-	-	-	-
Other Funds Paid:					-
IIFL Wealth Management Limited	-	762,242	-	-	762,242
	-	(346,216)	-	-	(346,216)
IIFL Distribution Services Limited	-	-	636,979	-	636,979
	-	-	-	-	-
India Infoline Limited	-	-	-	-	-
	-	-	-	-	-
IIFL Asset Management Limited	-	-	50,813	-	50,813
	-	-	-	-	-
Allocation / Reimbursement of expenses Paid:					-
IIFL Wealth Management Limited	-	2,395,295	-	-	2,395,295
	-	-	-	-	-

(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					
IIFL Wealth Management Limited	-	1,443,324	-	-	1,443,324
	-	(42,011)	-	-	(42,011)
IIFL Wealth Finance Limited	-	-	333,000	-	333,000
	-	-	-	-	-
IIFL Asset Management Limited	-	-	253,171	-	253,171
	-	-	-	-	-
ICD Taken:					
IIFL Asset Management Limited	-	-	1,110,000,000	-	1,110,000,000
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	1,460,000,000	-	1,460,000,000
	-	-	-	-	-
Sundry Receivables :					
India Infoline Limited	-	-	-	40,522	40,522
	-	-	-	(204,000)	(204,000)

Note:

I) Figures in bracket represents previous year figures.

II) Related parties are identified and certified by the management, which has been relied upon by the auditors.



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IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018**

Note 34. Corporate Social Responsibility:

During the financial year 2017-18, the Company has spent ₹ 898,156/- (P.Y ₹ 1,222,700/-) as against ₹ 832,178/- (P.Y ₹ 1,222,658/-) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing long term high impact projects approved by the CSR Committee. IIFL Group is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes maintenance of environmental sustainability, education and health areas.

Note 35. Details of Inter Corporate Deposits:

a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note 33. The period of ICDs is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates ranging from 9.25% to 9.50% 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, 2018, with related parties is detailed under the table of related party transactions appearing under Note 33.

Note 36. Previous year figures have been regrouped, re-classified and rearranged, wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018