

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL ASSET MANAGEMENT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL ASSET MANAGEMENT LIMITED** (formerly known as India Infoline Asset Management Company Limited) (the "Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

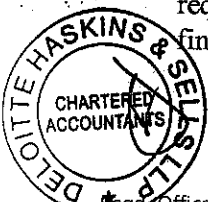
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

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 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.



Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India

Deloitte Haskins & Sells (Registration No. BA 97449) a partnership firm was converted into Deloitte Haskins & Sells LLP (LLP Identification No. AAB-8737) a limited liability partnership with effect from 20th November 2013.

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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

The audit of financial statements of the Company for the year ended 31st March, 2015 was carried out by the previous auditors of the Company.

Our opinion is not modified in respect of this matter.

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, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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



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effectiveness of the Company's internal financial controls over financial reporting.

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

Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 2 May 2016
PG/SB-2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **IIFL Asset Management Limited** (formerly India Infoline Asset Management Company Limited) (the "Company") as of March 31, 2016 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 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 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.



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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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



Pallavi A. Gorakshakar

Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 2 May 2016
PG/SB-2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted 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 year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) 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 generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to



the information and explanations given to us, there were no dues payable in respect of Employees' State Insurance, Excise Duty and Customs Duty during the year.

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



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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



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

Pallavi A. Gorakshakar
Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

MUMBAI, 2 May 2016
PG/SB-2016

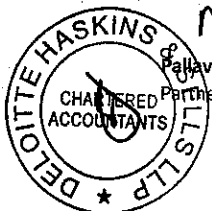
FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Co Ltd)
BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note No	As at Mar 31, 2016	As at Mar 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	321,000,000	321,000,000
(b) Reserves and Surplus	4	506,053,639	286,019,960
(c) Money received against share warrants		-	-
Sub total		827,053,639	607,019,960
(2) Share application money pending allotment			
		-	-
(3) Non Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities		-	-
(d) Long-term provisions	5	6,312,324	2,940,631
Sub total		6,312,324	2,940,631
(4) Current liabilities			
(a) Short-term borrowings	6	19,394,322	19,161,822
(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		43,798,596	12,314,149
(c) Other current liabilities	8	25,107,079	38,270,673
(d) Short-term provisions	9	32,994,735	21,079,242
Sub total		121,294,732	90,825,886
TOTAL		954,660,695	700,786,477
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	261,747	155,516
(ii) Intangible assets	11	1,902,105	2,989,029
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub total		2,163,852	3,144,545
(b) Non-current investments	12	62,083,262	12,173,262
(c) Deferred tax asset	13	3,317,878	2,157,822
(d) Long-term loans & advances	14	17,966,695	12,912,430
(e) Other non-current assets		-	-
Sub total		83,367,835	27,243,514
(2) Current assets			
(a) Current investments	15	100,818,166	212,952,642
(b) Inventories		-	-
(c) Trade receivables	16	112,735,081	102,063,390
(d) Cash and Cash Equivalent	17	691,464	1,573,878
(e) Short-term loans & advances	18	654,884,297	350,505,032
(f) Other current assets	19	-	3,303,476
Sub total		869,129,008	670,398,418
TOTAL		954,660,695	700,786,477
See accompanying notes Forming a Part of Financial Statements	1 - 36		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



M. Anandharan
Pallavi A. Gorakshakar
Partner

Homai Daruwalla
Homai Daruwalla
Chairman
(DIN: 00365880)

Karan Bhagat
Karan Bhagat
Director
(DIN: 03247753)

Place : Mumbai
Date : May 2, 2016

Prashanta Seth
Prashanta Seth
Chief Executive Officer

Priya Biswas
Priya Biswas
Chief Financial Officer

Ashutosh Naik
Ashutosh Naik
Company Secretary

FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Co Ltd)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Note No	2015-2016	2014-2015
INCOME :			
Revenue from Operations	20	588,044,913	341,581,555
Other Income	21	73,225,960	43,086,302
Total Revenue		661,270,873	384,667,857
EXPENSES :			
Employee Benefit Expenses	22	102,375,295	71,893,123
Other Expenses	23	254,296,533	196,173,891
Depreciation and Amortisation	24	1,278,155	1,584,675
Finance Charges	25	2,679	1,841
Total Expenditure		357,952,662	269,653,530
Profit before tax		303,318,211	115,014,327
Tax expense/(benefit):			
Current tax		84,498,902	29,756,578
Deferred tax expenses		(1,160,056)	(397,860)
MAT Credit Entitlement		-	9,147,565
Short / (excess) provision for income tax		(54,314)	(53,128)
Net tax expense/(benefit)		83,284,532	38,453,155
Profit for the year		220,033,679	76,561,172
Earnings Per Share - Basic	26	6.85	2.58
Earnings Per Share - Diluted	26	6.85	2.58
Face Value Per Share		10.00	10.00
See accompanying notes Forming a Part of Financial Statements	1 - 36		

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

Place : Mumbai
Date : May 2, 2016

Homai Daruwalla
Homai Daruwalla
Chairman
(DIN: 00365880)

Karan Bhagat
Karan Bhagat
Director
(DIN: 03247753)

Prashasta Seth
Prashasta Seth
Chief Executive Officer

Priya Bhawas
Priya Bhawas
Chief Financial Officer

Ashutosh Naik
Ashutosh Naik
Company Secretary

FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Co Ltd)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

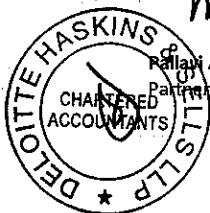
(Amount in ₹)

Particulars	2015-2016	2014-2015
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	303,318,211	115,014,327
Adjustments for:		
Depreciation	1,278,155	1,584,675
Provision of Gratuity	3,796,086	213,291
Provision of Leave Encashment	932,511	195,943
Finance charges	2,679	1,841
Profit on sale of current/non-current investments	(7,592,430)	(10,354,315)
Operating profit before working capital changes	301,735,212	106,655,762
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	(311,748,202)	(336,481,123)
Increase/ (Decrease) in Current/Non Current Liabilities	28,879,442	79,928,434
Cash generated from/(used in) operations	18,866,452	(149,896,927)
Cash flow before extraordinary item	18,866,452	(149,896,927)
Net income tax(paid) / refunds	(89,498,131)	(41,553,715)
Net cash used in operating activities (A)	(70,631,679)	(191,450,642)
B. Cash flows from investing activities		
Purchase of fixed assets (includes intangible assets)	(297,462)	(1,443,750)
Sale / (Purchases) of Non Current investment	(42,317,570)	10,127,015
Sale / (Purchases) of current investment	112,134,476	(174,383,997)
Net cash generated from/(used in) investing activities (B)	69,519,444	(165,700,732)
C. Cash flows from financing activities		
Proceeds from issuance of Share Capital	-	136,000,000
Proceeds from issuance of Securities Premium	-	204,000,000
Finance charges	(2,679)	(1,841)
Short term borrowings	232,500	-
Net cash generated from financing activities (C)	229,821	339,998,159
Net increase in cash and cash equivalents (A+B+C)	(882,414)	(17,153,215)
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents		
Opening Cash & cash equivalents (as per Note no 17)	1,573,878	18,727,093
Closing Cash & cash equivalents (as per Note no 17)	691,464	1,573,878
Net Increase/(Decrease) in Cash and Cash Equivalents	(882,414)	(17,153,215)
See accompanying notes Forming a Part of Standalone Financial Statements Note No. 1-36		

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

Place : Mumbai
Date: May 2, 2016

Homai Daruwalla
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Chairman
(DIN: 00365880)

Karan Bhagat
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Priya Biswas
Chief Financial Officer

Ashutosh Naik
Ashutosh Naik
Company Secretary

FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016

Note 1. Corporate Information:

IIFL Asset Management Limited (formerly India Infoline Asset Management Company Limited) ("the Company") is a public limited company incorporated under the Companies Act, 1956. The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 ('the Regulations') and acts as an investment manager to 'IIFL Mutual Fund'. Pursuant to Regulation 24(b) of the Regulations, SEBI gave its No Objection to the Company to undertake Investment Management and Advisory Services to pooled assets including Alternative Investment Funds / Offshore Funds and to undertake Portfolio Management Services. Pursuant to the same, the Company acts as an Investment Manager to the Alternative Investments Funds and Venture Capital Fund. During the financial year the Company obtained Portfolio Management services license from Securities Exchange Board of India (SEBI) and has commenced the said 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 Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable accounting standards as prescribed under section 133 of Companies Act, 2013 (Act). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

2.2 Use of Estimates:

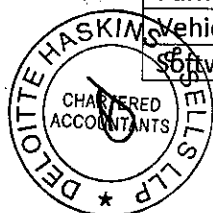
The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

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 charges from the month in which assets are sold. 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. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Buildings*	20
Computers*	3
Electrical*	5
Office equipment	5
Furniture and fixtures*	5
Vehicles*	5
Software	3



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

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

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

2.5 Cash and cash equivalents:

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

2.6 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

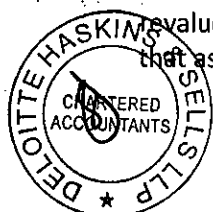
Contingent Assets are neither recognized nor disclosed in the financial statements.

2.7 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.



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(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

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

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 unrecognised deferred tax assets. Deferred tax liability is recognised as and when arises.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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. The following specific recognition criteria must also be met before revenue is recognized.

- Investment Management fees are accounted on accrual basis.
- Distribution Fee/Commission is recognized on accrual basis in accordance with the terms agreed with the counter party.

2.10 Other Income Recognition:

- Interest Income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Capital Gain/ Loss is recognized on the date of trade

2.11 Translation of foreign currency items :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

2.12 Employee Benefits:

The company's contribution towards Provident Fund and Family Pension Fund, which are defined contribution, are accounted for on an accrual basis and recognised in the Statement of Profit & loss.

The Company has provided "Compensated Absences" on the basis of actuarial valuation. Gratuity is post employment benefit and is in the nature of defined benefit plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method.

2.13 Scheme Related Expenses:

(a) Fund Expenses:

Expenses of schemes of IIFL Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 and expenses incurred directly on behalf of schemes of IIFL Mutual Fund are charged to the Statement of Profit and Loss Account.

(b) New Fund Offer Expenses:

Open-ended fund: - Expenses relating to new open-ended fund offers of IIFL Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred.

Closed-ended fund: - Expenses relating to new Closed-ended fund offers of IIFL Mutual Fund are amortized over the period of scheme tenor.

2.14 Operating Leases:

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

2.15 Preliminary Expenses

Preliminary Expenses are written off in same financial year in which they are incurred.

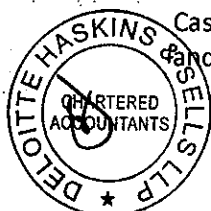
2.16 Earnings per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit after Tax or loss by the weighted average number of equity shares outstanding during the period.

The diluted earnings per share for equity shareholders have been computed by dividing the Net Profit after Tax or loss by the weighted average number of shares after giving dilutive effect of all potential Equity shares.

2.17 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



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED**(Formerly known as India Infoline Asset Management Company Limited)****Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)**

past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.18 Service tax input credit

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

2.19 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.

Note 3. Share Capital:

(a) The Authorized, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows (Amount in ₹)

Authorized :	As at March 31, 2016	As at March 31, 2015
32,500,000 (P.Y. 32,500,000) Equity Shares of ₹ 10 each	325,000,000	325,000,000
Issued, Subscribed and Paid-up :		
32,100,000 (P.Y. 32,100,000) Equity Shares of ₹ 10 each fully paid	321,000,000	321,000,000
Total	321,000,000	321,000,000

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period (Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	32,100,000	321,000,000	18,500,000	185,000,000
Add: Issued during the year	-	-	13,600,000	136,000,000
Outstanding at the end of the year	32,100,000	321,000,000	32,100,000	321,000,000

(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, 2016		As at March 31, 2015	
	Numbers	% Holding	Numbers	% Holding
IIFL Wealth Management Limited	32,100,000	100%	32,100,000	100%

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

IIFL Wealth Management Limited	32,100,000	100%	32,100,000	100%
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FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

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

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium Account		
Opening balance	204,000,000	-
Premium on shares issued during the year	-	204,000,000
Closing balance	204,000,000	204,000,000
Surplus in the Statement of Profit and Loss		
Opening balance	82,019,960	5,458,788
Addition: Profit for the year	220,033,679	76,561,172
Closing balance	302,053,639	82,019,960
Total	506,053,639	286,019,960

Note 5. Long Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits:		
- Provision for Gratuity (Refer Note 22)	6,312,324	2,940,631
Total	6,312,324	2,940,631

Note 6. Short Term Borrowings:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Book Overdraft *	19,394,322	19,161,822
Total	19,394,322	19,161,822

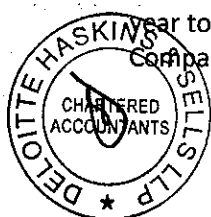
*Inclusive of Cheques in hand amounting to ₹ 17,040,245 (P.Y ₹ Nil)

Note 7. Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	33,670,505	8,513,061
Accrued Salaries & Benefits	3,414,478	2,647,522
Provision for expenses	6,713,613	1,153,566
Total	43,798,596	12,314,149

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



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

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Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Note 8. Other Current Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Liabilities Payable	6,938,789	22,660,721
Income received in advance	18,168,290	15,609,952
Total	25,107,079	38,270,673

Note 9. Short Term Provisions:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for employee benefits:		
- Provision for Leave encashment	1,686,491	878,559
- Provision for Gratuity (Refer Note 22)	615,212	190,819
- Bonus Payable	30,693,032	20,009,864
Total	32,994,735	21,079,242

Note 10. Tangible Assets:

(Amount in ₹)

Particulars	Furniture & Fixture	Office Equipment	Computer	Total
Gross Block as on April 01, 2015	6,329,094	280,436	706,617	7,316,147
Additions	-	297,462	-	297,462
Deductions/Adjustments during the year	-	-	-	-
As at March 31, 2016	6,329,094	577,898	706,617	7,613,609
Depreciation				-
Upto April 01, 2015	6,189,759	265,239	705,633	7,160,631
Depreciation for the year	117,697	72,550	984	191,231
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2016	6,307,456	337,789	706,617	7,351,862
Net Block as at March 31, 2016	21,638	240,109	-	261,747
Net Block as at March 31, 2015	139,335	15,197	984	155,516



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

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Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Tangible Assets (Previous year) :

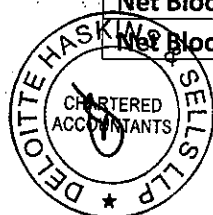
(Amount in ₹)

Particulars	Furniture & Fixture	Office Equipment	Computer	Total
Gross Block as on April 01, 2014	6,329,094	280,436	706,617	7,316,147
Additions	-	-	-	-
Deductions/Adjustments during the year	-	-	-	-
As at March 31, 2015	6,329,094	280,436	706,617	7,316,147
Depreciation				-
Upto April 01, 2014	4,923,939	220,083	703,665	5,847,687
Depreciation for the year	1,265,820	45,156	1,968	1,312,944
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2015	6,189,759	265,239	705,633	7,160,631
Net Block as at March 31, 2015	139,335	15,197	984	155,516
Net Block as at March 31, 2014	1,405,155	60,353	2,952	1,468,460

Note 11. Intangible Assets (Other than internally generated):

(Amount in ₹)

Particulars	Amount
Software/Intangible assets	
Gross Block as on April 01, 2015	3,260,760
Additions	-
Deductions/Adjustments during the year	-
As at March 31, 2016	3,260,760
Depreciation	
Upto April 01, 2015	271,731
Depreciation for the year	1,086,924
Deductions/Adjustments during the year	-
Upto March 31, 2016	1,358,655
Net Block as at March 31, 2016	1,902,105
Net Block as at March 31, 2015	2,989,029



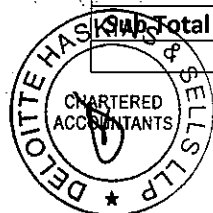
FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Company Limited)
Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)
Intangible Assets (Other than internally generated) (Previous year):

Particulars	(Amount in ₹)	
	Amount	
Software/Intangible assets		
Gross Block as on April 01, 2014	-	
Additions	3,260,760	
Deductions/Adjustments during the year	-	
As at March 31, 2015	3,260,760	
Depreciation		
Upto April 01, 2014	-	
Depreciation for the year	271,731	
Deductions/Adjustments during the year	-	
Upto March 31, 2015	271,731	
Net Block as at March 31, 2015	2,989,029	
Net Block as at March 31, 2014	-	

Note: Capital Work in Progress ₹ NIL, Last Year ₹ NIL, Pertain to Assets not yet capitalized.

Note 12. Non Current Investments (At cost):
(Amount in ₹)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Unquoted: Non-Trade Investments:						
Investment in Equity shares:						
MF Utilities India Pvt. Ltd	1	500,000	500,000	1	500,000	500,000
Subtotal			500,000			500,000
Investment in Others(Alternative Investment Funds):						
IIFL Income Opportunities Fund Series – Special Situation– Class C Units (NAV- ₹ 11.1491, P.Y. ₹ 10.3422)	10	2,477.36	25,000	10	2,477.36	25,000
IIFL Real Estate Fund (Domestic) Series 1 - Class B Units (NAV- ₹ 10.0000, P.Y. ₹ 10.0000)	10	230.00	2,300	10	230.00	2,300
IIFL Asset Revival Fund - Class C Units (NAV- P.Y. ₹ 18.9988)	-	-	-	10	6,547.89	100,000
IIFL National Development Agenda Fund – Class C Units (NAV- ₹ 10.7723, P.Y. ₹ 11.6705)	10	9,466.56	100,000	10	9,466.56	100,000
IIFL Investment Opportunities Fund- Spl. Series 1 (NAV- ₹ 10.0718)	10	5,000,000.0	50,000,000	-	-	-
IIFL Cash Opportunities Fund(NAV- ₹ 10)	10	1,000	10,000	-	-	-
Sub Total			50,137,300			227,300



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

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Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
Quoted: Non Trade Investment:						
Investments in Mutual Funds						
IIFL Mutual Fund Dynamic Bond Fund-Direct Plan-Growth (NAV- ₹ 12.3137, P.Y.₹ 11.5501)	10	563,624.61	6,115,328	10	563,624.61	6,115,328
IIFL India Growth Fund – Direct Plan- Growth (NAV- ₹ 10.3330, P.Y.₹ 10.9191)	10	533,063.45	5,330,634	10	533,063.45	5,330,634
Sub Total			11,445,962			11,445,962
Total			62,083,262			12,173,262
Aggregate Value of Quoted Investments			11,445,962			11,445,962
Aggregate Value of Unquoted Investments			50,637,300			7,27,300
Market Value of Quoted Investments			12,448,449			12,330,440

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

Note 13. Deferred Tax Asset :

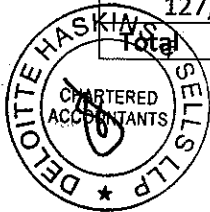
(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
On Depreciation	920,396	1,093,442
On Gratuity	2,397,482	1,064,380
Total	3,317,878	2,157,822

Note 14. Long Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
- Prepaid Expenses	721	-
- Advance Income Tax (Net of provision of tax ₹ 127,917,150) (Previous Year ₹ 43,472,562)	17,965,974	12,912,430
Total	17,966,695	12,912,430



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
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Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Note 15. Current Investments (At lower of cost and fair value, unless otherwise stated):

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Units	Amount	Units	Amount
Quoted: Non-Trade Investment				
Investments in Mutual Fund				
IIFL Liquid Fund – Direct Plan - Growth (NAV – ₹1204.8678, P.Y - ₹1117.7024)	83,718.72	100,818,166	16,713.27	17,340,842
Sub Total		100,818,166		17,340,842
Investments-Others				
Commercial Paper - IIFL Realty Limited	-	-	400.00	195,611,800
Total		100,818,166		212,952,642
Aggregate Value of Quoted Investments		100,818,166		17,340,842
Aggregate Value of Unquoted Investments		-		195,611,800
Market Value of Quoted Investments		100,869,994		18,680,463

Note 16. Trade Receivable:

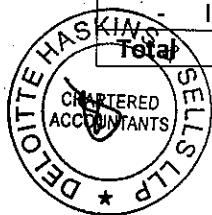
(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	-	-
- Considered doubtful	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	112,735,081	102,063,390
- Considered doubtful	-	-
Total	112,735,081	102,063,390

Note 17. Cash and cash equivalents:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash equivalents (As per As 3 Cash Flow Statements)		
Cash in hand	-	-
Balances with banks :		
- In Current accounts	691,464	1,573,878
- In Deposit accounts	-	-
Total	691,464	1,573,878



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
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Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Note 18. Short Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good		
- Loan to Holding/Group Company (Refer Note 32)	652,000,000	349,275,744
- Advances recoverable in cash or in kind or for value to be received	-	11,763
- Other Loans and Advances	2,045,400	854,556
- Prepaid expenses	838,897	362,969
Total	654,884,297	350,505,032

Note 19. Other current assets:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Accrued but not due	-	3,303,476
Total	-	3,303,476

Note 20. Revenue from Operations:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Management Fees from Mutual Fund	19,918,038	11,709,560
Management Fees from AIFs and Venture Funds	281,992,067	254,264,865
Set Up Fees from AIFs and Venture Funds	29,799,161	75,095,000
Management Fees from Clients	37,530,931	510,205
Distribution of Income from AIFs and Venture Fund	218,804,716	1,925
Total	588,044,913	341,581,555

Note 21. Other Income:

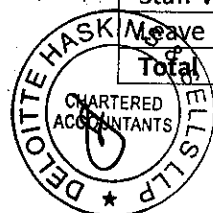
(Amount in ₹)

Particulars	2015-2016	2014-2015
Interest Income	65,633,530	32,366,889
Profit on sale of Current Investments	7,353,841	10,354,315
Profit on sale of Non Current Investments	238,589	
Dividend Income	-	365,098
Total	73,225,960	43,086,302

Note 22. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Salaries and bonus	98,344,097	70,274,810
Contribution to provident and other funds **	1,557,804	1,117,287
Gratuity Expenses *	2,093,006	213,291
Staff Welfare Expenses	41,053	91,792
Leave Encashment Expenses	339,335	195,943
Total	102,375,295	71,893,123



FINANCIALS OF IFL ASSET MANAGEMENT LIMITED

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Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

*The Company is recognising and accruing the employee benefit as per accounting standard (AS) – 15 on “Employee Benefits” as specified u/s 133 of the Companies Act 2013, the disclosures of which are as under:

(Amount in ₹)

Assumptions	2015-2016	2014-2015
Discount rate	7.86%	7.92%
Salary Escalation	5.00%	5.00%
Change in Benefit Obligation	2015-2016	2014-2015
Liability at the beginning of the year	3,131,450	1,854,807
Interest Cost	248,011	169,529
Current Service Cost	511,185	329,085
Liability transferred in	3,085,944	1,739,626
Liability transferred out	(1,382,864)	(6,44,044)
Benefit paid	-	(32,231)
Actuarial (gain)/ Loss on obligations	1,333,810	(2,85,322)
Liability at the end of the year	6,927,536	3,131,450
Amount Recognised in the Balance Sheet	2015-2016	2014-2015
Liability at the end of the year	(6,927,536)	(3,131,450)
Fair Value of Plan Assets at the end of the year	-	-
Funded Status(Surplus/ Deficit)	(6,927,536)	(3,131,450)
Amount of (Liability)/ Asset Recognised in the Balance Sheet	(6,927,536)	(3,131,450)
Expenses Recognised in the Income Statement	2015-2016	2014-2015
Current Service cost	511,185	329,085
Interest Cost	248,011	169,529
Actuarial Gain or Loss	1,333,810	(285,322)
Expense Recognised in the Statement of Profit & Loss	2,093,006	213,292
Balance Sheet Reconciliation	2015-2016	2014-2015
Opening Net liability	(3,131,450)	(1,854,807)
Expense as above	(2,093,006)	(213,292)
Net Transfer In	(3,085,944)	(1,739,626)
Net Transfer Out	1,382,864	644,044
Benefit Paid Directly by the Employer	-	32,231
(Liability)/Asset Recognised in Balance sheet	(6,927,536)	(3,131,450)

Experience Adjustment	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Present Value of the Obligation	(6,927,536)	(3,131,450)	(1,854,807)	(1,210,925)	(891,163)
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) or Deficit	(6,927,536)	(3,131,450)	(1,854,807)	(1,210,925)	(891,163)
Actuarial (Gains)/ Losses on Obligations - Due to Experience	811,817	129,494	(715,640)	42,023	154,854
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	-	-	-	-	-



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

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

**Defined Contribution Plans:

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

Particulars	(Amount in ₹)	
	2015-2016	2014-2015
Contribution to provident & other Fund	1,557,804	1,117,287

*Contribution to Provident and Other fund includes contribution to other funds like Gratuity fund, Superannuation fund, etc pertaining to employees.

Note 23. Other Expenses:

Particulars	(Amount in ₹)	
	2015-2016	2014-2015
Advertisement expenses	1,367,405	71,416
Books & Periodicals	2,204	3,852
Operating expenses	171,395,512	142,390,870
Exchange and statutory Charges	1,656,214	1,988,995
Bank Charges	1,368	1,053
Communication expenses	1,093,418	1,046,758
Electricity expenses	2,132,317	1,835,982
Legal and professional charges	5,938,373	5,639,659
Miscellaneous expenses	5,694	850
Corporate Social Responsibility (CSR) Expenses (Refer Note 33)	900,000	-
Office expenses	218,080	252,821
Manpower Outsourcing Expenses	13,784,049	7,867,907
Subscription	352,421	259,551
Postage and courier expenses	118,938	119,826
Printing and stationery	2,711,664	1,942,208
Provision for doubtful debts and bad debts	-	122,335
Rent expenses	26,984,621	19,506,144
Insurance charges	443,198	464,552
Rates & taxes	497,375	82,744
Repairs and maintenance:		
- Computers	46,174	65,977
- Others	9,617	4,427
Remuneration to Auditors		
- Statutory Audit	75,000	57,500
- Out of Pocket Expenses	4,497	3,910
Software Charges/ Technology Cost	6,668,461	2,667,115
Commission & sitting fees to non executive directors	3,531,200	880,000
Travelling and conveyance	14,358,733	8,897,439
Total	254,296,533	196,173,891



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED**(Formerly known as India Infoline Asset Management Company Limited)****Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)****Note 24. Depreciation and Amortisation Expenses****(Amount in ₹)**

Particulars	2015-2016	2014-2015
Depreciation on Tangible Assets (Refer Note - 10)	191,231	1,312,944
Amortisation of Intangible Assets (Refer Note - 11)	1,086,924	271,731
Total	1,278,155	1,584,675

Note 25. Finance Charges**(Amount in ₹)**

Particulars	2015-2016	2014-2015
Interest Cost	2,679	1,841
Total	2,679	1,841

Note 26. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share' as specified u/s 133 of the Companies Act 2013.

(Amount in ₹)

Particulars		2015-2016	2014-2015
BASIC & DILUTED EARNINGS PER SHARE			
Profit after tax as per Statement of Profit and Loss	A	220,033,679	76,561,172
Weighted Average Number of Shares	B	32,100,000	29,640,822
Face Value of Equity Shares (in ₹) fully paid		10.00	10.00
Basic & Diluted EPS (in ₹)	A/B	6.85	2.58

Note 27. The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / subsidiaries / group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for/by the company were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

Note 28. Capital and Other Commitments:

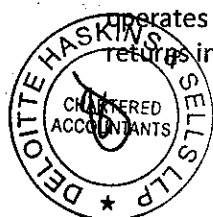
At the balance sheet date there were outstanding commitments of capital expenditure of ₹NIL (Previous Year ₹NIL/-) out of the total contractual obligation entered during the year.

Note 29. The Company does not have any contingent liability not provided for, as on the balance sheet date.

Note 30. There are no pending litigations by and on the Company as on the balance sheet date.

Note 31. Segment reporting:

In the opinion of the management, there is only one reportable business segment of Fund management as envisaged by AS 17 'Segment Reporting', as prescribed by Companies (Accounting Standard) Rules, 2006. 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.



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Company Limited)

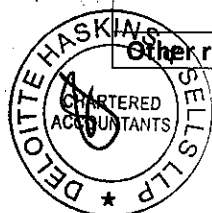
Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Note 32. Related Party Disclosures:

Related party disclosures for the year ended March 31, 2016

a) List of Related parties:

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited(Formerly India Infoline Limited)
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited) IIFL Alternate Asset Advisors Limited IIFL Investment Adviser and Trustee Services Limited (Formerly IIFL Trustee Services Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) India Alternatives Advisors Private Limited IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) IIFL (Asia) Pte Limited IIFL Inc. IIFL Private Wealth Management (Dubai) Limited IIFL Private Wealth (Mauritius) Limited IIFL Private Wealth (Suisse) SA IIFL Private Wealth Hong Kong Limited IIFL Securities Pte Limited IIFL Capital Pte Limited
Group Companies	India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Realty Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Private Limited) IIFL Asset Reconstruction Limited
Key Managerial Personnel	Karan Bhagat Yatin Shah
Other related Parties	Nirmal Jain



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

	R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited
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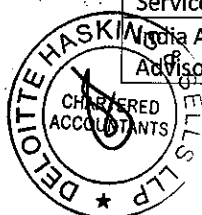
b) Significant Transaction with Related Parties (Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Finance (including equity contribution in cash)					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(136,000,000)	-	-	(136,000,000)
Securities Premium Account					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(204,000,000)	-	-	(204,000,000)
Investment in Commercial Paper					
IIFL Facilities Services Limited	-	-	-	-	-
	-	-	-	(195,611,800)	(195,611,800)
Sale of Investments					
IIFL Wealth Management Limited	-	75000	-	-	75000
	-	-	-	-	-
Rent Expenses					
IIFL Facilities Services Limited	-	-	-	4,679,788	4,679,788
	-	-	-	-	-
Brokerage & Commission Expenses					
India Infoline Limited	-	-	-	35,615	35,615
	-	-	-	(52,957)	(52,957)
IIFL Wealth Management Limited	-	120	-	-	120
	-	(540)	-	-	(540)
Arranger Fees Expenses					
IIFL Wealth Management Limited	-	61,238,861	-	-	61,238,861
	-	(72,565,216)	-	-	(72,565,216)
Research Expenses					
IIFL Facilities Services Limited	-	-	-	20,773,993	20,773,993
	-	-	-	(39,139,647)	(39,139,647)
Manpower Outsource Exps					
IIFL Distributions Services Limited	-	-	13,784,049	-	13,784,049
	-	-	(7,867,907)	-	(7,867,907)
Interest Income					
India Infoline Finance Ltd	-	-	-	-	-
	-	-	-	(986,302)	(986,302)
IIFL Wealth Management Limited	-	8,201,323	-	-	8,201,323
	-	(16,573,044)	-	-	(16,573,044)
IIFL Alternate Assets Advisors Limited	-	-	52,731,200	-	52,731,200
IIFL Investment Adviser & Trustee	-	-	-	-	-
	-	-	1,170,797	-	1,170,797



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED
(Formerly known as India Infoline Asset Management Company Limited)
Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Services Ltd	-	-	-	-	-
India Alternatives Investment Advisors Private Limited	-	-	2,445,486	-	2,445,486
	-	-	-	-	-
Income on Commercial Paper					
IIFL Facilities Services Limited	-	-	-	1,084,724	1,084,724
	-	-	-	(13,944,476)	(13,944,476)
Other funds received					
India Infoline Limited	-	-	-	1,122,715	1,122,715
	-	-	-	-	-
IIFL Wealth Management Limited	-	(47,835)	-	-	(47,835)
	-	-	-	-	-
IIFL Distributions Services Limited	-	-	(903,413)	-	(903,413)
	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	(1,111,279)	-	(1,111,279)
	-	-	-	-	-
IIFL Facilities Services Limited	-	-	-	3,734,654	3,734,654
	-	-	-	-	-
Other funds Paid					
IIFL Wealth Management Limited	-	1,750,623	-	-	528,028
	-	(818,574)	-	-	(818,574)
India Infoline Limited	-	-	-	494,292	494,292
	-	-	-	(288)	(288)
India Infoline Media & Research Services Ltd	-	-	-	-	-
	-	-	-	(310,536)	(310,536)
IIFL Facilities Services Limited	-	-	-	2,018,467	2,018,467
	-	-	-	-	-
ICD Given					
IIFL Wealth Management Limited	-	7,500,000	-	-	7,500,000
	-	(220,000,000)	-	-	(220,000,000)
India Infoline Finance Ltd	-	-	-	(300,000,000)	(300,000,000)
	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	-	610,300,000	-	610,300,000
	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Ltd	-	-	36,665,000	-	36,665,000
	-	-	-	-	-
India Alternatives Investment Advisors Private Limited	-	-	109,200,000	-	109,200,000
	-	-	-	-	-
ICD Received					
IIFL Wealth Management Limited	-	341,704,000	-	-	341,704,000
	-	-	-	-	-
India Infoline Finance Limited	-	-	-	(300,000,000)	(300,000,000)
	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Ltd	-	-	36,665,000	-	36,665,000
	-	-	-	-	-
India Alternatives Investment Advisors Private Limited	-	-	67,500,000	-	67,500,000
	-	-	-	-	-



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Allocation / Reimbursement of expenses Paid					
	-	36,288,134	-	-	36,288,134
IIFL Wealth Management Limited	-	(28,487,971)	-	-	(28,487,971)
India Infoline Limited	-	-	-	1,237,174	1,237,174
	-	-	-	(2,555,453)	(2,555,453)
IIFL Distribution Services Limited	-	-	256,942	-	256,942
	-	-	-	-	-

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

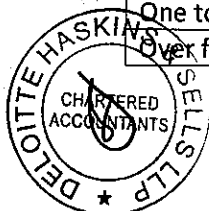
Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
ICD Given:					
	-	-	-	-	-
IIFL Wealth Management Limited	-	(349,275,744)	-	-	(349,275,744)
IIFL Alternate Asset Advisors Limited	-	-	610,300,000	-	610,300,000
India Alternatives Investment Advisors Private Limited	-	-	41,700,000	-	41,700,000
	-	-	-	-	-
CP - Receivable					
	-	-	-	-	-
IIFL Facilities Services Limited	-	-	-	(195,611,800)	(195,611,800)

Note :

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

Note 33. The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2016, are as under:

Minimum Lease Rentals	(Amount in ₹)	
	As At March 31, 2016	As At March 31, 2015
Up to one year	14,039,364	-
One to five years	24,568,887	-
Over five years	-	-



FINANCIALS OF IIFL ASSET MANAGEMENT LIMITED

(Formerly known as India Infoline Asset Management Company Limited)

Notes forming part of the financial statements for the year ended on March 31, 2016 (Continued)

Note 34. Corporate Social Responsibility :

During the financial year 2015-16, the Company could spend ₹ 900,000/-(P.Y ₹ NIL) out of the total amount of ₹ 945,976/-(P.Y ₹ 158,383) 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 the projects identified by the CSR Committee and had successfully completed most of the projects. The Company had substantially utilised the amount required to be spent on CSR projects and there is a small portion thereof i.e. Rs 45,976 remain as unspent. The Company has many ongoing projects and plans to further increase the spend in the years to come through its impact driven projects

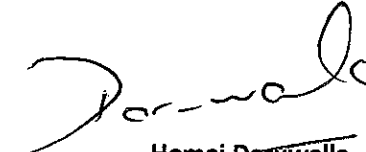
Note 35. Details of Inter Corporate Deposit

a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note No. 32. The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates of 11% p.a, for the purpose of meeting working capital and business requirements.

b) The Outstanding balance of Inter Corporate Deposits as on March 31, 2016, with related parties is detailed under the table of related party transactions appearing under Note. No. 32.

Note 36. Previous year figures have been re-grouped, re-classified & rearranged, wherever considered necessary.

For and on behalf of the Board of Directors


Homai Daruwalla
Chairman
(DIN: 00365880)


Karan Bhagat
Director
(DIN: 03247753)


Prashasta Seth
Chief Executive Officer


Priya Biswas
Chief Financial Officer


Ashutosh Naik
Company secretary



Place: Mumbai
Date : May 2, 2016