

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIFL TRUSTEE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL TRUSTEE LIMITED** (formerly known as India Infoline Trustee 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.



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

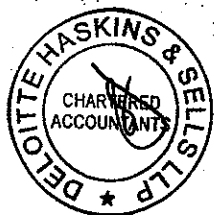
The audit of financial statements of the Company for the year ended 31st March, 2015 was carried out by the previous auditors of the Company.

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



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“Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

Deloitte

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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 Trustee Limited** (formerly India Infoline Trustee 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

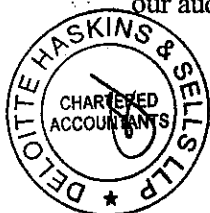
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.



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

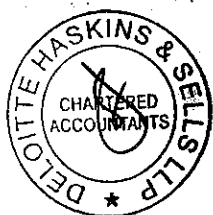
Pallavi A. Gorakshakar
Partner
(Membership no: 105035)

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) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any 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.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not 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 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 Provident Fund, Employees' State Insurance, Customs Duty and Excise Duty during the year.
 - (b) There were no undisputed amounts payable in respect of 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.



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- (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 not paid / provided any managerial remuneration. 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 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.
- (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.



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- (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 (IFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)
BALANCE SHEET AS AT MARCH 31, 2015

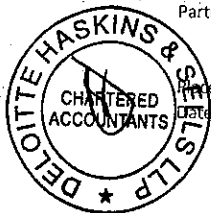
(Amount in ₹)

Particulars	Note No	As at Mar 31, 2016	As at Mar 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	5,000,000	5,000,000
(b) Reserves and Surplus	4	(1,886,724)	(2,341,218)
(c) Money received against share warrants		-	-
Sub total		3,113,276	2,658,782
(2) Share application money pending allotment			
(3) Non Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities	5	300,000	-
(d) Long-term provisions		-	-
Sub total		300,000	-
(4) Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	6	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		37,500	12,500
(c) Other current liabilities	7	107,439	12,075
(d) Short-term provisions		-	-
Sub total		144,939	24,575
TOTAL		3,558,215	2,683,357
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub total		-	-
(b) Non-current investments		-	-
(c) Deferred Tax Asset	8	765,373	987,268
(d) Long-term loans & advances	9	470,817	23,473
(e) Other non-current assets		-	-
Sub total		1,236,190	1,010,741
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	10	1,695,661	27,190
(d) Cash and cash equivalents	11	504,414	1,494,100
(e) Short-term loans & advances	12	121,950	151,326
(f) Other current assets		-	-
Sub total		2,322,025	1,672,616
TOTAL		3,558,215	2,683,357
See accompanying notes Forming a Part of Financial Statements	1 - 24		

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

Pallavi A. Gorakshakar
Partner

Office: Mumbai
Date: May 2, 2016



For and on behalf of the Board of Directors

Atul Kumar Shukla
Chairman
(DIN: 00121601)

R. Mohan
Director
(DIN: 00012070)

FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)
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	13	4,911,206	230,824
Other Income	14	66,530	89,421
Total Revenue		4,977,736	320,245
EXPENSES :			
Other Expenses	15	4,280,033	710,364
Finance Charges	16	1,009	-
Depreciation and Amortisation		-	-
Total Expenditure		4,281,042	710,364
Profit/(Loss) before tax		696,694	(390,119)
Tax expense/(benefit):			
Current tax		132,755	-
Deferred tax (credit)/expenses		221,895	(987,268)
MAT Credit Entitlement		(112,450)	-
Short / (excess) provision for income tax		-	-
Net tax expense/(benefit)		242,200	(987,268)
Profit for the year		454,494	597,149
Earnings Per Share - Basic	17	0.91	1.19
Earnings Per Share - Diluted	17	0.91	1.19
Face Value Per Share		10.00	10.00
See accompanying notes Forming a Part of Financial Statements	1 - 24		

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

For and on behalf of the Board of Directors



Navin A. Gorakshakar
Navin A. Gorakshakar
Partner
Place : Mumbai
Date : May 2, 2016

Atul Kumar Shukla
Atul Kumar Shukla
Chairman
(DIN: 00121601)

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

FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)
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/(loss) before taxation, and extraordinary item	696,694	(390,119)
Adjustments for:		
Finance Charges	49	-
Profit on sale of current/non-current investments	(65,713)	(86,729)
Operating profit/(loss) before working capital changes	631,030	(476,848)
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	(1,639,095)	(62,902)
Increase/ (Decrease) in Current/Non Current Liabilities	420,364	1,425
Cash used in operations	(587,701)	(538,325)
Net income tax(paid) / refunds	(467,649)	15,680
Net cash used in operating activities (A)	(1,055,350)	(522,645)
B. Cash flows from investing activities		
Sale / (Purchases) of current investment	65,713	86,729
Net cash generated from investing activities (B)	65,713	86,729
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Inter Corporate Deposit Received	52,000	-
Inter Corporate Deposit Repaid	(52,000)	-
Finance Charges	(49)	-
Net cash used in financing activities (C)	(49)	-
Net increase/(Decrease) in cash and cash equivalents	(989,686)	(435,916)
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents		
Opening Cash & cash equivalents (as per Note no 11)	1,494,100	1,930,016
Closing Cash & cash equivalents (as per Note no 11)	504,414	1,494,100
Net Increase/(Decrease) in Cash and Cash Equivalents	(989,686)	(435,916)
See accompanying notes forming part of the standalone financial statements Note No. 1-24		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Pallavi A. Gorakshakar
Partner

Atul Kumar Shukla
Atul Kumar Shukla
Chairman
(DIN: 00121601)

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

Mumbai
May 2, 2016



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 1. Corporate Information:

IIFL Trustee Limited (formerly India Infoline Trustee Company Limited) (the 'Company') is a public limited company incorporated under the Companies Act, 1956. The Company is a 100% subsidiary of IIFL Wealth Management Limited and it acts as a Trustee to IIFL Mutual Fund and IIFL Alternative Investment Funds.

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 Investments

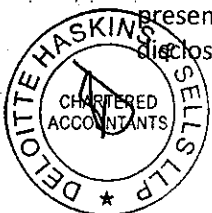
Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market / 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 as at the balance sheet date is considered as the fair value.

2.4 Cash and cash equivalents:

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

2.5 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.



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

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.

2.6 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 unrecognized 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.

2.7 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.

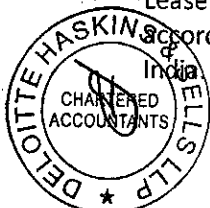
- Trustee Fees are accounted on accrual basis.
- Distribution Fee/Commission is recognized on accrual basis in accordance with the terms agreed with the counter party.

2.8 Other Income Recognition:

- 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 date of trade

2.9 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



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

2.10 Preliminary Expenses:

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

2.12 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

2.13 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.

2.14 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.

2.15 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

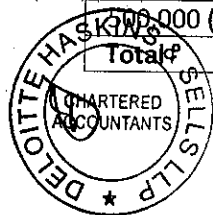
2.16 Operating Cycle

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 ₹)	
Authorised:	As at March 31, 2016	As at March 31, 2015
10,000,000 (P.Y. 10,000,000) Equity Shares of ₹ 10 each	100,000,000	100,000,000
Issued Subscribed and Paid Up :		
5,00,000 (P.Y. 500,000) Equity Shares of ₹ 10 each	5,000,000	5,000,000
Total	5,000,000	5,000,000



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

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

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	500,000	5,000,000	500,000	5,000,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	500,000	5,000,000	500,000	5,000,000

(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	500,000	100%	500,000	100%

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	% holding	Numbers	% holding
IIFL Wealth Management Limited	500,000	100%	500,000	100%

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

Note 4. Reserves and Surplus:

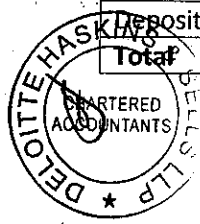
(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Surplus/ (Deficit) in Statement of Profit and Loss		
Opening balance	(2,341,218)	(2,938,367)
Profit for the year	454,494	597,149
Closing balance	(1,886,724)	(2,341,218)

Note 5. Other Long-term Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Deposits	300,000	-
Total	300,000	-



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

Note 6. 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	-	-
Other Liabilities Payables	-	-
Provision for Expenses	37,500	12,500
Total	37,500	12,500

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 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.

Note 7. Other Current Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Liabilities Payable	107,439	12,075
Total	107,439	12,075

Note 8. Deferred Tax Asset:

The Company recognized deferred tax assets since the management is reasonably/virtually certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income', the timing differences mainly relates to following items and result in a net deferred tax asset:

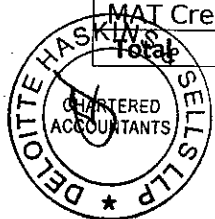
(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
On Carried forward Business Loss	765,373	987,268
Total	765,373	987,268

Note 9. Long Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good		
Advance Income Tax & Tax Deducted at Source (net of provision ₹ 132,755, Previous year ₹ Nil)	358,367	23,473
MAT Credit Entitlement	112,450	-
Total	470,817	23,473



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

Note 10. Trade Receivables:

(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	1,695,661	27,190
- Considered doubtful	-	-
Total	1,695,661	27,190

Note 11. 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	-	-
Cheques in hand	-	-
Balances with banks		
- In Current accounts	504,414	1,494,100
- In Deposit accounts	-	-
Total	504,414	1,494,100

Note 12. Short Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered Good		
- Other Loans & Advances	121,950	151,326
Total	121,950	151,326

Note 13. Revenue from operations:

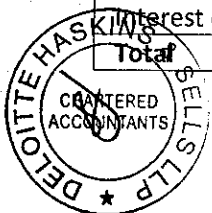
(Amount in ₹)

Particulars	2015-2016	2014-2015
Trusteeship Fees	4,911,206	230,824
Total	4,911,206	230,824

Note 14. Other Income:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Profit on sale of current investments	65,713	86,729
Interest on Income Tax Refund	817	2,692
Total	66,530	89,421



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

Note 15. Other Expenses:

Particulars	(Amount in ₹)	
	2015-2016	2014-2015
Bank Charges	664	73
Legal and Professional Charges	361,944	47,816
Rates and Taxes	7,425	-
Remuneration to Auditors :		
- Statutory Audit	25,000	12,500
Software Charges	-	1,646
Travelling and Conveyance	-	8,329
Directors Sitting Fees	3,885,000	640,000
Total	4,280,033	710,364

Note 16. Finance Cost:

Particulars	(Amount in ₹)	
	2015-2016	2014-2015
Interest Expenses	1,009	-

Note 17 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.

PARTICULARS		(Amount in ₹)	
		2015-2016	2014-2015
BASIC & DILUTED EPS			
Profit after tax as per Statement of Profit and Loss	A	454,494	597,149
Weighted Average Number of Shares	B	500,000	500,000
Face Value of Equity Shares (₹) fully paid		10	10
Basic & Diluted EPS (₹)	A/B	0.91	1.19

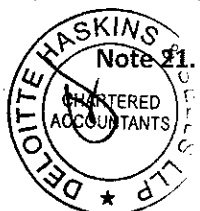
Note 18. The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / subsidiaries / group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses 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 19. Capital and Other Commitments

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

Note 20. The Company does not have any contingent liability not provided for, as on the balance sheet date of preparing financial statements.

Note 21. There are no pending litigations by and on the Company as on the balance sheet date.



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

Note 22. Segment Reporting:

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

Note 23. 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 known as India Infoline Limited)
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited) IIFL Investment Advisors and Trustee Services Limited (Formerly IIFL Trustee Services Limited) IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Alternate Asset Advisors Limited India Alternative Investment Advisors Private Limited IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc IIFL Private Wealth Hong Kong Limited IIFL Private Wealth (Mauritius) Ltd IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	India Infoline Finance Limited India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Insurance Services Limited India Infoline Commodities Limited IIFL Realty Limited India Infoline Housing Finance Limited India Infoline Media and Research Services Limited IIFL Capital Limited India Infoline Commodities DMCC IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Private Limited)



FINANCIALS OF IIFL TRUSTEE LIMITED
(Formerly known as India Infoline Trustee Company Limited)

Notes forming part of the Financial Statements for the year ended March 31, 2016 (Continued)

	IIFL Asset Reconstruction Limited India Infoline Insurance Brokers Limited
Key Management Personnel	Karan Bhagat Yatin Shah
Other related parties	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited

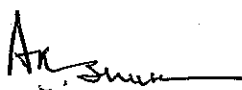
Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
ICD Given/Repaid					
IIFL Wealth Management Ltd	52,000	-	-	-	52,000
	-	-	-	-	-
ICD Taken/Received Back					
IIFL Wealth Management Ltd	52,000	-	-	-	52,000
	-	-	-	-	-
Interest Expense on ICD					
IIFL Wealth Management Ltd	49	-	-	-	49
	-	-	-	-	-
Other funds paid					
IIFL Investment Adviser And Trustee Services Limited	-	-	-	-	-
	-	(5,725)	-	-	(5,725)

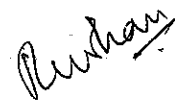
Note:

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

Note 24. Previous year figures have been re-grouped, re-classified & rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors


Atul Kumar Shukla
 Chairman
 (DIN: 00121601)


R. Mohan
 Director
 (DIN: 00012070)

