

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIA ALTERNATIVES INVESTMENTS ADVISORS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **INDIA ALTERNATIVES INVESTMENTS ADVISORS PRIVATE 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.

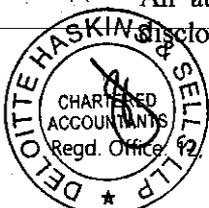
Auditor's Responsibility

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 loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the financial statements:

Note 1A in the financial statements which indicates that, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 1A, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Other Matter

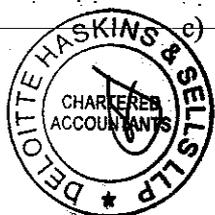
The audit of financial statements of the Company for the year ended 31st March, 2015 was carried out by the previous auditors of the Company.

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.

e) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with



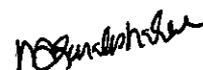
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by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) The going concern matter described under Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) 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.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order / CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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



MUMBAI, 4 May, 2016

PG/SB-2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph '1 g' 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 India Alternatives Investment Advisors Private 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

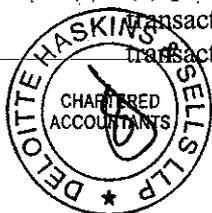
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with



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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, 4 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) 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 provide guarantees and Securities to which provisions of Section 185 and 186 of the Companies Act, 2013 apply 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 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 Excise Duty, Customs Duty, and Employees' State Insurance 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 which have not been deposited 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 Order is not applicable.



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- (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 excess of the limits prescribed under section 197 read with Schedule V to the Companies Act, 2013 for the financial year 2015-16.

The Company has filed an application dated 31 March 2015 with the Central Government for payment of remuneration exceeding the limits provided in Schedule V which is pending approval as at the Balance sheet date.

The Company had also filed an application dated 30 December 2015 with the Central Government for waiver of managerial remuneration paid in excess of limits prescribed under section 197 read with Schedule V to the Companies Act, 2013 for the financial year 2014-15 which is also pending approval as at the Balance sheet date.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the 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) According to the information and explanations given to us, the Company has made preferential allotment of share warrants during the year under review.

In respect of the above issue, we further report that:

- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - (b) the amounts raised has been held as cheques on hand as at the Balance sheet date.
- (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 the holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - (xvi) The Company is not required to be registered under section 45-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)

FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

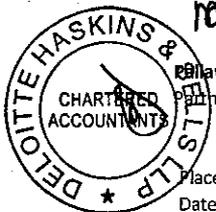
(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2016	As at Mar 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	140,460	100,000
(b) Reserves and Surplus	4	(26,244,953)	(9,174,981)
(c) Money received against share warrants		87,000	-
Sub total		(26,017,493)	(9,074,981)
(2) Share application money pending allotment			
		-	-
(3) Minority Interest			
		-	-
(4) Non Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities		-	-
(d) Long-term provisions	5	2,166,890	1,718,895
Sub total		2,166,890	1,718,895
(5) Current liabilities			
(a) Short-term borrowings	6	44,625,920	61,751,419
(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		2,452,258	2,461,527
(c) Other current liabilities	8	1,187,354	1,438,647
(d) Short-term provisions	9	941,137	5,246,415
Sub total		49,206,669	70,898,008
TOTAL		25,356,066	63,541,922
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	540,315	781,789
(ii) Intangible assets	11	-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Sub total		540,315	781,789
(b) Non-current investments		-	-
(c) Deferred Tax Asset	12	-	10,717,728
(d) Long-term loans & advances	13	10,004,911	21,233,277
(e) Other non-current assets		-	-
Sub total		10,004,911	31,951,005
(2) Current assets			
(a) Current investments	14	-	13,324,697
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	15	655,531	3,434,005
(e) Short-term loans & advances	16	14,155,309	14,050,426
(f) Other current assets		-	-
Sub total		14,810,840	30,809,128
TOTAL		25,356,066	63,541,922
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



Partner
Ravi A. Gorakshakar

Place: Mumbai
Date: May 04, 2016

S. Bhasin

Shivani Bhasin Sachdeva
Managing Director
(DIN: 00590500)

Karan Bhagat

Karan Bhagat
Director
(DIN: 03247753)

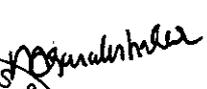
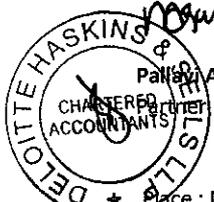
FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

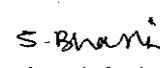
Particulars	Note No.	2015-2016	2014-2015
Income:			
Revenue From Operations	17	20,452,780	35,205,739
Other Income	18	340,892	543,355
Total Revenue		20,793,672	35,749,094
Expenses :			
Employee cost	19	38,904,321	48,106,179
Other Expenses	20	16,604,581	14,317,652
Finance Charges	21	6,345,248	5,508,149
Depreciation & Amortisation	22	252,776	410,129
Total expenses		62,106,926	68,342,109
Loss before tax		(41,313,254)	(32,593,015)
Tax expenses :			
Current tax		-	-
Deferred tax		10,717,728	(10,722,928)
Short / (excess) provision for income tax		(3,569)	-
Sub total		10,714,159	(10,722,928)
Loss for the year		(52,027,413)	(21,870,087)
Earnings Per Share - Basic	23	(5,202.74)	(2,187.01)
Earnings Per Share - Diluted	23	(5,202.74)	(2,187.01)
Face Value Per Share		10.00	10.00
See accompanying notes forming part of the financial statements	1-32		

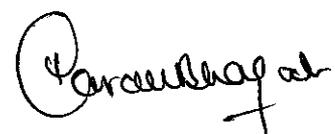
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



 Parag A. Gorakshakar
 Place : Mumbai
 Date : May 04, 2016


 Shivani Bhasin Sachdeva
 Managing Director
 (DIN: 00590500)


 Karan Bhagat
 Director
 (DIN: 03247753)

**FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

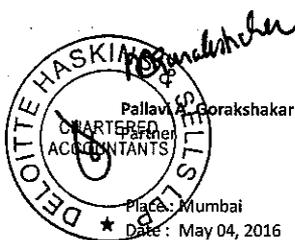
(Amount in ₹)

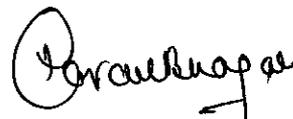
Particulars	2015-2016	2014-2015
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	(41,313,254)	(32,593,014)
Adjustments for:		
Depreciation	252,776	222,962
(Profit)/Loss on sale of current investments	4,043	(3,046)
Dividend income on current investments	(344,935)	(540,309)
Interest Expense	6,345,248	5,508,149
Provision of Gratuity	501,054	-
Provision of Leave Encashment	75,909	-
Operating profit before working capital changes	(34,479,159)	(27,405,258)
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	13,202,331	(2,615,292)
Increase/ (Decrease) in Current/Non Current Liabilities	(4,694,807)	6,346,494
Cash used in from operations	(25,971,635)	(23,674,056)
Cash flow before extraordinary item	(25,971,635)	(23,674,056)
Net income tax(paid) / refunds	(2,075,281)	(3,794,912)
Interest income on income tax refund	-	-
Net cash used in operating activities (A)	(28,046,916)	(27,468,968)
B. Cash flows from investing activities		
Sale / (Purchase) of fixed assets (includes intangible assets)	(11,300)	(423,780)
Sale / (Purchases) of current investment	13,320,655	(11,257,486)
Dividend income received	344,935	540,309
Net cash generated from/(used in) investing activities (B)	13,654,290	(11,140,957)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	40,460	-
Share Warrants issued	87,000	-
Securities Premium	34,957,440	-
Interest Expenses paid	(7,370,766)	-
Shor term borrowings - Borrowed	205,700,000	46,451,437
Shor term borrowings - Repaid	(221,799,982)	-
Net cash used in financing activities (C)	11,614,152	46,451,437
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,778,474)	7,841,512
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents		
Opening Cash & cash equivalents (as per Note no 15)	3,434,005	1,100,642
Closing Cash & cash equivalents (as per Note no 15)	655,531	3,434,005
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,778,474)	2,333,363
See accompanying notes forming part of the standalone financial statements Note No. 1-32		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



S. Bhani 
Shivani Bhasin Sachdeva Karan Bhagat
Managing Director Director
(DIN: 00590500) (DIN: 03247753)

FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Note 1. Corporate Information:

India Alternatives Investment Advisors Private Limited ('the Company') is incorporated under the Companies Act, 1956. The principle objective of the Company is to act as Investment Manager to Venture Capital Fund. The Company is the Investment Manager to a Mid - Growth Scheme, a scheme of India Alternatives Private Equity Fund ('the Fund')

Note 1A. Going Concern

The Company is assured of continuing operational and financial support from its parent company i.e. IIFL Wealth Management Limited, vide its letter dated March 31, 2016 which is effective for the period of 12 months. The Company continues to grow its operations. Also the Company has issued compulsory convertible preference shares and convertible warrant to its shareholders during the year, the Company is therefore being viewed as a going concern and financial statements have been prepared under the going concern basis.

Note 2. Significant Accounting Policies:

2.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as specified under section 133 of Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

2.2 Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles which 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 charged from the month in which assets are sold. In the case of transfer of fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

Estimated useful life of the assets is as under:

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



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 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.

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



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

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 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.

2.9 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.

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 in the reporting currency 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 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



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

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 Operating Leases:

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

2.14 Preliminary Expenses

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

2.15 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.

2.16 Cash flow statement

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

2.17 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.

2.18 Borrowing cost

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.

2.19 Operating Cycle

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



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Note: 3. Share Capital:

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

(Amount in ₹)

Authorised share capital:	As at March 31, 2016	As at March 31, 2015
Equity Share Capital		
495,000 (Previous year 500,000) Equity Shares of ₹10/- each with Voting Rights	4,950,000	5,000,000
Preference Share Capital		
5,000 (Previous year Nil) Compulsorily Convertible Non Cumulative Preference Shares (CCPS) of ₹10/- each	50,000	-
Issued, Subscribed and Paid-up share capital		
Equity Share Capital		
10,000 (Previous Year 10,000 equity shares of ₹ 10/- each) Equity Shares of ₹ 10/- each fully paid-up with Voting rights	100,000	100,000
Preference Share Capital		
4,046 (Previous year Nil) 0.01% Compulsorily Convertible Non Cumulative Preference Shares of ₹ 10/- each	40,460	-
Total	140,460	100,000

- 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
Equity Share Capital				
At the beginning of the year	10,000	100,000	10,000	100,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000
Preference Share Capital				
At the beginning of the year	-	-	-	-
Add: Issued during the year	4,046	40,460	-	-
Outstanding at the end of the year	4,046	40,460	-	-
Total		140,460		100,000

- c) Terms/rights attached to

Equity shares:

The company has only one class of equity 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.

Preference shares:

The company has only one class of preference shares referred to as preference shares having a par value of ₹ 10/- each. They are Compulsorily Convertible Non-Cumulative Preference Shares carrying a coupon of 0.01% and will be converted into such number of equity shares of ₹ 10/- each at a conversion ratio of 1:1, subject to any stock/share splits, consolidation, readjustments, sub-division or re-organization carried out by the Company. Such conversion can happen at the option of the CCPS holder at any time after three months from the date of allotment of CCPS but not later than thirty-six months from the date of allotment.



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Share warrants

The Company has issued 8700 Share warrants at the Issue Price of Rs. 8650/- each (Rupees Eight Thousand Six Hundred Fifty Only), Rs. 10/- per warrant aggregating to Rs. 87,000/- (Rupees Eighty Seven Thousand only) received upfront, and such warrants being compulsorily exercisable/ convertible at the price to be decided by the Board based on the valuation report, issued by Independent Valuer at the time of Conversion. The Share Warrants shall be compulsorily convertible and shall be converted into Equity Shares of the Company, at the option of the holder of the Share Warrants at any time but, not later than 18 Months from the date of issue on which date such Warrants shall compulsorily convert, in the ratio of 1 Equity Share for every Share Warrants held subject to any stock/share splits, consolidations, readjustments, sub-division or re-organization carried out by the Company, which equity shares shall rank pari-passu with the existing Equity Shares of the Company at the price to be decided by the Board based on the valuation report, issued by Independent Valuer at the time of Conversion.

d) Shares held by holding company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	% holding	Numbers	% holding
Equity shares of ₹10 each fully paid				
IIFL Wealth Management Limited	7,100	71%	7,100	71%
Preference shares of ₹10 each fully paid				
IIFL Wealth Management Limited	4,046	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
Equity Share Capital				
Shivani Bhasin Sachdeva	2,900	29%	2,900	29%
IIFL Wealth Management Limited	7,100	71%	7,100	71%
Preference Share Capital				
IIFL Wealth Management Limited	4,046	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
Securities Premium		
Opening Balance	-	-
Premium on shares issued during the year	34,957,440	-
Closing Balance	34,957,440	-
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	(9,174,980)	12,695,106
Addition: Loss during the year	(52,027,413)	(21,870,087)
Closing Balance	(61,202,393)	(9,174,981)
Total	(26,244,953)	(9,174,981)



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

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	2,166,890	1,718,895
Total	2,166,890	1,718,895

Note 6. Short-term borrowings:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured Loans		
Inter Corporate Deposits (ICD)	41,700,000	60,238,213
Book Overdraft	2,925,920	15,13,206
Total	44,625,920	61,751,419

Note 7. Trade Payables:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Outstanding dues of micro & small enterprises-Refer Note below	-	-
Outstanding dues of creditors other than micro and small enterprises	1,729,465	103,653
Accrued Salaries & Benefits	192,211	2,034,304
Provision for expenses	530,582	323,570
Total	2,452,258	2,461,527

Note:

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 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.

Note 8. Other Current Liabilities:

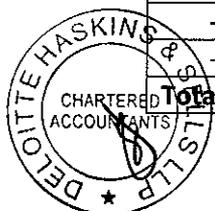
(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Liabilities Payable	1,187,354	1,438,647
Total	1,187,854	1,438,647

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 Gratuity	158,595	105,536
- Provision for Leave Encashment	216,788	140,879
- Bonus Payable	565,754	5,000,000
Total	941,137	5,246,415



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Note 10. Tangible Assets:

(Amount in ₹)

Particulars	Furniture & Fixture	Office Equipment	Computer	Total
Gross Block as on April 01, 2015	785,489	305,530	342,068	1,433,087
Additions	-	-	11,300	11,300
Deductions/Adjustments during the year	-	-	-	-
As at March 31, 2016	785,489	305,530	353,368	1,444,387
Depreciation				
Upto April 01, 2015	214,390	162,058	274,850	651,298
Depreciation for the year	142,939	61,106	48,729	252,774
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2016	357,329	223,164	323,579	904,072
Net Block as at March 31, 2016	428,160	82,366	29,789	540,315
Net Block as at March 31, 2015	571,099	143,472	67,218	781,789

Tangible Assets (Previous Year):

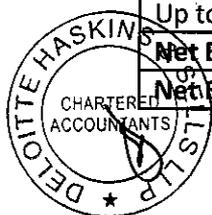
(Amount in ₹)

Particulars	Furniture & Fixture	Office Equipment	Computer	Total
Gross Block as on April 01, 2014	461,498	205,740	342,068	1,009,306
Additions	638,991	99,790	-	738,781
Deductions/Adjustments during the year	315,000	-	-	315,000
As at March 31, 2015	785,489	305,530	342,068	1,433,087
Depreciation				
Upto April 01, 2014	201,558	63,186	181,361	446,105
Depreciation for the year	199,999	98,872	93,489	392,360
Deductions/Adjustments during the year	187,167	-	-	187,167
Upto March 31, 2015	214,390	162,058	274,850	651,298
Net Block as at March 31, 2015	571,099	143,472	67,218	781,789
Net Block as at March 31, 2014	259,940	142,554	160,707	563,201

Note 11. Intangible Assets other than internally generated:

(Amount in ₹)

Particulars	Amount
Software/Intangible assets	
Cost or valuation as at April 01, 2015	75,197
Additions	-
Deductions / Adjustments during the year	-
As at March 31, 2016	75,197
Amortisation	
As at April 1, 2015	75,197
Amortisation for the year	-
Deductions / Adjustments during the year	-
Up to March 31, 2016	75,197
Net Block as at March 31, 2016	-
Net Block as at March 31, 2015	-



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Intangible Assets other than internally generated (Previous Year):

Particulars	(Amount in ₹)	
	Amount	
Software/Intangible assets		
Cost or valuation as at April 01, 2014		75,197
Additions		-
Deductions / Adjustments during the year		-
As at March 31, 2015		75,197
Amortisation		
As at April 1, 2014		57,428
Amortisation for the year		17,769
Deductions / Adjustments during the year		-
Up to March 31, 2015		75,197
Net Block as at March 31, 2015		-
Net Block as at March 31, 2014		17,769

Note 12. Deferred Tax Asset:

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
On Business Loss	-	10,066,865
On Depreciation	-	58,926
On Gratuity	-	591,937
Total	-	10,717,728

Note 13. Long Term Loans and Advances:

Particulars	(Amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
Deposits Paid (Secured, considered good)	-	16,050
Other long term loans and advances	143,453	113,453
Prepaid Expense (Unsecured, considered good)	-	13,321,162
Advance Income Tax (Net of provision of tax of ₹ 6,090,130/-) (Previous Year ₹6,093,699/-)	9,861,458	7,782,612
Total	10,004,911	21,233,277

Note 14. Current Investment:

Particulars	(Amount in ₹)			
	As at March 31, 2016		As at March 31, 2015	
Non Traded Investment: Quoted	Units	Amount	Units	Amount
Investment in Mutual Funds				
Birla Sunlife Saving Fund - Weekly Dividend (NAV-P.Y ₹ 100.2876)	-	-	1,32,940	13,324,697
Total		-		13,324,697
Aggregate value of Quoted investments		-		13,324,697
Aggregate value of unquoted investments		-		-
Aggregate market value of unquoted investments		-	-	13,332,234

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



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Note 15. 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	65,478	4,688
Cheques in hand	87,000	-
Balances with banks :		
- In Current accounts	503,053	3,429,317
- In Deposit accounts	-	-
Total	655,531	3,434,005

Note 16. Short Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good;		
Prepaid Expenses	13,616,360	13,591,584
Other Loans and Advances	538,949	458,842
Total	14,155,309	14,050,426

Note 17. Revenue from Operations:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Investment Management Fees	20,452,780	35,205,739
Total	20,452,780	35,205,739

Note 18. Other Income:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Profit/(Loss) on sale of current investments	(4,043)	3,046
Dividend Income on current investments	344,935	540,309
Total	340,892	543,355

Note 19. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Salaries and bonus	37,485,437	45,740,692
Contribution to provident and other funds **	373,190	208,825
Gratuity *	501,054	1,824,431
Staff Welfare Expenses	344,909	191,352
Leave Encashment	199,731	140,879
Total	38,904,321	48,106,179

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

(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	1,824,431	-
Interest Cost	144,495	-
Current Service Cost	367,990	1,824,431



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

	2015-2016	2014-2015
Actuarial (gain)/ Loss on obligations	(11,431)	-
Liability at the end of the year	2,325,485	1,824,431
Amount Recognised in the Balance Sheet	2015-2016	2014-2015
Liability at the end of the year	(2,325,485)	(1,824,431)
Fair Value of Plan Assets at the end of the year	-	-
Funded Status(Surplus/ Deficit)	(2,325,485)	(1,824,431)
Amount of (liability)/ Asset Recognised in the Balance Sheet	(2,325,485)	(1,824,431)
Expenses Recognised in the Income Statement	2015-2016	2014-2015
Current Service cost	367,990	1,824,431
Interest Cost	144,495	-
Expected return on plan assets	-	-
Actuarial Gain or Loss	(11,431)	-
Expense Recognised in P & L	501,054	1,824,431
Balance Sheet Reconciliation	2015-2016	2014-2015
Opening Net liability	(1,824,431)	-
Expense as above	(501,054)	(1,824,431)
Employer's Contribution	-	-
(Liability)/Asset Recognised in Balance sheet	(2,325,485)	(1,824,431)

Experience Adjustment	2015-2016	2014-2015	2014-2013	2012-2013	2011-2012
Present Value of the Obligation	(23,25,485)	(18,24,431)	-	-	-
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) or Deficit	(23,25,485)	(18,24,431)	-	-	-
Actuarial (Gains)/ Losses on Obligations - Due to Experience	4,83,617	8,91,258	-	-	-
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	-	-	-	-	-

****Defined Contribution Plans:**

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

(Amount in ₹)

Particulars	2015-2016	2014-2015
Contribution to provident & other Fund	373,190	208,825

Note 20. Other expenses:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Advertisement	7,442	10,000
Books & Periodicals	-	9,684
Exchange and statutory Charges	13,620	5,020
Marketing and commission expenses	264,919	220,375
Direct operating expenses	-	1,460
Bank Charges	13,751	4,656
Communication	356,495	326,106
Donation	5,000	-
Electricity	345,397	379,123
Legal and professional charges	5,675,597	5,197,834
Miscellaneous expenses	675	4,360



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Particulars	2015-2016	2014-2015
Office expenses	452,860	477,336
Meeting Seminar & subscription	1,255,683	1,141,258
Postage and courier	27,645	17,328
Printing and stationery	87,900	216,066
Provision for doubtful debts and bad debts	-	127,833
Rent	3,909,750	3,428,226
Insurance	-	30,820
Repairs and maintenance:		
- Computer	5,703	48,979
- Others	54,282	214,810
Remuneration to Auditors :		
- Statutory Audit	275,000	275,000
- Out of Pocket Expenses	2,175	
Reimbursement of expenses	1,000	-
Software Charges	19,490	29,250
Travelling and conveyance	3,830,197	2,152,128
Total	16,604,581	14,317,652

Note 21. Finance Cost:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Interest expenses	6,345,248	5,508,149
Total	6,345,248	5,508,149

Note 22. Depreciation and Amortisation Expenses

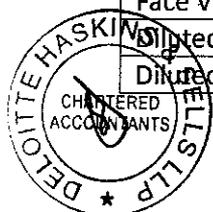
(Amount in ₹)

Particulars	2015-2016	2014-2015
Depreciation on Tangible Assets (Refer Note – 10)	252,776	392,360
Amortisation of Intangible Assets (Refer Note – 11)	-	17,769
Total	252,776	410,129

Note 23. Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'.

(Amount in ₹)

Particulars		2015-2016	2014-2015
BASIC EARNINGS PER SHARE			
Loss after tax as per Statement of Profit and Loss	A	(52,027,413)	(21,870,086)
Weighted Average Number of Shares for Basic EPS	B	10,000	10,000
Face Value of Equity Shares (in ₹) fully paid		10	10
Basic EPS (in ₹)		(5,202.74)	(2,187.01)
DILUTED EARNINGS PER SHARE			
Loss after tax as per Statement of Profit and Loss		(52,027,413)	(21,870,086)
Weighted Average Number of Shares for Basic EPS		10,000	10,000
Add : Potential Equity Shares on account of conversion of Compulsorily Convertible Non-Cumulative Preference shares and share warrants		12,746	-
Weighted Average Number of Shares Outstanding		22,746	10,000
Face Value of Equity Shares (in ₹) fully paid		10	10
Diluted EPS (in ₹)	A/B	(2,287.32)	(2,187.01)
Diluted EPS restricted to Basic EPS (in ₹)		(5,202.74)	(2,187.01)



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

Note 24. 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 25. Capital and Other Commitments

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

Note 26. The Company does not have any contingent liability not provided for, as on the balance sheet date.

Note 27. There are no pending litigations by and on the Company as on the balance sheet date.

Note 28. 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.

Note 29. 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 Investment Advisors and Trustee Services Limited (Formerly IIFL Trustee Services Limited) IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) IIFL Alternate Asset Advisors 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



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

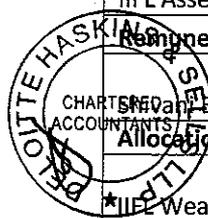
Notes forming part of the financial statements for the year ended March 31, 2016 (Continued)

Nature of relationship	Name of party
	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) IIFL Asset Reconstruction Limited India Infoline Insurance Brokers Limited
Key Managerial Personnel	Karan Bhagat Yatin Shah Shivani Bhasin Sachdeva
Other related parties	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited

b) Significant Transaction with Related Parties

(Amount in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Preference Share Capital					
	40,460	-	-	-	40,460
IIFL Wealth Management Ltd	-	-	-	-	-
Share Premium					
	34,957,440	-	-	-	34,957,440
IIFL Wealth Management Ltd	-	-	-	-	-
Interest Expense on ICD					
	1,277,470	-	-	-	1,277,470
IIFL Wealth Management Ltd	(2,709,146)	-	-	-	(2,709,146)
India Infoline Finance Ltd	-	-	2,534,685	-	2,534,685
	-	-	(2,797,808)	-	(2,797,808)
IIFL Asset Management Limited	-	2,445,486	-	-	2,445,486
	-	-	-	-	-
Other funds Paid					
	715,798	-	-	-	715,798
IIFL Wealth Management Ltd	(342,617)	-	-	-	(342,617)
ICD Repaid					
	-	-	61,500,000	-	61,500,000
India Infoline Finance Ltd	-	-	(40,000,000)	-	(40,000,000)
IIFL Wealth Management Ltd	92,799,982	-	-	-	92,799,982
	-	-	-	-	-
IIFL Asset Management Limited	-	67,500,000	-	-	67,500,000
	-	-	-	-	-
ICD Taken					
	35,000,000	-	-	-	35,000,000
IIFL Wealth Management Ltd	(57,799,982)	-	-	-	(57,799,982)
India Infoline Finance Ltd	-	-	61,500,000	-	61,500,000
	-	-	(40,000,000)	-	(40,000,000)
IIFL Asset Management Limited	109,200,000	-	-	-	109,200,000
	-	-	-	-	-
Remuneration*					
	-	-	-	16,000,000	16,000,000
Shivani Bhasin Sachdeva	-	-	-	(56,000,000)	(56,000,000)
Allocation / Reimbursement of expenses Paid					
	5,152,854	-	-	-	5,152,854
IIFL Wealth Management Ltd	(4,246,735)	-	-	-	(4,246,735)



FINANCIALS OF INDIA ALTERNATIVES INVESTMENT ADVISORS PRIVATE LIMITED

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

* The Company has applied to the Central Government for its approval under section 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act 2013 and rules made thereunder, for payment of remuneration to Ms. Shivani Bhasin Sachdeva, Managing Director, in excess of limits specified under Companies Act, 2013.

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

(Amount in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Total
ICD Given:					
IIFL Wealth Management Limited	-	-	-	-	-
	(60,238,213)	-	-	-	(60,238,213)
IIFL Asset Management Limited	-	41,700,000	-	-	41,700,000
	-	-	-	-	-

Note :

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

Note 30. Earnings and Expenses in Foreign Currency:

(Amount in ₹)

Particulars	2015-2016	2014-2015
Expenses in Foreign Currency		
Legal and professional Charges	1,459,777	392,067
Total	1,459,777	392,067

Note 31.

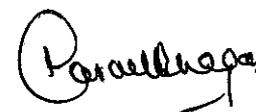
- a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note No 29. The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates of 11% p.a. for the purpose of meeting working capital 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 29.

Note 32. Previous year figures have been re-grouped, re-classified & rearranged, wherever considered necessary.

For and on behalf of the Board of Directors

S. Bhasin

Shivani Bhasin Sachdeva
 Managing Director
 (DIN: 00590500)



Karan Bhagat
 Director
 (DIN: 03247753)



Place : Mumbai
 Date : May 4, 2016