

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL ALTERNATE ASSET ADVISORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL ALTERNATE ASSET ADVISORS LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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



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Haskins & Sells LLP**

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

- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

Place: Mumbai
Date: 2 May 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **IIFL ALTERNATE ASSET ADVISORS LIMITED** (the "Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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



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

Place: Mumbai
Date: 2 May 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) The Company does not have any tangible fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us Employees State Insurance, Excise Duty, Customs Duty and Value Added Tax is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Goods & Service Tax, cess and other material statutory dues in



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

- (c) There are no dues of Income-tax and Goods & Service Tax which have not been deposited as on March 31, 2018 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided managerial remuneration during the year and hence reporting under clause (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of holding Company or persons connected with them and hence provisions of section 192 of the Act are not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Pallavi A. Gorakshakar
Partner
(Membership No.105035)

Place: Mumbai
Date: 2 May 2018

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

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	500,000	500,000
(b) Reserves and Surplus	4	177,727,274	154,412,135
Sub total		178,227,274	154,912,135
(2) Non Current Liabilities			
(a) Long-term provisions	5	357,734	53,479
Sub total		357,734	53,479
(3) Current liabilities			
(a) Short-term borrowings	6	2,570,000,000	-
(b) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		9,475,030	172,409
(c) Other current liabilities	8	6,620,260	342,286
(d) Short-term provisions	9	2,620,234	65,557
Sub total		2,588,715,524	580,252
TOTAL		2,767,300,532	155,545,866
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Intangible assets	10	3,137,467	-
Sub total		3,137,467	-
(b) Non-current investments	11	2,368,170,956	-
(c) Deferred Tax Asset (Net)	12	148,389	3,219,629
(d) Long-term loans & advances	13	4,532,873	2,334,720
Sub total		2,372,852,218	5,554,349
(2) Current assets			
(a) Current investments	14	316,235,294	-
(b) Trade receivables	15	39,125,501	-
(c) Cash and cash equivalents	16	2,835,470	148,121,891
(d) Short-term loans & advances	17	493,211	1,853,325
(e) Other current assets	18	32,621,371	16,301
Sub total		391,310,847	149,991,517
TOTAL		2,767,300,532	155,545,866
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018

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

Particulars	Note No.	2017-2018	2016-2017
INCOME :			
Revenue From Operations			
- Revenue From Investing & Financing activities	19	63,422,307	57,228,332
- Sale of traded goods	20	-	87,060,990
Other Income	21	40,435	-
Total Revenue		63,462,742	144,289,322
EXPENSES :			
Employee Benefit Expenses	22	11,019,646	987,290
Other Expenses	23	17,969,911	4,840,226
Purchase of traded goods	24	-	87,279,150
Finance Charges	25	9,187,587	52,201,502
Depreciation and Amortisation	10	729,252	-
Provisions and Write off	26	(6,101,000)	(10,275,045)
Total Expenditure		32,805,396	135,033,123
Profit before tax		30,657,346	9,256,199
Tax expenses/(benefits) :			
Current tax expense		5,527,727	3,178,865
Deferred tax expenses/(credit)	12	3,071,240	(3,217,912)
MAT Credit Entitlement		(1,392,413)	-
Short / (excess) provision for income tax		135,653	-
Net tax expense/(benefit)		7,342,207	(39,047)
Profit for the year		23,315,139	9,295,246
Earning Per Share- Basic	27	466.30	185.90
Earning Per Share- Diluted	27	466.30	185.90
Face Value Per Share		10.00	10.00
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



Pallavi A. Gorakshakar
Partner



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018

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

(Amount in ₹)

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

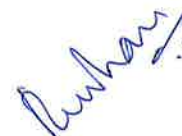
For and on behalf of the Board of Directors



Pallavi A. Gorakshakar
Partner



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Note 1. Corporate Information:

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

Note 2. Significant Accounting Policies:**2.1 Basis of preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the Company.

2.2 Use of Estimates:

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

2.3 Fixed assets and Depreciation:

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

Estimated useful life of the assets is as under:

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

2.4 Investments:

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

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



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2.5 Cash and cash equivalents:

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

2.6 Cash flow statement:

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

2.7 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

2.8 Taxation:

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

Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred Tax

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

2.9 Revenue Recognition:

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

- Management fees are accounted on accrual basis.



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

2.10 Employee Benefits:

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

The Company has provided "Compensated Absences" on the basis of actuarial valuation.

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

2.11 Operating Leases:

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

2.12 Earnings per Share:

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

2.13 Service tax/Goods and Services tax input credit:

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

2.14 Borrowing cost:

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

2.15 Operating Cycle:

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



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IIFL ALTERNATE ASSET ADVISORS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 3. Share Capital:

(a) The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹10 as follows:

Authorised :	As at March 31,2018	As at March 31,2017
50,000 Equity Shares of ₹ 10/- each with voting rights	500,000	500,000
Issued, Subscribed and Paid Up:		
50,000 (Previous Year 50,000 equity shares of ₹ 10/- each) Equity Shares of ₹ 10/- each fully paid-up each with voting rights	500,000	500,000

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	50,000	500,000	50,000	500,000
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000

(c) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.

(d) Details of shares held by holding company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10 each fully paid				
IIFL Wealth Management Limited & its nominees	50,000	100%	50,000	100%

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	50,000	100%	50,000	100%

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Surplus in the Statement of Profit and Loss		
Opening Balance	154,412,135	145,116,889
Addition: Profit during the Year	23,315,139	9,295,246
Closing Balance	177,727,274	154,412,135

Note 5. Long Term Provisions:

(Amount in ₹)

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



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

(Amount in ₹)

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

Note 7: Trade Payables:

(Amount in ₹)

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

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

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

The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.



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IIFL ALTERNATE ASSET ADVISORS LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note: 8. Other current liabilities:****(Amount in ₹)**

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

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

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

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

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

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IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 11. Non Current Investments (At cost):

(Amount in ₹)

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



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IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

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



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IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

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



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

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

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

Note 13. Long Term Loans & Advances:

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

Note 14. Current Investments:

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

Note 15. Trade Receivables:

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

Note 16. Cash and Cash Equivalents:

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

IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 17. Short Term Loans and Advances:

(Amount in ₹)

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

Note 18. Other Current Assets:

(Amount in ₹)

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

Note 19. Revenue from Operations:

(Amount in ₹)

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

Note 20. Sale of traded goods:

(Amount in ₹)

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

Note 21. Other Income:

(Amount in ₹)

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

Note 22. Employee Benefit Expenses:

(Amount in ₹)

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



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

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

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

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



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

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

Note 23. Other Expenses:

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

Note 24. Purchase of traded goods:

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

Note 25. Finance Charges:

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

Note 26. Provisions and Write off:

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



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

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

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

Note 28. The Company Operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding company / fellow subsidiaries / group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for/by the Company were identified and recovered by/from the Company based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual expenses were difficult to determine.

Note 29. Capital and Other Commitments:

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

Note 30. Contingent Liabilities at Balance Sheet date:

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

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

Note 32. Segment Reporting:

In the opinion of the management, there is only one reportable business segment of Fund Management and related activities as envisaged by AS17 'Segment Reporting', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.



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IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 33. Related Party Disclosures:

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

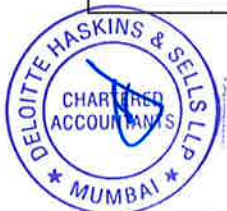
a) List of Related parties:

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited
Holding company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Distribution Services IIFL Investment Adviser and Trustee Services Limited IIFL Asset Management Limited IIFL Trustee Limited IIFL Wealth Finance Limited IIFL Private Wealth Management (Dubai) Limited IIFL Asia Pte Limited IIFL Inc IIFL Private Wealth Hong Kong Limited IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Ltd) IIFL Private Wealth (Suisse) SA IIFL Capital (Canada) Ltd. IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	IIFL Securities Limited (Formerly known as India Infoline Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited IIFL Management Services Limited India Infoline Insurance Brokers Limited Clara Developers Private Limited IIFL Facilities Services Limited Samasta Microfinance Ltd IIFL Wealth (UK) Limited IIFL Capital Inc. Ayusha Dairy Pvt. Limited IIFL Asset Reconstruction Limited
Others Related Parties	Mr. Karan Bhagat Mr. Yatin Shah Mr. Amit Shah Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Dhara Shah Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment India Alternatives Investment Advisors Private Limited (Fellow subsidiary upto 31st March 2017)

b) Significant Transactions with Related Parties

(Amount in ₹)

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



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

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Interest Income on ICD :					-
IIFL Wealth Management Limited	-	6,967,169	-	-	6,967,169
	-	(6,475,890)			(6,475,890)
IIFL Wealth Finance Limited			-		-
			(8,504,357)		(8,504,357)
IIFL Asset Management Limited	-		-		-
	-		(7,652)		(7,652)
Corporate Social Responsibility Expense (CSR)					-
India Infoline Foundation		-	-	-	-
				(1,222,700)	(1,222,700)
Interest Expenses on ICD :					-
IIFL Wealth Management Limited	-	4,880,396	-	-	4,880,396
	-	(756,399)			(756,399)
IIFL Investment Adviser & Trustee Services Limited	-		-		-
	-		(7,884,812)		(7,884,812)
IIFL Wealth Finance Limited	-		3,463,287		3,463,287
	-		(26,888,416)		(26,888,416)
IIFL Asset Management Limited	-		843,904		843,904
	-		(16,558,466)		(16,558,466)
ICD Taken:					-
IIFL Wealth Management Limited	-	3,721,000,000	-	-	3,721,000,000
	-	(572,100,000)			(572,100,000)
IIFL Investment Adviser & Trustee Services Limited	-		-		-
	-		(340,000,000)		(340,000,000)
IIFL Wealth Finance Limited			2,720,000,000		2,720,000,000
			(4,352,000,000)		(4,352,000,000)
IIFL Asset Management Limited	-		1,110,000,000		1,110,000,000
	-		(1,000,000)		(1,000,000)
ICD Repaid:					-
IIFL Wealth Management Limited	-	3,721,000,000	-	-	3,721,000,000
	-	(572,100,000)			(572,100,000)
IIFL Investment Adviser & Trustee Services Limited	-		-		-
	-		(533,281,000)		(533,281,000)
IIFL Wealth Finance Limited	-		1,260,000,000		1,260,000,000
	-		(4,352,000,000)		(4,352,000,000)
IIFL Asset Management Limited	-		-		-
	-		(611,300,000)		(611,300,000)
ICD Given:					-
IIFL Wealth Management Limited	-	1,124,500,000	-	-	1,124,500,000
	-	(635,000,000)			(635,000,000)
IIFL Asset Management Limited			-		-
			(4,200,000)		(4,200,000)
IIFL Wealth Finance Limited	-		-		-
	-		(1,022,000,000)		(1,022,000,000)
ICD Received Back :					-
IIFL Wealth Management Limited	-	1,124,500,000	-	-	1,124,500,000
	-	(635,000,000)			(635,000,000)
IIFL Asset Management Limited			-		-
			(4,200,000)		(4,200,000)
IIFL Wealth Finance Limited	-		-		-
	-		(1,022,000,000)		(1,022,000,000)



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IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

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

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

(Amount in ₹)

Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Group Companies	Total
Sundry Payables					
IIFL Wealth Management Limited	-	1,443,324	-	-	1,443,324
	-	(42,011)	-	-	(42,011)
IIFL Wealth Finance Limited	-	-	333,000	-	333,000
	-	-	-	-	-
IIFL Asset Management Limited	-	-	253,171	-	253,171
	-	-	-	-	-
ICD Taken:					
IIFL Asset Management Limited	-	-	1,110,000,000	-	1,110,000,000
	-	-	-	-	-
IIFL Wealth Finance Limited	-	-	1,460,000,000	-	1,460,000,000
	-	-	-	-	-
Sundry Receivables :					
India Infoline Limited	-	-	-	40,522	40,522
	-	-	-	(204,000)	(204,000)

Note:

I) Figures in bracket represents previous year figures.

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



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IIFL ALTERNATE ASSET ADVISORS LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2018

Note 34. Corporate Social Responsibility:

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

Note 35. Details of Inter Corporate Deposits:

a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note 33. The period of ICDs is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates ranging from 9.25% to 9.50% p.a. for the purpose of meeting working capital and business requirements of the borrowers.

b) The Outstanding balance of Inter Corporate Deposits as on March 31, 2018, with related parties is detailed under the table of related party transactions appearing under Note 33.

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

For and on behalf of Board of Directors



Umang Jagmohan Papneja
Director
(DIN: 07357053)



R. Mohan
Director
(DIN: 00012070)

Place : Mumbai
Date: May 02, 2018