

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IIFL ASSET MANAGEMENT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IIFL ASSET MANAGEMENT LIMITED** (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, based on our audit 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.

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



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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: 30 April 2018

Report on Internal Financial Controls Over Financial Reporting

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 ASSET MANAGEMENT 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 (the "ICAI"). 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 the 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI 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: 30 April 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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) 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, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, 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, Excise Duty is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2018 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, Goods and Service Tax, Customs Duty and Value Added Tax as on 31 March 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) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (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) 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 CARO 2016 is not applicable.



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

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



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

Place: Mumbai,
Date: 30 April 2018

IIFL ASSET MANAGEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2018


(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	321,000,000	321,000,000
(b) Reserves and Surplus	4	952,156,201	654,903,730
Sub total		1,273,156,201	975,903,730
(2) Non Current Liabilities			
(a) Other Long-term liabilities		-	-
(b) Long-term provisions	5	11,945,650	10,675,804
Sub total		11,945,650	10,675,804
(3) Current liabilities			
(a) Short-term borrowings	6	175,000,000	-
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	7	122,943,485	78,305,140
(c) Other current liabilities	8	40,746,357	84,122,289
(d) Short-term provisions	9	46,197,785	36,927,920
Sub total		384,887,627	199,355,349
TOTAL		1,669,989,478	1,185,934,883
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	170,921	273,334
(ii) Intangible assets	11	14,127,081	815,185
(iii) Capital work-in-progress		6,320,000	-
Sub total		20,618,002	1,088,519
(b) Non-current investments	12	18,220,716	18,169,580
(c) Deferred Tax Asset (Net)	13	5,439,391	4,595,420
(d) Long-term loans & advances	14	111,271,964	45,732,639
Sub total		134,932,071	68,497,639
(2) Current assets			
(a) Trade receivables	15	192,228,971	199,251,684
(b) Cash and Cash Equivalents	16	28,974,748	897,496,021
(c) Short-term loans & advances	17	1,151,751,207	19,442,267
(d) Other current assets	18	141,484,479	158,753
Sub total		1,514,439,405	1,116,348,725
TOTAL		1,669,989,478	1,185,934,883
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


Homai Daruwalla
Director
(DIN: 00365880)


Amit Shah
Director
(DIN: 06765300)

Place : Mumbai
Dated : April 30, 2018


Priya Biswas
Chief Financial Officer


Chiranjay Joshi
Company Secretary

PB

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

(Amount in ₹)

Particulars	Note No.	2017-18	2016-17
INCOME:			
Revenue from Operations	19	820,865,532	690,057,718
Other Income	20	209,494,860	171,878,113
Total Revenue		1,030,360,392	861,935,831
EXPENSES:			
Employee Benefit Expenses	21	299,006,096	200,308,193
Other Expenses	22	390,810,767	416,108,422
Finance Charges	23	5,233,275	26,925,329
Depreciation and Amortisation	24	2,901,754	1,179,123
Provision & Write off	25	-	(21,643)
Total Expenditure		697,951,892	644,499,424
Profit before tax		332,408,500	217,436,407
Tax expenses :			
Current tax		36,000,000	69,762,983
Deferred tax expenses/ (Credit)		(843,971)	(1,277,542)
Short / (excess) provision for income tax		-	100,877
Total Tax Expenses		35,156,029	68,586,318
Profit for the year		297,252,471	148,850,089
Earning Per Share- Basic	26	9.26	4.64
Earning Per Share- Diluted	26	9.26	4.64
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


Homai Daruwalla
Director
(DIN: 00365880)


Amit Shah
Director
(DIN: 06765300)

Place : Mumbai
Dated : April 30, 2018


Priya Biswas
Chief Financial Officer


Chinmay Joshi
Company Secretary

PB

IIFL ASSET MANAGEMENT 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	332,408,500	217,436,407
Adjustments for:		
Depreciation	2,901,754	1,179,123
Provisions for Gratuity	3,557,985	3,159,508
Provisions for Compensated Absences	3,582,827	1,506,082
Provision for Doubtful debts	-	-
Provision for Diminution in Investment	-	(21,643)
Interest Income	(86,297,817)	(81,826,177)
Interest expenses	5,016,174	26,905,405
Loss on Sale of Fixed Assets	-	-
Dividend Income	(1,286,025)	(461,755)
Profit on sale of Investments	(123,197,043)	(90,051,936)
Operating profit before working capital changes	136,686,355	77,825,014
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	(204,170,471)	(91,112,872)
Increase/ (Decrease) in Current/Non Current Liabilities	2,984,975	97,167,640
Cash generated from/(used in) operations	(64,499,141)	83,879,782
Net income tax(paid) / refunds	(52,091,213)	(93,726,294)
Net cash generated from/(used in) operating activities (A)	(116,590,354)	(9,846,512)
B. Cash flows from investing activities		
Purchase of Investments	(25,308,369,623)	(30,235,514,043)
Sale of Investments	25,431,515,529	30,470,297,828
Interest Received	86,044,646	81,787,403
Dividend Income	1,286,025	461,755
Purchase of fixed assets (includes intangible assets)	(22,431,237)	(82,147)
Inter Corporate Deposit given	(8,198,500,000)	(3,753,900,000)
Inter Corporate Deposit received	7,088,500,000	4,389,900,000
Net cash generated from/ (used in) investing activities (B)	(921,954,660)	952,950,796
C. Cash flows from financing activities		
Proceeds from Issuance of Share Capital	-	-
Securities Premium on issue of shares	-	-
Short Term Borrowings taken	3,537,127,020	7,363,766,307
Short Term Borrowings repaid	(3,362,127,020)	(7,383,160,629)
Long Term Borrowings-Repayment	-	-
Interest Paid	(4,976,259)	(26,905,405)
Dividend Paid (including Dividend Distribution Tax)	-	-
Net cash generated from/ (used in) financing activities (C)	170,023,741	(46,299,727)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(868,521,273)	896,804,557
Opening Cash and Cash Equivalents	897,496,021	691,464
Closing Cash and Cash Equivalents (Refer Note 16)	28,974,748	897,496,021
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


Homai Daruwalla
Chairman
(DIN: 00365880)


Amit Shah
Director
(DIN: 06765300)

Place : Mumbai
Dated : April 30, 2018


Priya Biswas
Chief Financial Officer


Chinmay Joshi
Company Secretary

PB

Note 1. Corporate Information:

IIFL Asset Management Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956. The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996 ('the Regulations') and acts as an investment manager to 'IIFL Mutual Fund'. Pursuant to Regulation 24(b) of the Regulations, SEBI gave its No Objection to the Company to undertake Investment Management and Advisory Services to pooled assets including Alternative Investment Funds / Offshore Funds and to undertake Portfolio Management Services. Pursuant to the same, the Company acts as an Investment Manager to the Alternative Investments Funds and Venture Capital Fund. The Company has also obtained Portfolio Management services license from Securities Exchange Board of India (SEBI) and carries out the said services.

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

The financial statements of the Company have been prepared in accordance with the 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

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
Buildings*	20
Computers*	3
Electrical*	5
Office equipment	5
Furniture and fixtures*	5
Vehicles*	5
Software	3

* 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.

Furniture and fixtures includes leasehold improvements which is depreciated on a straight line basis over the period of lease.



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. 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 Group 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 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 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.



2.9 Taxation:

Tax expense comprises current and deferred tax.

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.

Deferred Tax

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

Minimum Alternate Tax (MAT)

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

2.10 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.

- Investment/Fund Management Fees are accounted on accrual basis as follows:

In case of percentage based fees, in accordance with the Portfolio Management Agreement entered with the respective clients, on a quarterly basis.

- Distribution Fee/ Commission/ Setup Fee recognized on accrual basis in accordance with the terms agreed with the counter party.

2.11 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.

2.12 Translation of foreign currency items :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction.

Exchange differences, if any, arising out of transactions settled during the year are 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.

2.13 Employee Benefits:

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

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



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

2.14 Scheme Related Expenses:

(a) Fund Expenses:

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

(b) New Fund Offer Expenses:

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

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

2.15 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & loss in accordance with Accounting Standard 19 – Leases.

2.16 Earnings per Share:

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit after Tax or loss by the weighted average number of equity shares outstanding during the period. The Company has not issued any financial Instrument that entitles or may entitle its holder to acquire equity shares in future.

2.17 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

2.18 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.

2.19 Operating Cycle

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



IIFL ASSET MANAGEMENT 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
32,500,000 (P.Y. 32,500,000) Equity Shares of ₹ 10 each	325,000,000	325,000,000
Issued, Subscribed and Paid Up:		
32,100,000 (P.Y. 32,100,000) Equity Shares of ₹ 10 each fully paid	321,000,000	321,000,000

(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	32,100,000	321,000,000	32,100,000	321,000,000
Add: Issued during the year				
Outstanding at the end of the year	32,100,000	321,000,000	32,100,000	321,000,000

(c) Terms/rights attached to equity shares:

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

(d) Details of shares held by holding company:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	32,100,000	100.00%	32,100,000	100.00%

(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	32,100,000	100.00%	32,100,000	100.00%

(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.



IIFL ASSET MANAGEMENT LIMITED

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

Note 4. Reserves and Surplus:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities Premium Account		
Opening Balance	204,000,000	204,000,000
Premium on shares issued during the year	-	-
Closing Balance	204,000,000	204,000,000
Surplus in the Statement of Profit and Loss		
Opening Balance	450,903,730	302,053,641
Addition: Profit during the Year	297,252,471	148,850,089
Closing Balance	748,156,201	450,903,730
Total	952,156,201	654,903,730

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 21)	11,945,650	10,675,804
Total	11,945,650	10,675,804

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 32)	175,000,000	-
Total	175,000,000	-

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		
- Sundry creditors for Expenses	12,825,618	65,487,954
- Accrued Salaries and Benefits	451,402	199,052
- Provision for Expenses	109,666,465	12,618,134
Total	122,943,485	78,305,140



IIFL ASSET MANAGEMENT LIMITED

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

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.

Note: 8. Other current liabilities

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory Liabilities Payable	27,042,258	14,299,248
Payable to Group companies (Refer Note no 32)	12,249,557	52,739,074
Income received in advance	-	17,083,967
Payable to customers	1,269,301	-
Others	185,241	-
Total	40,746,357	84,122,289

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	6,517,129	3,393,519
- Provision for Gratuity (Refer note 21)	1,146,919	647,364
- Provision for Bonus	36,897,314	32,887,037
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS - ₹ 28,644,526) (Previous Year- ₹NIL)	1,636,423	-
Total	46,197,785	36,927,920



IIFL ASSET MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 10. Tangible Assets:
(Amount in ₹)

Particulars	Furniture Fixture	Office Equipment	Computers	TOTAL
Gross Block as on April 01, 2017	6,329,094	577,898	810,407	7,717,399
Additions	-	-	-	-
Deductions/ Adjustments during the year	-	-	-	-
As at March 31, 2018	6,329,094	577,898	810,407	7,717,399
Depreciation				
Upto April 01, 2017	6,320,773	399,424	723,868	7,444,065
Depreciation for the year	8,321	59,494	34,598	102,413
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2018	6,329,094	458,918	758,466	7,546,478
Net Block as at March 31, 2018	-	118,980	51,941	170,921
Net Block as at March 31, 2017	8,321	178,474	86,539	273,334

Tangible Assets: (Previous Year)
(Amount in ₹)

Particulars	Furniture Fixture	Office Equipment	Computers	TOTAL
Gross Block as on April 01, 2016	6,329,094	577,898	706,617	7,613,609
Additions	-	-	103,790	103,790
Deductions/ Adjustments during the year				-
As at March 31, 2017	6,329,094	577,898	810,407	7,717,399
Depreciation				
Upto April 01, 2016	6,307,456	337,789	706,617	7,351,862
Depreciation for the year	13,317	61,635	17,251	92,203
Deductions/Adjustments during the year				-
Upto March 31, 2017	6,320,773	399,424	723,868	7,444,065
Net Block as at March 31, 2017	8,321	178,474	86,539	273,334
Net Block as at March 31, 2016	21,638	240,109	-	261,747



IIFL ASSET MANAGEMENT LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 11. Intangible Assets (other than internally generated):****(Amount in ₹)**

Particulars	Total
Software/Intangible assets	
Gross Block as at April 01, 2017	3,260,760
Additions	16,111,237
Deductions / Adjustments during the year	-
As at March 31, 2018	19,371,997
Amortisation	
As at April 1, 2017	2,445,575
Amortisation for the year	2,799,341
Deductions / Adjustments during the year	-
Up to March 31, 2018	5,244,916
Net Block as at March 31, 2018	14,127,081
Net Block as at March 31, 2017	815,185

Intangible Assets (other than internally generated): (Previous Year)**(Amount in ₹)**

Particulars	Total
Software/Intangible assets	
Gross Block as at April 01, 2016	3,260,760
Additions	-
Deductions / Adjustments during the year	
As at March 31, 2017	3,260,760
Amortisation	
As at April 1, 2016	1,358,655
Amortisation for the year	1,086,920
Deductions / Adjustments during the year	
Up to March 31, 2017	2,445,575
Net Block as at March 31, 2017	815,185
Net Block as at March 31, 2016	1,902,105



IIFL ASSET MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 12. 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 Investments:						
Investment in Equity shares:						
MF Utilities India Pvt. Ltd	1	500,000	500,000	1	500,000	500,000
Subtotal			500,000			500,000
Investment in Alternative Investment Funds (Carry units):						
IIFL Income Opportunities Fund Series – Special Situation– Class B Units	7.1	1,685	11,968	7.46	1,685	12,575
IIFL Real Estate Fund (Domestic) Series 1 - Class B Units	-	-	-	10	230	2,300
IIFL National Development Agenda Fund – Class C Units	-	-	-	8.47	9,467	85,000
IIFL Investment Opportunities Fund- Spl. Series 1	-	-	-	10	2,500	25,000
IIFL Cash Opportunities Fund – Class C	10	100	10,000	10	100	10,000
IIFL Real Estate Fund (Domestic) Series 2 - Class C Units	10	2,370	23,700	10	2,370	23,700
IIFL Real Estate Fund (Domestic) Series 4 - Class D Units	10	2,500	25,000	10	2,500	25,000
IIFL Best of Class Fund - Series I - Class C Units	5.81	2,500	14,528	10	2,500	25,000
IIFL Best of Class Fund - Series II - Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Seed Venture Fund- Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Asset Revival Fund Series 2- Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Asset Revival Fund Series 3- Class C Units	10	2,500	25,000	10	2,500	25,000
IIFL Yield Enhancer Fund- Class D Units	3.81	2,500	9,515	10	2,500	25,000
IIFL Phoenix Cash Opportunities Fund- Class C Units	10	1,500	15,000	10	2,500	25,000
IIFL SPECIAL OPPORTUNITIES FUND - Class B Units	10	2,500	25,000	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND SERIES 2 - Class B Units	10	2,500	25,000	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND SERIES 3 - Class B Units	10	2,500	25,000	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND SERIES 4 - Class B Units	10	2,500	25,000	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND SERIES 5 - Class B Units	10	2,500	25,000	-	-	-
IIFL SPECIAL OPPORTUNITIES FUND SERIES 7 - Class B Units	10	2,500	25,000	-	-	-
INDIA HOUSING FUND - Class B Units	10	2,500	25,000	-	-	-
IIFL Long Term Growth Fund I - Class B Units	10	2,500	25,000	-	-	-
Sub Total			409,711			358,575
Quoted: Non Trade Investment:						
Investments in Mutual Funds						
IIFL Mutual Fund Dynamic Bond Fund-Direct Plan-Growth (NAV- ₹ 13.21, P.Y. ₹ 12.3137)	10	563,625	6,115,327	10	563,625	6,115,327
IIFL India Growth Fund – Direct Plan- Growth (NAV- ₹ 13.5651, P.Y. ₹ 10.3330)	10	533,063	5,330,635	10	533,063	5,330,635
IIFL Liquid Fund – Direct Plan - Growth (NAV – ₹1287.1548, P.Y - ₹1204.8678)	1000	4,769	5,865,043	1000	4,769	5,865,043
Sub Total			17,311,005			17,311,005
Total			18,220,716			18,169,580
Aggregate Value of Quoted Investments			17,311,005			17,311,005
Aggregate Value of Unquoted Investments			909,711			858,575
Market Value of Quoted Investments			22,272,018			20,815,069

12.1 The NAV for carry units of AIF can be determined at the time of closure of Fund basis the distribution waterfall as per PPM and hence not shown above.



IIFL ASSET MANAGEMENT LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****Note 13. Deferred Tax Asset (Net):**

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken (credit) of ₹ 843,971 (P.Y. ₹ 1,277,542) 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
On Depreciation	1,626,835	992,427
On Employee Benefits	3,812,556	3,602,993
Total	5,439,391	4,595,420

Note 14. Long Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Others		
Unsecured, Considered good		
- Deposits Paid	26,740	-
- Loan to Employees	3,509,070	3,827,925
- Prepaid Expense	48,180,110	76,306
Sub Total	51,715,920	3,904,231
Advance Income Tax (Net of provision for tax of ₹ 190,261,885) (Previous year ₹ 184,542,834)	59,556,044	41,828,408
Total	111,271,964	45,732,639

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	-	-
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	192,228,971	199,251,684
- Considered doubtful		
- Provision for doubtful receivables	-	-
Total	192,228,971	199,251,684



IIFL ASSET MANAGEMENT LIMITED

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

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)		
Cash In Hand	596,205	6,965
Balances with Banks		
- In Current accounts	28,378,543	527,489,056
- In Deposit accounts (Maturity less than 3 months)	-	370,000,000
Total Cash & Cash Equivalents (As per AS-3 Cash Flow Statement)	28,974,748	897,496,021

Note 17. Short Term Loans and Advances:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Inter Corporate Deposits (ICD) (Refer Note 32)	1,126,000,000	16,000,000
Other Loans and Advances		
- Advances recoverable in cash or in kind or for value to be received	36,841	1,018,780
- Prepaid Expenses	23,818,208	669,207
- Receivable from Holding Co/Group Companies (Refer Note 32)	253,171	10,936
- Goods & Services tax Input Credit	73,800	363,986
- Loans & advances to employees	1,569,187	1,379,358
Total	1,151,751,207	19,442,267

Note 18. Other Current Assets:

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued and due on ICD	1,520,003	-
Receivable from Exchange for trade settlement	138,848,550	-
Receivable from Fund	1,115,926	119,979
Interest accrued but not due on Fixed Deposits	-	38,774
Total	141,484,479	158,753



IIFL ASSET MANAGEMENT LIMITED

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

Note 19. Revenue from Operations:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Management Fees from Mutual Fund	35,406,923	18,909,758
Management Fees from AIFs and Venture Funds	529,401,199	533,695,494
Set Up Fees from AIFs and Venture Funds	-	1,139,834
Management Fees from Clients	50,225,506	16,252,370
Distribution of Income from AIFs and Venture Fund	205,831,904	120,060,262
Total	820,865,532	690,057,718

Note 20. Other Income:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Profit/ (Loss) from		
- Sale of Current Investments	86,783,577	74,089,438
- Sale of Non Current Investments	29,613,076	3,552,261
- Trading Activities from Mutual Funds - Current Investments	6,800,390	12,410,237
Interest Income		
- Current Investments	20,917,198	40,409,008
- Fixed Deposits	3,121,623	5,824,278
- Inter Corporate Deposits (Refer Note 32)	61,716,322	35,345,813
- Staff loan	542,674	247,078
Total	209,494,860	171,878,113

Note 21. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Salaries and Bonus	283,816,489	191,222,827
Contribution to Provident Fund and Other Funds (Refer Note 21.2)	5,902,167	4,360,998
Gratuity Expense (Refer Note 21.1)	3,557,985	3,159,508
Compensated Absences	3,582,827	1,506,082
Staff Welfare Expenses	2,146,628	58,778
Total	299,006,096	200,308,193

21.1 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:



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

Assumptions	2017-2018	2016-2017
Discount rate	7.80%	7.27%
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	11,323,168	6,927,536
Interest Cost	823,194	544,504
Current Service Cost	68,978	1,257,100
Liability transferred in	173,419	1,451,404
Liability transferred out	(758,936)	(37,250)
Benefit paid	(1,203,067)	(178,030)
Actuarial (gain)/ Loss on obligations	2,665,813	1,357,904
Liability at the end of the year	13,092,569	11,323,168
Amount Recognised in the Balance Sheet	2017-2018	2016-2017
Liability at the end of the year	13,092,569	11,323,168
Fair Value of Plan Assets at the end of the year	-	-
Differences	13,092,569	11,323,168
Amount of (liability)/ Asset Recognised in the Balance Sheet	13,092,569	11,323,168
Expenses Recognised in the Statement of Profit & Loss Account	2017-2018	2016-2017
Current Service cost	68,978	1,257,100
Interest Cost	823,194	544,504
Actuarial Gain or Loss	2,665,813	1,357,904
Expenses Recognised in the Statement of Profit & Loss Account	3,557,985	3,159,508
Balance Sheet Reconciliation	2017-2018	2016-2017
Opening Net liability	11,323,168	6,927,536
Expense as above	3,557,985	3,159,508
Net Transfer In	173,419	1,451,404
Net Transfer Out	(758,936)	(37,250)
Benefit Paid Directly by the Employer	(1,203,067)	(178,030)
Liability/(Asset) Recognised in Balance sheet	13,092,569	11,323,168

Experience Adjustment	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Present Value of the Obligation	13,092,569	11,323,168	6,927,536	3,131,450	1,854,807
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) or Deficit	13,092,569	11,323,168	6,927,536	3,131,450	1,854,807
Actuarial (Gains)/ Losses on Obligations - Due to Experience	1,257,738	706,239	811,817	129,494	715,640
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	-	-	-	-	-

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



IIFL ASSET MANAGEMENT LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2018****21.2 Defined Contribution Plans:**

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

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Contribution to Provident Fund	5,891,419	4,358,647
Contribution to ESIC	10,604	2,207
Contribution to Labour Welfare Fund	144	144
TOTAL	5,902,167	4,360,998

Note 22. Other Expenses:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Advertisement Expenses	4,552,198	376,292
Exchange and Statutory Charges	353,389	1,899,178
Marketing Expenses	18,656,990	1,631,818
Advisory and Other Operating Expenses	219,230,860	277,513,265
Bank Charges	28,298	17,884
Communication Expenses	2,496,768	5,723,399
Electricity Expenses	5,035,537	5,976,656
Legal and Professional Charges	25,011,474	19,278,723
Corporate social responsibility(CSR) expenses (Refer Note 35)	4,238,460	3,227,200
Office Expenses	4,008,470	1,175,348
Miscellaneous Expenses	101,466	3,592
Postage and Courier Expenses	806,701	1,240,788
Printing and Stationery	4,505,925	4,796,806
Manpower Outsource expenses	47,998,808	33,787,428
Rent Expenses (Refer Note 34)	14,349,614	14,109,565
Insurance charges	2,147,169	-
Rates and Taxes	324,876	3,400,625
Repairs and maintenance:		
- Computers	-	451,842
- Others	-	244,120
Remuneration to Auditors:		
- Statutory Audit	400,000	400,000
- Other services (net of service tax input credit)	300,000	300,000
- Swachh Bharat Cess	9,976	1,875
- Out of Pocket Expenses	-	32,609
Software Charges	15,547,098	18,738,939
Subscription & Business promotion	4,554,869	721,414
Commission & sitting fees to non executive directors	2,715,565	2,943,900
Travelling and Conveyance	13,436,256	18,115,156
Total	390,810,767	416,108,422



IIFL ASSET MANAGEMENT LIMITED

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

Note 23. Finance Charges:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Interest Expenses		
- Inter corporate deposits (Refer Note 32)	5,016,174	26,905,405
- Delayed payment of taxes	217,101	19,924
Total	5,233,275	26,925,329

Note 24. Depreciation & Amortisation:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Depreciation on Tangible Assets (Refer Note 10)	102,413	92,203
Amortisation of Intangible Assets (Refer Note 11)	2,799,341	1,086,920
Total	2,901,754	1,179,123

Note 25. Provision and Write off:

(Amount in ₹)

Particulars	2017-2018	2016-2017
Charge for diminution in value of investments	-	(21,643)
Total	-	(21,643)



IIFL ASSET MANAGEMENT LIMITED

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

Note 26. 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	297,252,471	148,850,089
Weighted Average Number of Shares Subscribed	B	32,100,000	32,100,000
Face Value of Equity Shares (in ₹) fully paid		10	10
Basic EPS (₹)	A/B	9.26	4.64

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

Note 28. Capital and Other Commitments:

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹9,480,000/- (Previous year ₹ 798,387/-)

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

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

Note 31. Segment Reporting:

In the opinion of the management, there is only one reportable business segment of Fund management as envisaged by AS 17 'Segment Reporting', as prescribed under Section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the

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.



IIFL ASSET MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
Note 32. 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 Limited IIFL Investment Advisers and Trustee Services Limited IIFL Alternate Asset Advisors Limited IIFL Trustee Limited IIFL Wealth Finance Limited IIFL (Asia) Pte Limited IIFL Inc IIFL Private Wealth Management (Dubai) Limited IIFL Asset Management (Mauritius) Ltd IIFL Private Wealth (Suisse) SA IIFL Private Wealth Hong Kong Limited IIFL Securities Pte Limited IIFL Capital Pte Limited IIFL Capital (Canada) Limited
Group Companies	India Infoline Limited India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Insurance Brokers Limited IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited) IIFL Facilities Services Limited Samasta Microfinance Ltd Ayusha Dairy Pvt. Ltd 5 Paisa Capital Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc Clara Developers Private Ltd India Infoline Foundation India Infoline Housing Finance Limited IIFL Asset Reconstruction Limited
Key Management Personnel	Mr. Prashasta Seth – Whole Time Director (Upto July 19, 2017)
Other related parties	Mr. Karan Bhagat Mr. Yatin Shah Mr. Amit Shah Mrs. Kajal Seth 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 March 31, 2017)



IIFL ASSET MANAGEMENT LIMITED

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

b) Significant Transactions with Related Parties:

(Amount in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Interest Income on ICD					
IIFL Wealth Management Limited	59,116,279	-	-	-	59,116,279
	(10,032,213)	-	-	-	(10,032,213)
IIFL Alternate Asset Advisors Limited	-	843,904	-	-	843,904
	-	(16,558,466)	-	-	(16,558,466)
IIFL Distribution Services Limited	-	-	-	-	-
	-	(2,603)	-	-	(2,603)
IIFL Wealth Finance Limited	-	236,136	-	-	236,136
	-	(2,705,685)	-	-	(2,705,685)
India Alternatives Investment Advisors Private Limited	-	-	-	-	-
	-	(6,046,846)	-	-	(6,046,846)
Interest Expense on ICD					
IIFL Wealth Management Limited	4,087,678	-	-	-	4,087,678
	(3,994,896)	-	-	-	(3,994,896)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	-	(7,652)	-	-	(7,652)
IIFL Investment Adviser & Trustee Services Limited	-	-	-	-	-
	-	(8,967)	-	-	(8,967)
IIFL Wealth Finance Limited	-	928,496	-	-	928,496
	-	(22,893,890)	-	-	(22,893,890)
Brokerage & Commission Expenses					
India Infoline Limited	-	-	1,072,676	-	1,072,676
	-	-	(468,408)	-	(468,408)
5 Paisa Capital Limited	-	-	96,054	-	96,054
	-	-	-	-	-
IIFL Wealth Management Limited	1,007,283	-	-	-	1,007,283
	-	-	-	-	-
Referral Fees - Expenses/ Arranger Fees Expenses					
IIFL Wealth Management Limited	10,699,162	-	-	-	10,699,162
	(143,566,342)	-	-	-	(143,566,342)
India Infoline Limited	-	-	29,906,531	-	29,906,531
	-	-	-	-	-
Manpower Outsource Expenses					
IIFL Distributions Services Limited	-	46,920,023	-	-	46,920,023
	-	(33,619,332)	-	-	(33,619,332)
Corporate Social Responsibility Expenses (CSR)					
India Infoline Foundation	-	-	4,238,460	-	4,238,460
	-	-	(3,027,200)	-	(3,027,200)
Rent Expenses					
IIFL Facilities Services Limited	-	-	14,039,364	-	14,039,364
	-	-	(14,039,364)	-	(14,039,364)



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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
Remuneration					
Prashastha Seth	-	-	-	7,773,179	7,773,179
	-	-	-	(5,997,141)	(5,997,141)
Other funds received					
IIFL Management Services Limited	-	-	9,051	-	9,051
	-	-	-	-	-
India Infoline Limited	-	-	(291,167)	-	(291,167)
	-	-	-	-	-
IIFL Wealth Mangement Limited	221,832	-	-	-	221,832
	(1,586,967)	-	-	-	(1,586,967)
IIFL Distributions Services Limited	-	175,048	-	-	175,048
	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	50,813	-	-	50,813
	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	9,566	-	-	9,566
	-	-	-	-	-
IIFL Facilities Services Limited	-	-	(10,936)	-	(10,936)
	-	-	-	-	-
Other funds paid					
IIFL Wealth Mangement Limited	6,886,722	-	-	-	6,886,722
	(403,988)	-	-	-	(403,988)
IIFL Distributions Services Limited	-	503,852	-	-	503,852
	-	-	-	-	-
India Infoline Limited	-	-	220,337	-	220,337
	-	-	(2,062)	-	(2,062)
IIFL Investment Adviser & Trustee Services Ltd	-	-	-	-	-
	-	(10,720)	-	-	(10,720)
IIFL Wealth Finance Limited	-	71,023	-	-	71,023
	-	-	-	-	-
ICD given					
IIFL Wealth Mangement Limited	6,624,500,000	-	-	-	6,624,500,000
	(2,545,000,000)	-	-	-	(2,545,000,000)
IIFL Alternate Asset Advisors Limited	-	1,110,000,000	-	-	1,110,000,000
	-	(1,000,000)	-	-	(1,000,000)
IIFL Wealth Finance Limited	-	464,000,000	-	-	464,000,000
	-	(1,175,000,000)	-	-	(1,175,000,000)
IIFL Distribution Services Limited	-	-	-	-	-
	-	(2,000,000)	-	-	(2,000,000)
India Alternatives Investment Advisors Private Limited	-	-	-	-	-
	-	(30,900,000)	-	-	(30,900,000)



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

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
ICD received back					
IIFL Wealth Mangement Limited	6,624,500,000	-	-	-	6,624,500,000
	(2,545,000,000)	-	-	-	(2,545,000,000)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	-	(611,300,000)	-	-	(611,300,000)
IIFL Wealth Finance Limited	-	464,000,000	-	-	464,000,000
	-	(1,175,000,000)	-	-	(1,175,000,000)
IIFL Distribution Services Limited	-	-	-	-	-
	-	(2,000,000)	-	-	(2,000,000)
India Alternatives Investment Advisors Private Limited	-	-	-	-	-
	-	(56,600,000)	-	-	(56,600,000)
ICD taken					
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	-	(4,200,000)	-	-	(4,200,000)
IIFL Wealth Mangement Limited	2,474,138,000	-	-	-	2,474,138,000
	(457,116,307)	-	-	-	(457,116,307)
IIFL Investment Adviser & Trustee Services Ltd	-	-	-	-	-
	-	(12,450,000)	-	-	(12,450,000)
IIFL Wealth Finance Limited	-	1,062,989,020	-	-	1,062,989,020
	-	(6,890,000,000)	-	-	(6,890,000,000)
ICD repaid					
IIFL Alternate Asset Advisors Limited	-	-	-	-	-
	-	(4,200,000)	-	-	(4,200,000)
IIFL Wealth Mangement Limited	2,449,138,000	-	-	-	2,449,138,000
	(457,116,307)	-	-	-	(457,116,307)
IIFL Investment Adviser & Trustee Services Ltd	-	-	-	-	-
	-	(12,450,000)	-	-	(12,450,000)
IIFL Wealth Finance Limited	-	912,989,020	-	-	912,989,020
	-	(6,890,000,000)	-	-	(6,890,000,000)
Allocation / Reimbursement of expenses paid					
IIFL Wealth Mangement Limited	19,876,314	-	-	-	19,876,314
	(31,277,959)	-	-	-	(31,277,959)
India Infoline Limited	-	-	40,827	-	40,827
	-	-	(2,089,331)	-	(2,089,331)
IIFL Distribution Services Limited	-	480,497	-	-	480,497
	-	(504,023)	-	-	(504,023)
India Infoline Commodities Limited	-	-	175,000	-	175,000
	-	-	(29,760)	-	(29,760)
IIFL Management Services Limited	-	-	1,225,000	-	1,225,000
	-	-	-	-	-



IIFL ASSET MANAGEMENT LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018
c) Amount due to / from related parties (Closing Balance):
(Amount in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Other Related Parties	Key Management Personnel	Total
Sundry payables:					
IIFL Wealth Management Limited	6,310,766				6,310,766
	(47,702,472)	-	-	-	(47,702,472)
IIFL Distribution Services Limited		5,833,560			5,833,560
		(5,036,602)			(5,036,602)
IIFL Wealth Finance Limited	-	105,241		-	105,241
	-	-	-	-	-
Sundry receivables:					
IIFL Facilities Services Limited	-	-	-	-	-
	-	-	(10,936)	-	(10,936)
IIFL Alternate Asset Advisors Limited	-	253,171	-	-	253,171
	-	-	-	-	-
ICD Given:					
IIFL Alternate Asset Advisors Limited	-	1,110,000,000	-	-	1,110,000,000
	-	-	-	-	-
India Alternatives Investment Advisors Private Limited	-	-	16,000,000	-	16,000,000
	-	-	(16,000,000)	-	(16,000,000)
ICD Taken:					
IIFL Wealth Management Limited	25,000,000	-	-	-	25,000,000
	-	-	-	-	-
IIFL Wealth Finance Limited	-	150,000,000	-	-	150,000,000
	-	-	-	-	-

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.



Note 33. Earnings and Expenses in Foreign Currency:

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Expenses in Foreign Currency		
Marketing and commission expenses	2,850,795	446,863
Travelling & Conveyance	134,431	-
Sub Total	2,985,225	446,863

Note 34. Lease Arrangements:

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 14,349,614/- (P.Y. ₹ 14,109,565/-) has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The minimum Lease rentals outstanding as at March 31, 2018, are as under:

Minimum Lease Rentals	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Up to one year	10,529,523	14,039,364
One to five years	-	10,529,523
Over five years	-	-

Note 35. Corporate Social Responsibility:

During the financial year 2017-18, the Company has spent ₹ 4,238,460/- (P.Y. ₹ 3,227,200/-) as against ₹ 4,238,460/- (P.Y. ₹ 3,227,152/-) 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

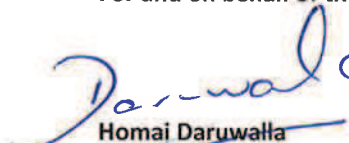
Note 36. Details of Inter Corporate Deposits:

a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note 32. The period of ICD is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates of 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 32.

Note 37. Previous year figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors


Homai Daruwalla
 Director
 (DIN: 00365880)


Amit Shah
 Director
 (DIN: 06765300)


Priya Biswas
 Chief Financial Officer


Chinmay Joshi
 Company Secretary

Place : Mumbai
 Dated : April 30, 2018



PB