



IIFL
ASSET MANAGEMENT

OUR PEOPLE
OUR ASSET



ANNUAL REPORT 2020-21

IIFL ASSET MANAGEMENT, NUMBERS AT A GLANCE



37,322

Total Assets Under
Management In
INR Crore



Investor
base

84,009



Total Number Of
Transactions

93,815



2013

Our Overall
Empaneled Partners

131

Headcount



46



Team Size For Fund
Management And
Research

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IIFL ASSET MANAGEMENT AT A GLANCE

Our endeavour is to create investment products that generate sustainable risk-adjusted returns and can demonstrate sustainable alpha.



We are an India-focused, global asset management firm. A disciplined and active investment management approach combined with intensive research allows us to tap into India's potential to facilitate long-term wealth creation. Our distinctive products enable investors across the world to participate in India's unique growth story. IIFL AMC offers capabilities in onshore and offshore asset management through its subsidiaries based in various countries.

We believe 'innovation is the change that unlocks new value' and aim to create great value for all our stakeholders.

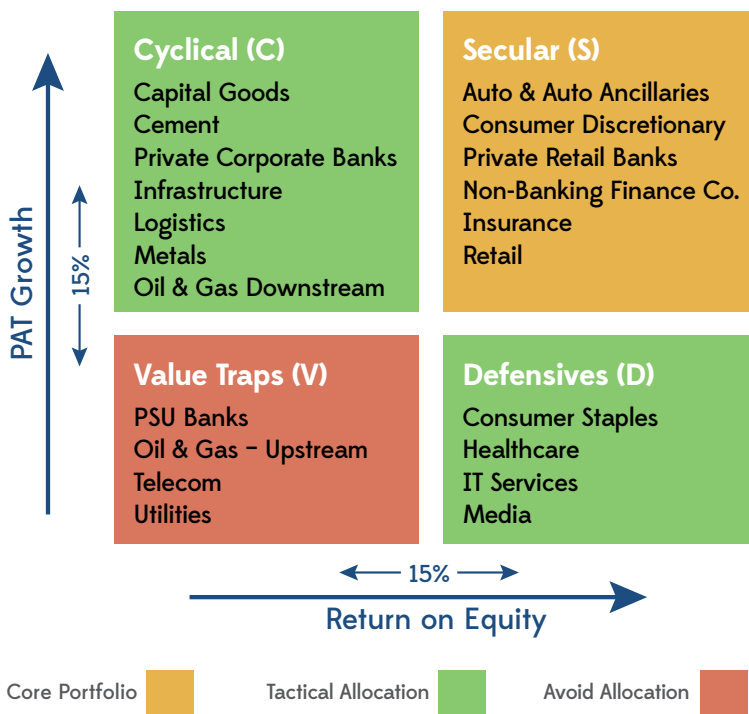
It gives us immense pleasure to inform you that IIFL Asset Management Ltd, is among the first AMC to launch online PMS and AIF application. It is our constant endeavour to be able to offer comprehensive solutions with

a thrust on innovation, customer-focused approach and the support of channel partners.

Sharp focus remains on financial due diligence to achieve the goals of capital preservation and growth. Our diversified suite of mutual funds, portfolio management schemes and alternative investment funds span across public and private equities with fixed income securities.

Our endeavour is to create investment products that generate sustainable risk-adjusted returns and can demonstrate sustainable alpha. Our differentiated suite includes mutual funds (MFs), portfolio management services (PMS) and alternative investment funds (AIFs) spanning across public and private equity, fixed income and real estate. IIFL AMC has been playing a pivotal role in the growth of the AIF industry in India.

SCDV – OUR FRAMEWORK FOR INVESTING

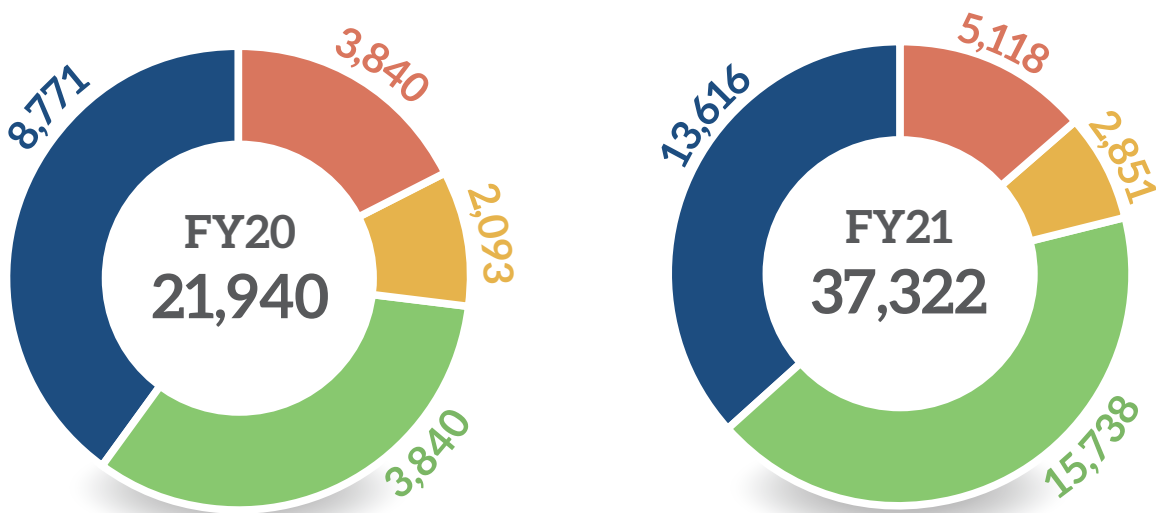


We prefer to look beyond short-term challenges and maintain a balanced portfolio strategy based on our SCDV framework (Secular, Cyclical, Defensives, Value Trap). This allows us to play the long-term secular themes while also capitalising on the impending cyclical uptick, which may last for a few years. Based on our SCDV framework, we invest a large proportion of the portfolio (40-60%) in high quality Secular growth companies, which are long term compounding stories.

The remaining part of the portfolio is invested across quality Cyclical and Defensives while minimising exposure to Value traps. Pure bottom-up strategy across these quadrants is deployed with an aim to generate long term compounding while encashing on some quality alpha ideas in cyclical and defensive segments.

BUSINESS SUMMARY – FY21

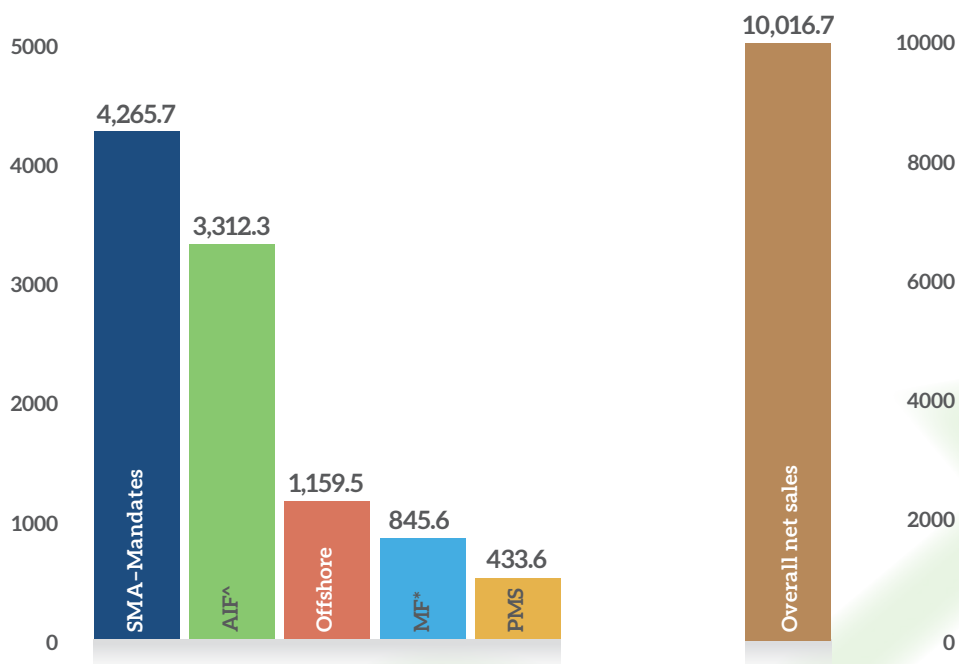
Asset class wise AUM snapshot (INR Cr)



In Q4FY21, overall AUM rose by 15.6% to ₹ 37,322 Cr

■ Unlisted Equity ■ Listed Equity ■ Credit ■ Other (RE, Multi-Asset)

Product category wise net sales FY21 (INR Cr)



*MF-IIFL Focused Equity Fund, IIFL Dynamic Bond Fund | PMS-IIFL Multicap PMS, IIFL Multicap Advantage PMS, IIFL Phoenix PMS

^AIFs-High Conviction Fund - Series 1, India Housing Fund - Series 2, IIFL Seed Ventures Fund - Series 2, IIFL Equity Opportunities Fund

IIFL Private Equity Fund Series 1A, IIFL Special Opportunities Fund Series 8 | SMA - Mandates - Offshore institutional mandates | Offshore - Long-short strategy | Data as on 31st Mar' 21

NEO: WHATSAPP FOR BUSINESS



NEO, our very own mutual funds genie. Managing your mutual funds just got quicker and easier. We are thrilled to bring your investments closer to you, in a completely safe and secure manner. You have the power to access, invest and engage with your mutual funds seamlessly.

Say 'Hi' to NEO on

73045 99977

CHAIRMAN'S MESSAGE

“Our annual report this year is a tribute to our people and the power of the human spirit. We will continue our investments in people, process and technology to achieve scale and maintain the highest standards of governance.”



Mr. Kumar Sharadindu | Chairman

Dear Shareholders,

It gives me great pleasure to write to you my first letter as the Chairman of your company.

The past year has been unprecedented in several ways and challenged every government, business, and individual across the globe. During these challenging times, IIFL Asset Management (IIFL AMC) has remained resilient and emerged stronger.

This annual report is dedicated to our People - our team, our clients and our stakeholders.

Seldom visible, are the threads that weave a piece of clothing or the bricks that form the pillars of a bridge. Yet, they serve as a foundation, binding and holding the fabric or structure together. The human spirit is akin to that. While not always visible, it plays an integral role in binding the society together and enabling collective value creation.

Your company understands the need to constantly evolve in response to the challenges of the changing landscape and client expectations. Your company's distinctive products enable investors across the world to participate in India's unique growth story and it is our people who have helped us navigate through a volatile year.



IIFL AMC's structure, with significant employee ownership, empowers our people. Employees work like owners and act with a fiduciary responsibility to deliver results. I would like to place on record the adaptability and agility of our team, which continued to work diligently and ensured seamless services to our clients and channel partners, in the face of ongoing adversity.

From a people perspective, Manoj Shenoy, with close to three decades of valuable experience in the financial services industry, assumed charge as the Chief Executive Officer, further strengthening our senior leadership team. More recently, Amar Merani joined to head the Real Estate Strategy. Anup Maheshwari and his team continue to ensure that our funds are always among the top quartile in performance.

On the macro front, most governments implemented lockdown and social distancing measures to stem the spread of the COVID-19 virus. The battle continues, with widespread ramifications for businesses as the pandemic brought economic activity to a virtual standstill. To mitigate the economic impact of the pandemic and give an impetus to growth, global central banks including the Reserve Bank of India (RBI), announced a slew of supportive liquidity measures and reduced interest rates to historical lows. Our priority focus areas in the year under review were on technology and products. Through further investments in technology, we have enhanced our risk and investment analytics capabilities. In a 'Work from Home

environment,' we have been able to enable digital account opening and transactions for investors. Our digital initiatives received positive feedback from investors and distribution partners.

Your company continues to see opportunities to enhance our product offering across listed equities, private equities, credit and real estate. The response to our innovative AIFs has been overwhelming. We have also been successful in widening our domestic distribution network adding partners for our PMS and AIF products. We will continue our investments in people, process and technology to achieve scale and maintain the highest standards of governance.

The Board of Directors of your Company ensure highest levels of corporate governance. I would like to thank your company's team, and all other stakeholders for their consistent commitment, engagement and encouragement in our journey. I would also express my gratitude to co-directors of the Board, for their deep insights on the asset management businesses, and their contribution towards achieving high standards of governance, controls, accounting and transparency at IIFL Asset Management.

Our annual report this year is a tribute to our people and the power of the human spirit.

Mr. Kumar Sharadindu
Chairman, IIFL Asset Management





CEO'S MESSAGE

“During FY21, our Assets Under Management grew by 70%. With our focus on increasing our products suite, we saw net inflows of more than Rs.10,000 crore for the year spread across asset classes and geographies.”

Mr. Manoj Shenoy | CEO

Dear Shareholders,

As I write to you for the first time after assuming charge of your company, the world is undergoing radical changes. The year gone by has been unprecedented. It was a year of despair and hope; of social-distancing and building bridges. It was a year where many lost their loved ones, and many moved closer to their loved ones. It was a year we lost and a year we gained the lessons of a life-time. We navigated a decade of troughs to emerge stronger, kinder, more compassionate, and grateful. The contradictions of the year gone by are almost Dickensian, with the minor difference being - they are fact rather than fiction.



Today, we stand at the cusp of great change. On the one hand, the pandemic has created new opportunities and avenues for growth. On the other hand, it has made many existing businesses obsolete and compelled others to innovate, to stay afloat. Combined with a low interest rate scenario and ample global liquidity, the investment environment has become fecund for astute investors. At IIFL AMC, we are well positioned to capitalise upon these opportunities and make value accretive investments.

At IIFL AMC, our people are our assets. Human capital is quintessential to any organization; our total head count increased to 131. We holistically embraced digitisation to ensure that our investors have seamless access to all our funds and can efficiently manage their investments. Some of the initiatives on this front included the introduction of digital

onboarding, automated factsheet generation, and the launch of Neo - our WhatsApp for Business assistant. Further, even in the backdrop of a challenging investment climate, we were able to launch compelling investment products in our efforts to meet the varying portfolio needs of our clients.

We continue to invest in technology, people, and processes. For the coming year, we are focusing on scaling our product portfolio, and branding to make your company a formidable player in the asset management space.

We believe that the restrictions on account of the lockdown could have a short-term impact on most sectors. However, the effect will be transient in nature. At this stage, where we anticipate delayed pick-up in the economic recovery (provided a third wave doesn't derail the growth), we are focusing on opportunities across defensives and cyclicals based on our internal parameters.

Despite the pandemic and changed working dynamics during FY21, our AUM grew by 70%. With our focus on increasing our products suite, we saw net inflows of more than Rs.10,000 crore for the year spread across asset classes and geographies. The year was particularly successful from institutional mandates' perspective as we onboarded a Sovereign Wealth Fund; the largest mandate received by IIFL AMC till date.

Further, while maintaining our focus as one of India's leading alternative asset managers, we have also explored opportunities across other product segments such as portfolio management services and mutual funds.

Over the last year, we have launched various funds including late-stage consumer

technology fund, and a fund of fund, which aims to provide unique opportunities to invest in the best-in-class technology-focused Venture Capital Funds. Our recent unlisted equity fund received a tremendous response.

In the listed equity space, under our Portfolio Management Services, we added a new strategy to create a portfolio of businesses with established track record and have the potential to see sharp improvements in their fundamentals.

Over the year, we continued to onboard new distribution partners and achieve scale across our existing products (Multicap and Multicap Advantage PMS). Thanks to the efforts of our people, despite disruptions, PMS witnessed net inflows of Rs.434 crore during the year.

You will be pleased to note that IIFL Focused Equity Fund, was amongst the best performing funds in its category. In the coming year, we will continue to explore opportunities to enhance our product offering across our four asset classes i.e. listed equities, private equity, credit solutions and real estate. We aim to maintain our position as the largest alternative asset manager in India and build a complete range of product offerings across asset classes.

I would like to sincerely thank our fellow Board members, our stakeholders and our investors, for their constant support and trust reposed in us. At IIFL AMC, we are committed to keep an eye on the changing investment landscape and capitalise on emerging opportunities that can deliver long term, sustainable growth for our investors and stakeholders.

Mr. Manoj Shenoy
CEO, IIFL Asset Management

OUR BOARD OF DIRECTORS

Mr. Kumar Sharadindu
Chairman



Mr. Kumar Sharadindu has over 35 years of experience in the banking sector. He has been associated with State Bank of India since 1984 under various roles. As a MD & CEO of SBI Pension Funds (P) Ltd, largest Pension fund of India, he was responsible for handling key areas of investment and risk. Mr. Kumar has previously served as Head- Private Equity for State Bank of India, handling various areas of work such as heading the core deal team and monitoring investments in various funds across industries. Mr. Sharadindu has completed M.Sc. (Physics) from Delhi University and B.Sc. (Physics) from Delhi University.

Ms. Smita Aggarwal
Independent Director



Ms. Aggarwal is a venture capital investor with nearly 30 years of experience in the financial sector as a banker, regulator and start-up business builder. She has held leadership positions in various organisations such as Omidyar Network, Fullerton India Credit, Reserve Bank of India and ICICI Bank with a successful track record of building businesses from scratch, introducing new products, and driving growth through innovation. Ms. Aggarwal is a rank holder Chartered Accountant and has graduated from Sydenham College in Mumbai

Mr. Ravi Sethurathnam
Independent Director



Mr. S Ravi is a practising Chartered Accountant with over 3 decades of experience as the Founder and Managing Partner of Ravi Rajan & Co LLP. He has served on the boards of over 40 companies, across various sectors, as an Independent Director. Currently, he is Non-executive Chairman of Tourism Finance Corporation of India Ltd. He was also the Chairman of BSE Ltd. and UTI Trustee Company Pvt Ltd. Mr. Ravi has also served as member of committees constituted by regulatory authorities.

Mr. Manoj Shenoy

Whole Time Director & CEO



Manoj is Chief Executive Officer of IIFL Asset Management and has close to three decades of experience in the financial services industry. In his current role, he is responsible for strengthening IIFL AMC's position in the asset management industry as well as mentoring and grooming the next level of leadership. Prior to joining IIFL Wealth & Asset Management, he was CEO at L&T Financial Services - Wealth Management business. Besides a successful stint as CEO of EFG Wealth Management India, a subsidiary of EFG Bank - a boutique Swiss Private Bank, Mr. Shenoy was also Executive Director at Anand Rathi Financial Services. He has a bachelor's degree in engineering from Bangalore University.

Mr. Anup Maheshwari

Whole Time Director & CIO



Anup Maheshwari is Whole Time Director & Chief Investment Officer of IIFL Asset Management. He is responsible for the investment and strategy for IIFL AMC's business including mutual funds and Alternative Investment Funds (AIFs). He is an alumnus of Indian Institute of Management, Lucknow. Prior to IIFL AMC, he was associated with DSP Investment Managers for over 21 years as an Executive Vice President & CIO. He was also associated with HSBC Asset Management (India) Private Limited & Merrill Lynch India Equities Fund (Mauritius) Limited.

Mr. Venkatraman Rajamani

Non-Executive Director



Venkataraman holds a Post Graduate Diploma in Management from Indian Institute of Management (IIM), Bangalore and Bachelor in Electronics and Electrical Communications Engineering from IIT Kharagpur. He joined the IIFL's Board in July 1999 and has been contributing immensely in the establishment of various businesses and spearheading key initiatives of the group. He has a varied experience of close to three decades and has held senior managerial positions in ICICI Ltd and GE Capital Services India Limited in their private equity division.

CSR ACTIVITIES



Community stewardship is more than a responsibility

The Company is committed to supporting development of the country by contributing in achieving 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 education, community awareness, sports, environmental sustainability, and health.

At IIFL Asset Management, our role in responsible investing is as important as our stewardship of investor assets. We believe in achieving superior risk-adjusted financial returns while influencing positive change in the community, environment and the wider economy over the long term.

We strongly believe in enabling inclusion to bridge the gap of available opportunities and equality for both - communities that have not been given a chance and

for those whom such opportunities are unattainable due to monetary or other reasons. Through our CSR efforts, we look at collaborative efforts with existing philanthropy to move the needle on impact.

CSR activities - Giving back to society

- **Quality and Affordable Primary Health Services for the Urban Poor in Mumbai (via Swasth Foundation)** The project aims to support primary healthcare clinics in Mumbai that provide subsidised healthcare services for people living in low-income areas in Mumbai.
- **Project Dialysis - Providing affordable, quality dialysis services (via Fairfax India Charitable Foundation)** Project Dialysis is a project implemented by Fairfax India Charitable Foundation in collaboration with the Government of India supporting Pradhan Mantri National Dialysis

Programme at more than 100+ Dialysis Centres in the states of Assam, Nagaland, Manipur, Meghalaya, Arunachal Pradesh, Odisha, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Chhattisgarh.

- **Bridging Digital Divide among children in low-income communities via United Way of Chennai)**

United Way of Chennai provides digital devices embedded with free, interactive and engaging content to help students continue learning and thereby also increase their learning levels. The project interventions include selecting deserving students from government schools in Tamil Nadu in the age groups 6 to 11 years and providing them with digital learning devices loaded with educational content to ensure their learning is on track and that their academic progress is not adversely impacted during the lockdown when schools are shut.

- **Supporting low-income households with children in Government schools (via Saajha)**

The primary beneficiaries of the interventions are children who attend Government schools. The interventions aim to bring out a positive change in parental engagement, with parents having greater knowledge and capabilities to facilitate better learning of the children and ultimately lead to improvements in the learning ability of the child.

Other contributions made during the year include

- **Project Disha (via Jai Vakeel Foundation and Research Centre):**

Addresses the issue of the absence of a standardized and relevant curriculum for children with Intellectual and Developmental Disabilities (IDD) with a goal to build and disseminate a multisensory curriculum to schools for children with IDD and provide training

for the implementation of the curriculum.

- **V-Excel Educational Trust:**

Offers lifespan services to children and young adults with developmental disabilities such as Autism, Intellectual Disabilities, Attention Deficit (Hyperactivity) Disorders, Dyslexia and the like. The goal of their interventions is education and empowerment of special individuals

- **India Young Leadership Development Program (via OASIS A Selfless International Society):**

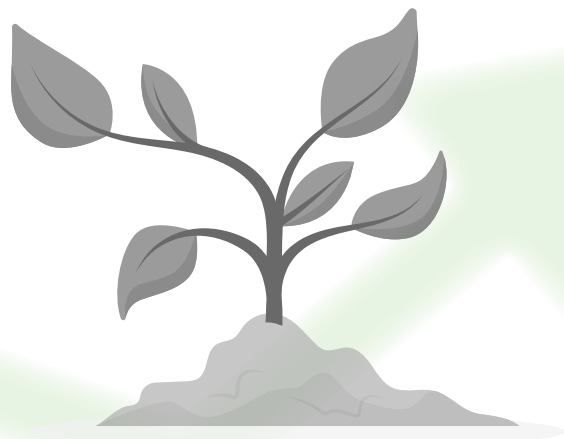
The project focuses on influencing the prevalent education system in India, by empowering children/youths and teachers/principals of schools to lead a culture of responsible and sensitive citizenry.

- **Infrastructure support to Parasparam Trust:**

The Company has contributed towards infrastructure and operational support to Parasparam Trust, which runs a home for semi-orphan girl children from underprivileged communities in Theni district, Tamil Nadu

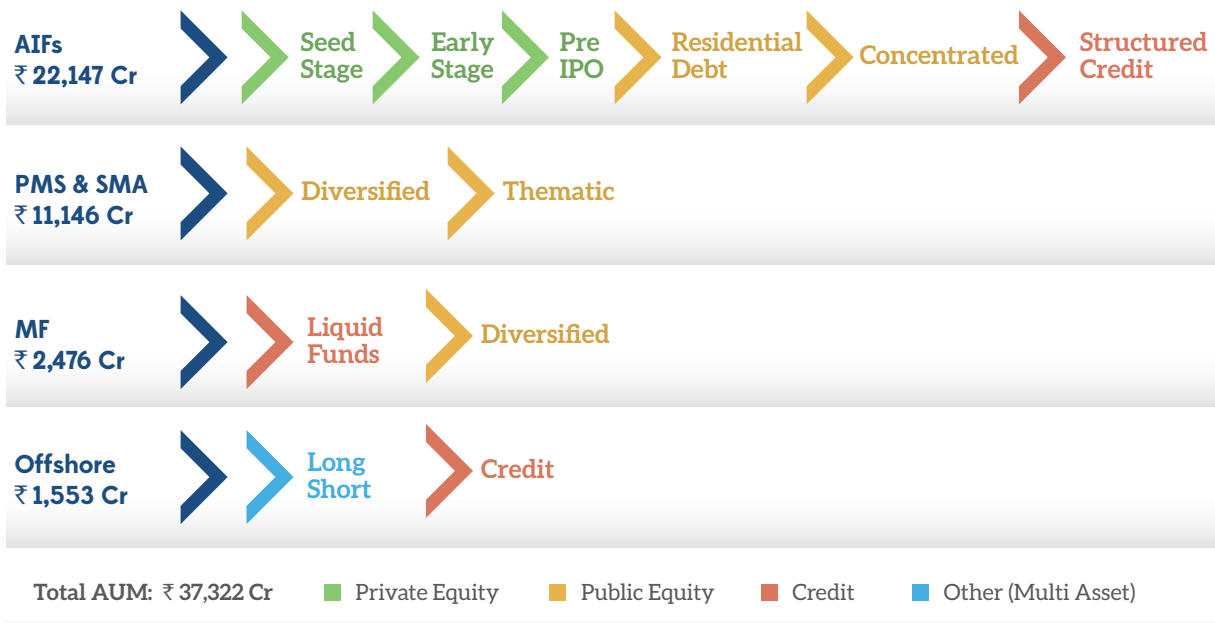
And many more projects continue...

The Company has also contributed towards ongoing projects under Education and Healthcare that focus on STEM Education and Maternal and Child Health projects respectively that will be implemented in multiple districts across India by IIFLW CSR Foundation as the implementing agency in partnership with credible NGOs.



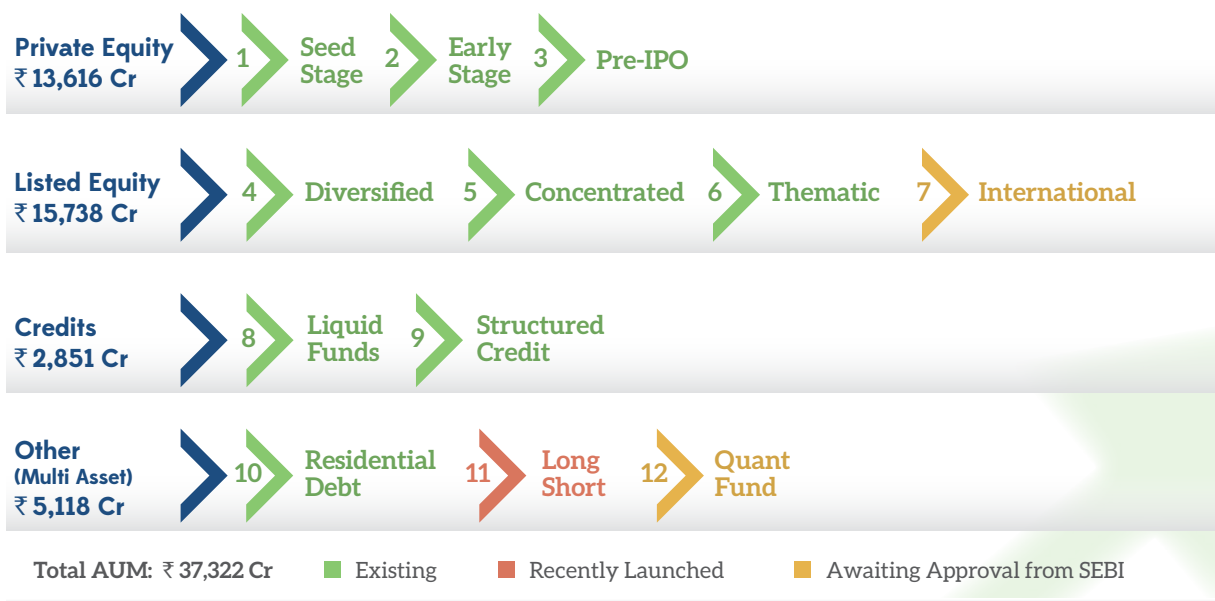
OUR CAPABILITIES

Asset Management Capabilities - Product Wise



Source: IIFL Asset Management. Data as on 31st Mar' 21

Asset Management Capabilities - Asset Class-Wise



Source: IIFL Asset Management. Data as on 31st Mar' 21

FUNDS POSITIONING

IIFL India Private Equity Fund Series

No. of funds: 2
AUM: INR 1,541.50 Cr

IIFL Seed Ventures Fund Series

No. of funds: 2
AUM: INR 937.20 Cr

IIFL Special Opportunities Fund Series

No. of funds: 8
AUM: INR 10,866.50 Cr

Early Stage

Growth

Late Stage /
Pre-IPO

IIFL Private Equity has presence and investments largely covering the complete private equity landscape. Overall **AUM** in the schemes being managed by IIFL Private Equity Team is **INR 13,616 Cr** As on March 31st, 2021.

AWARDS



We made it to the top rank
Best PMS across all categories

Dear investor,

We are pleased to share with you that our constant endeavor to offer pre-eminent services and wealth creation experience has been rewarded by India's Most Trusted New Age Investment Platform – *PMS AIF World*.

It was an absolute honour to have IIFL MultiCap PMS nominated under the 'Long term wealth creation' category at India's Smart Money Manager Awards – 2021 and even a greater delight to be awarded as the **best PMS on 5 year performance** (on risk adjusted returns) across all categories.

Thank you for being part of this incredible journey and we look forward to reaching more remarkable milestones with you.

Past performance of the Portfolio Manager may not be indicative of the performance in the future. Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Strategy will be achieved. As with any securities investment, the value of a portfolio can go up or down depending on the factors and forces affecting the capital markets.

MEDIA

The dos and don'ts for first-time millennial equity investors

Moneycontrol, Aug 31, 2020

To try and time the market is bad. Take a three to five-year view. Otherwise, equity investing doesn't make sense **Mayur Patel**, Senior Executive Vice President, Fund Manager, IIFL AMC,

Adoption of tech amid COVID19

Value Research Mutual Fund Insight, October 2020

We rolled out digital onboarding for investors across products and enabled work from home for all employees, shares **Anup Maheshwari**, CIO, IIFL AMC.

The Importance Of Research For Investing

Bloomberg Quint, Sep 29, 2020

How important is research & process when you want to invest in stock market? **Anup Maheshwari** shares his views.

Outlook for India Markets, Economy & IIFL Multicap PMS

PMS Bazaar webinar, Nov 20, 2020

There are signs of revival in the economy, while government policy action too has been supportive, **Mitul Patel**, Senior EVP, Fund Manager, IIFL AMC in a PMS Bazaar webinar.

2020: A big deal year for PE & VCs

Forbes India, Jan 14, 2021

Due to the uncertain and tepid economic environment, valuation of some of the assets dropped significantly. This presents PEs and VCs with an opportunity to invest in high potential assets, says **Amit Mehta**, Senior EVP, Fund Manager, IIFL AMC.

HOUSE VOICE IIFL Mutual Fund

68% of crore assets in the value (1.5 & 0.15%) long-term assets

'The lockdown has helped us use technology better'

Business priorities and products becoming mainstream
We aim to maintain our focus as an alpha-driven asset management company and grow our asset base by delivering consistent alpha for investors. Globally, the mainstreaming of alternative investments has been a clear trend over the past decade. Alternative investment funds (across categories such as private equity, gov IPO, real estate) will form a small part of the overall asset base in India. We expect alternative products to reach a larger client base and form a larger allocation in the next five to 10 years. Additionally, categories like global investing and solutions should also witness strong growth over the next decade.

Impact of COVID-19
The benefits of digitisation and the use of technology to improve productivity across business functions has been clearly visible. During the past six months, we have rolled out digital onboarding for investors across products and enabled work from home for all employees. We have also used the opportunity to interact more frequently with our investor base through various forums, given the higher market volatility. Across our investment functions too, the removal of physical barriers has helped us interact more regularly with corporates.

Risk review of debt funds
Fixed income forms a large part of the asset allocation for several investors and the mutual fund industry has played a key role in helping investors diversify from traditional fixed-income investments such as bank/fixed deposits. However, we feel it's critical to manage the asset-liability profile for such funds, particularly in the high-yield/credit segment. We have offered credit solutions through closed-end funds on the AIF platform and received favourable investor response despite the challenges faced by the industry over the past couple of years. We believe the right combination of investment processes, ongoing monitoring and prudent

The right combination of investment processes, ongoing monitoring and prudent asset-liability management will be the key factors for the growth of credit funds going ahead
ANUP MAHESHWARI, CIO AND JOINT-CEO

Separation of advisory and distribution functions
In a rapidly growing market like India, we feel there is enough merit for both the distribution and advisory models to grow and coexist. The advisory model should also help in higher transparency and improve financial awareness across investors. The recent SEBI guidelines provide the much-needed clarity on operational aspects and should help industry participants

New skills acquired during the lockdown
I feel the lockdown has clearly helped us use technology better across several areas of our life. It has made me more tech-aware for sure. I'll roll out advisory services. Based on our interactions, we are seeing interest across our channel partners for the rollout of advisory services. In our view, a smooth rollout and the choice of both models for investors should lead to a greater adoption for financial products.

The Economic Times, Mar 23, 2021

IIFL launches Rs 1,500-crore fund to tap IPO-bound tech startups

IVCA Conclave 2021: IPO markets are hot but you can't always time it
Moneycontrol, Mar 18, 2021

In the last quarter, India has seen more than 15 IPOs. The market is more accepting of PE-backed professionally run companies, rather than wondering about promoter shareholding, says **Amit Mehta**, Senior EVP, Fund Manager, IIFL AMC.

IIFL AMC
30 March · 🌐

Having optimum weight behind high conviction ideas under our investment framework has helped the IIFL Focused Equity Fund over the last few years: **Mayur Patel**, fund manager, IIFL AMC.

Business Standard
#finance #wealth #mutualfunds #equity #markets #india
https://wap.business-standard.com/_/from-nippon-india...

Focus funds shine in market rebound

BENEFITS OF STAYING FOCUSED
Top-performing focused funds have outperformed the Sensex by a huge margin

Fund Name	One-year return (%)
Wipro India Focused Equity Fund	121.4
Axis India Focused Equity Fund - Regular Plan	81.8
Parag Mehta India Focused Equity Fund	61.3
ICICI Prudential Focused Equity Fund	71.8
IIFL Focused Equity Fund - Regular Plan	72.2

Value Edge Research reports it made a large proportion of the portfolio in (tracked) across quality cyclical and defensive stocks, with the remaining between mid- and small-cap stocks. While large-cap stocks protect the downside during volatile times, mid-caps and small-caps can help funds generate alpha.

Most focused funds have exposure of around 50-60% in large-cap stocks, with the remaining between mid- and small-cap stocks.

Mayur Patel, fund manager of IIFL Focused Equity Fund, says, "Our bottom-up strategy across three quadrants is deployed with an aim to generate long-term compounding while maintaining quality alpha along in the cyclical and defensive segments. During uncertain times, our weight behind high conviction ideas under the framework has helped us over the last few years."

Most focused funds have exposure of around 50-60% in large cap

IIFL Asset Management
3,500 followers
7mo · 🌐

The new fund, with an investment focus on the financial services sector, has a tenure of 5 years.

The Economic Times #privateequity #financialservices #investment #finance #investing #financialplanning #wealthmanagement
<https://lnkd.in/g-ey-TKq5>



IIFL AMC steps up PE play with new Rs 1,300 crore fund
economictimes.indiatimes.com · 2 min read

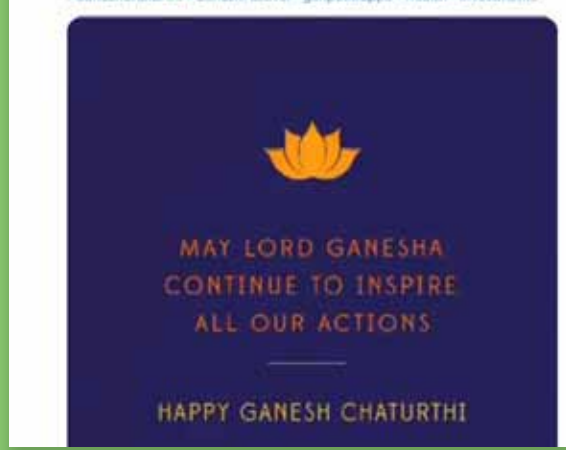
IIFL Asset Management
3,500 followers
7mo · 🌐

According to **Mayur Patel, CFA**, Principal, Fund Manager - Listed Equity, IIFL Asset Management, higher conviction about chosen picks' long-term prospects allows a fund manager to take advantage of market corrections and build positions in such times. **Business Standard**
<https://lnkd.in/gVv5wv>



IIFL AMC @IIFLAMC · Aug 22, 2020

May Lord #Ganesh continue to inspire all our actions. Wishing you and your family a very #HappyGaneshChaturthi, #Ganeshotsav2020 #GaneshChaturthi #GaneshFestival #ganpatibappa #wealth #investments



IIFL Asset Management
3,532 followers
7mo · 🌐

Investors find it convenient to invest through pre-IPO funds as they benefit from institutional access to pre-IPO deals, filtered through a stringent investment process: **Manoj Shenoy**, CEO, IIFL Asset Management

LiveMint
<https://lnkd.in/gfpe4ca>
#IIFLAMC #IPO #investor #AIFs #wealthmanagement #investing #assetmanagement #preipo #investments #financeandconomy #financialplanning #financialadvisors #ceoinsights #ceos #cointerview #investors #finance #money



pms bazaar @PmsBazaar · Nov 27, 2020

"Alternates are globally 30% of assets, but in India we are still a pond in comparison; this gives us the headroom to grow", says #AnupMaheshwari of @IIFLAMC

PMS & AIF Summit 3.0

@ETNOWlive @Ajaya_buddy @PallevarajR @gpmtdaniel @Rajeshkumard07 @nameedpmsbazaar



IIFL AMC @IIFLAMC

Anup Maheshwari, @maheshwari_anup, CIO & Joint-CEO, @IIFLAMC shares his views on the future of the Indian economy, increasing global interest, and emerging investment opportunities in our webinar: "India Looking Ahead". @sbajpai2806



DIRECTORS' REPORT

To the Members of

IIFL Asset Management Limited,

The Directors have pleasure in presenting the 11TH Annual Report of IIFL Asset Management Limited ('the Company') together with the Audited Financial Statements for the year ended March 31, 2021.

1. Financial Results:

The highlights of the financial results for the year under review are as under:

	(INR in million)	
Particulars	2020-21*	2019-20*
Gross Total Income	2,683.79	2,008.14
Less: Expenditure	1,585.89	1,205.81
Profit /(Loss) Before Taxation	1,097.90	802.33
Less: Taxation - Current	281.80	205.34
- Deferred	1.14	(1.57)
- Mat Credit Gains	-	-
- Short or Excess Provision of Income Tax	-	-
Net Profit / (Loss) After Tax	814.95	598.56

* Figure are as per Indian AS

2. Review of Business and Operations:

During FY2020-21, the company maintained its focus on enhancing the product suite across four asset classes (listed equities, private equities, credit and real estate). The company continued to institutionalize processes across functions and received valuable feedback and appreciation during its interactions, particularly from offshore investors. In terms of client coverage, the company had established connect with many offshore institutions and family offices over the past couple of years. These efforts resulted in IIFL AMC received a mandate of INR 3,784 Crore from an institutional investor. The company now manages an AUM of INR 7,133 Crore across offshore institutions and expects this to be an important growth driver going ahead. Domestically, on the sales and distribution front, the company added 43 new channel partners and performed multiple sales marketing related activities.

As human capital is quintessential to any organization, we have witnessed increment in this capital over the year with the total head count of IIFL AMC increasing to 131. Senior leadership has been further strengthened by joining of Mr. Manoj Shenoy.

During the year under review, the company was successful in achieving a net sale of approx. INR 10,017 Crore, led primarily by sales across listed equity funds. Till FY20, AUM in private equity

used to have the highest AUM across asset classes. In FY 21, the top two asset classes were listed equity and private equity having an AUM of INR 15,738 Crore and INR 13,616 Crore respectively. On the other hand, liquid mutual funds and Structured credit products had a combined AUM of INR 2,851 Crore. The real estate funds now contribute to INR 5,118 Crore of AUM.

3. Macro-economic overview (FY 2020-2021)

• Year in review

The year 2020 turned out to be a year with extraordinary challenges for global economies with IMF announcing a real GDP degrowth of 3.3% in the global economy. Despite the pandemic related challenges, the massive fiscal packages, ultra-supportive monetary policies and a glimmer in the form of multiple vaccines being distributed have helped the financial assets witness a V-shaped recovery to close the year in green zone. Most of the equity indices touched across the globe their previous highs, many created new highs as well. While market sentiments over the last couple of quarters were uncertain of a visible economic recovery path due to renewed lockdowns, with roll out of vaccine, now the global economic turnaround appears a factor of "when", rather than "if". Off and on, rising yields of US treasury bonds, rapid increase in COVID-19 cases, renewed lockdowns coupled with other restrictions such as night curfews

and pockets of weak macroeconomic data made the market participants to stay jittery in the last quarter of FY21.

Back at home, the sharp recovery in the Indian equities were supported by all-time high foreign inflows (INR terms) which were keenly investing at attractive valuations and the possibility of sharp earnings growth over the next few years. Further, favorable measures by RBI, declining COVID cases over the second half of the year, massive manufacturing of vaccines, and upbeat recovery in global markets upheld the investor sentiments.

Favorable measures announced during the Union budget should lead to an expansion in economic growth. Efficiency and pace of vaccination along with global cues and capital flows shall now be key events to monitor.

The World Bank (WB) elevated its forecast of India's GDP growth for FY22 to 10.1%, noticeably higher than the 5.4% it had projected in January, as per its South Asia Economic Focus Spring update report. There are a few risks in the near term which market participants should closely watch out for (1) Return to normalcy could take longer than anticipated given the unprecedented rise in the COVID-19 cases across the country (2) Lockdown/strict restrictions in certain states.

While the new wave of COVID-19 and the resultant lockdown in certain parts of countries will act as an overhang on the headline numbers, most state governments pushing for higher vaccination inoculations is expected to normalize the curve of patients with serious complications thereby reducing the burden on existing medical infrastructure. We believe the volatility could increase in the near term owing to inflationary pressures at global and domestic levels, however, pick up in earnings growth may auger well for Indian equities, albeit the pace could be slower than anticipated. The market polarization is likely to reverse as the recovery becomes more broad-based and hence provide ample room for

wealth creation by bottom up stock selection.

4. Outlook

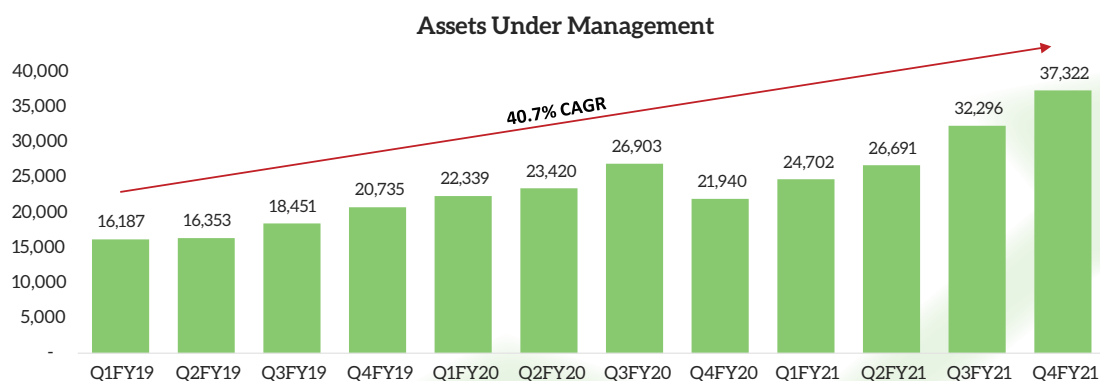
- **Equity Markets**

We believe that the lockdown/restrictions could have a short-term impact on most sectors, however the effect will be transient in nature. At this stage, where we anticipate delayed pick-up in the economic recovery (provided a third wave doesn't derail the growth), we are focusing on opportunities across these defensives and cyclicals based on our ROE and PAT growth parameters. While exposure to sectors such as Financials, Industrials, and Building materials are more structural in nature to benefit from the acceleration in the growth trajectory, we would also tactically look at opportunities in the defensive segment where the impact of the short term disruptions is likely to be limited. We continue to focus on bottom up security selection while having a positive bias towards cyclical recovery and taking tactical calls based on the market dynamics.

- **Debt Markets**

Considering the impact of the pandemic, most central banks looked to a fresh round of monetary easing to improve liquidity and support economic growth. The reserve bank of India also followed suit by announcing repo cuts, reduction in CRR for a year and improving liquidity through measures like Long Term Repo Operations (LTROs) to mitigate the adverse impact of tightening financial conditions in the domestic markets. Furthermore, usage of unconventional steps like LTROs signifies RBI's willingness to promptly act when necessary. This helped address the sudden steepening of the yield curve and a substantial spread between short term and long-term government debt securities. While the longer end of the yield curve remains attractive, a higher supply of both state and central government borrowing may offset some of the gains.

Outlook for the business:



During FY20/21, our AUM grew by 70%. The AUM growth was achieved despite disruption in the markets. For the year, we achieved net sales of more than 10,000 Crore spread across asset classes and geographies. The year was particularly successful from institutional mandates perspective. We added a large Sovereign Wealth Fund towards the end of the year, increasing the total count of institutional mandates with AMC to 3.

During the year, a continuous increase in our product suite helped support the growth in AUM. While maintaining our focus as an alternative asset manager, we continued to find product opportunities across other product segments (like portfolio management services and mutual funds). Our continuous focus on niche product strategies helped us maintain a revenue yield of about 63bps on our assets.

- **Summary of developments across key platforms is as below**

- **Alternative investment funds (AIFs)**

During the first couple of quarters, we continued to focus on raising commitments in already launched schemes (High Conviction Fund - Series 1, India Housing Fund - Series 2 and IIFL Seed Ventures Fund - Series).

In Q2, on unlisted equity side, AMC launched a new fund during the quarter, IIFL India Private Equity Fund Series 1A which intended to invest in financial intermediaries which are dominant players in their segments; the scheme has raised over INR 1,522 Crore and has proved to be a successful launch.

In Q3, we launched IIFL Equity Opportunities Fund, a fund of fund, which aims to provide a unique opportunity to invest in the best-in-class technology focused VC Funds primarily focused at providing follow on capital to top performing digital companies along with other marquee investors. It garnered a commitment of INR 620 Crore.

In Q4, we launched another fund on unlisted equity side, IIFL Special Opportunities Fund Series 8, which would invest in late stage consumer tech deals. The fund received a fantastic response garnering over INR 1,300 Crore by end of April 2021.

- **Portfolio management services (PMS)**

On listed equity front, in PMS, while regular sales from distributor platforms continued during the year, multiple communications to investors informing about product performance and offering easy one click top-ups in PMS strategies were sent. The business in PMS was disrupted

due to pandemic, but AMC had launched editable forms to enable business continuity. In Q4, we added a new strategy, IIFL Phoenix Portfolio which intends to create a portfolio of such businesses with an established track record, which have the potential to see a sharp improvement in fundamentals in the future.

Over the year, we continued to onboard new distribution partners and achieve scale across our existing products (multicap and multicap advantage PMS). Despite disruptions, PMS witnessed a net sale of INR 434 Crore during the year.

- **Mutual Funds (MFs)**

We continued focus on scaling IIFL Focused Equity Fund during the year. For most of the year, the fund was the best performing fund in its category in MFs. We added a net sale of INR 379 Crore during the year. We further increased our focus towards increasing SIPs in the scheme from online channels. Towards the end of the year, we also filed for quant based funds with AMFI (IIFL Smart Fund). We are awaiting approvals from the regulator on the same.

Offshore/Institutions

In terms of client coverage, we have established connect with many offshore institutions, wealth funds and family offices over the past year. During the year, we received an additional investment from one of our existing advisory mandates. We also onboarded a new SWF mandate with an investment of INR 3,784 Crore.

We continue to see opportunities to enhance our product offering across our four asset classes (Listed equities, private equities, credit and real estate). We aim to maintain our position as the largest alternative asset manager in India and build a complete range of product offerings across asset classes.

5. Dividend:

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, had declared and paid an interim dividend of INR 8.50/- per equity shares on August 21, 2020 and INR 46/- per equity shares on March 22, 2021 and the Company has not recommended any final dividend for FY 2020-21.

6. Transfer to Reserves:

The Board of Directors of your company has decided not to transfer any amount to the reserves for the year under review.

7. Share Capital:

During the year under review, the Company has not made any issue of equity shares. As on March 31, 2021, the total of issued, subscribed and paid up capital of the Company stood at INR 32,10,00,000/-.

8. Details of Subsidiary/Joint Ventures/ Associates:

The Company does not have any subsidiaries/ joint ventures/associates.

9. Deposits:

During the year under review, your Company has not accepted/ renewed any deposit within the meaning of Section 73 of the Companies Act, 2013 read with applicable rules thereto.

10. Directors and Key Managerial Personnel:

a. Directors:

As on March 31, 2021, The Board consists of the following Directors namely:

- 1) Mr. Kumar Sharadindu - Independent Director,
- 2) Mrs. Smita Aggarwal - Independent Director,
- 3) Mr. Ravi Sethurathnam- Independent Director, Appointed w.e.f. February 25, 2021
- 4) Mr. Anup Maheshwari - Whole Time Director
- 5) Mr. Venkataraman Rajamani - Non-Executive Director
- 6) Mr. Manoj Shenoy- Whole Time Director - Appointed w.e.f. March 22, 2021

Directors retiring by rotation:

In terms of provisions of the Companies Act, 2013 and in terms of applicable provisions of the Articles of the Company, Mr. Venkataraman Rajamani, Non-Executive Director of your Company, retires by rotation at ensuring Annual General Meeting and being eligible, offers himself for re-appointment.

Further, in terms of the provisions of the Companies Act, 2013 Independent Directors are not liable to retire by rotation.

Independent Director's Data Base & Proficiency Test:

In terms of the recently introduced regulatory requirements name of every Independent Director should be added in the on-line database of Independent Directors by Indian Institute of

Corporate Affairs, Manesar ("IICA"). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

The opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of Independent Directors is complied with.

i. Board Meetings:

The Board met Nine times during the year, discussed and approved various matters concerning new products, financials, and appointment of director and key managerial personnel, audit reports, SEBI inspection reports, compliance reports and other board businesses.

ii. Committees of the Board

There are currently three Committees of the Board, as follows:

A) Audit Committee

The Audit Committee currently consists of Mrs. Smita Aggarwal, Mr. Kumar Sharadindu, Mr. Ravi Sethurathnam and Mr. Anup Maheshwari. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013 & internal policies. The Committee met five times during the year under review and discussed on financials and audit related issues. During the period under review all the recommendations of the Audit committee were accepted by the Board of Directors of the Company.

The terms of reference of audit committee, inter alia, includes;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval of quarterly and annual financials and recommend the same to the Board;
- Review and comment on observation(s) raised by Internal Auditors, Statutory Auditors and Secretarial Auditors;
- Review and comment on observation(s) raised under any regulatory inspections;
- Approval or any subsequent modification of transactions of the Company with related parties;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds of the company and related matters.

B) Nomination and Remuneration Committee:

As per the provision of Section 178 of Companies Act, 2013, Mr. Kumar Sharadindu, Mrs. Smita Aggarwal and Mr. Venkataraman Rajamani are currently members of the Nomination and Remuneration Committee ("NRC") and the Committee has formulated a nomination and remuneration policy and the said policy is available for inspection and available on website of the Company: www.iiflamc.com

The same is annexed as an **Annexure I** to this Report.

C) Corporate Social Responsibility Committee:

As per the provision of Section 135 of Companies Act, 2013, Mr. Kumar Sharadindu, Mrs. Smita Aggarwal and Mr. Anup Maheshwari are currently the members of the Corporate Social Responsibility Committee ("CSR Committee") The CSR Committee has approved and adopted CSR Policy of the Company. The details about the policy developed and implemented on Corporate Social Responsibility initiatives taken during the year under review is attached as **Annexure II**.

Separate meeting of Independent Directors:

In compliance with provisions of Companies Act, 2013, a separate meeting of Independent Directors was held on March 22, 2021 inter alia, to discuss the following:

- a) to review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of information between the company management and the Board/ Committees of the Board from time to time.

iii. Formal Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Nomination & Remuneration Committee has carried out evaluation of every directors' performance and subsequently the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of its Committees.

iv. Declaration by Independent Directors -

The Company has received declaration from each independent director under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in section 149(6) of the Companies Act 2013.

b. Key Managerial Personnel:

During the year under review, Mr. Anup Maheshwari continued as Whole Time Director of the Company and he resigned as Chief Executive Officer with effect from March 19, 2021 closing business hours and Mr. Manoj Shenoy was being appointed as Whole Time Director with effect from March 22, 2021 and as Chief Executive Officer with effect from February 02, 2021 of the Company. Mr. Prashasta Seth resigned as Chief Executive Officer of the Company effective December 31, 2020. Ms. Priya Biswas is the Chief Financial Officer of the Company, managing the financial affairs of the Company. Mr. Chinmay Joshi is the Company Secretary of the company managing the Secretarial and Compliance Function of the Company.

The List of Key Managerial Personnel as on March 31, 2021 is below:

1. Mr. Anup Maheshwari - Whole Time Director
2. Mr. Manoj Shenoy - Whole Time Director and Chief Executive Officer

3. Ms. Priya Biswas – Chief Financial Officer
4. Mr. Chinmay Joshi – Company Secretary

11. Managerial Remuneration:

During the year under review, the employees were drawing remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the details of the same will be made available if a written request is received from the shareholders. Further, if the request is received prior to the date of Annual General Meeting the details will be made available within 3 days and if the request is received post the date of Annual General Meeting then such particulars will be made available within 7 days.

12. Employee Stock Option/ Purchase Scheme:

The Company does not have an employee stock option / stock purchase scheme. However, employees of the Company are granted options of IIFL Wealth Management Limited, holding company.

13. Risk Management Policy and Internal Adequacy:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. There is Risk Management Committee in order to monitor and mitigate risk. The Company also invoked its business continuity measures to deal with the unprecedented contingency of the COVID-19 outbreak and it could smoothly move to a Work From Home arrangement using a Virtual Private Network (VPN), keeping disruption to day to day operations, internal controls and servicing of investors to a minimum, except in line with industry level changes with respect to cut-off times advised by the Association of Mutual Funds of India (AMFI) and limitation in certain services announced by Registrar and Transfer Agents, during the lockdown period announced by the Government in the wake of the COVID19 outbreak.

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Internal Auditors have tested the design and effectiveness of the key controls and

no material weaknesses were observed in their examination. Further, Statutory Auditors also review controls over financial reporting as part of their audit.

14. Internal Financial Control:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Board of Directors of the Company.

The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively. The Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

15. Extract of Annual Return:

The Annual Return in form MGT 7 will be uploaded on the Company's Website www.iiflamc.com

16. Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the going concern status of the company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

17. Material changes and commitments affecting the financial position of the Company:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

18. Statutory Auditors:

M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018 as recommended by the Audit Committee and the Board, are appointed as Statutory Auditor of the Company to hold office for a second term of 5 years i.e. till conclusion of the Annual General Meeting to be held in the year 2025.

19. Comments on auditors' report:

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

20. Secretarial Audit:

During the year under review, the Secretarial Audit was conducted by M/s. J.U. Poojari & Associates, Practicing Company Secretaries, pursuant to applicable provisions of the Companies Act, 2013. The Report of the Secretarial Audit is annexed herewith as **Annexure III**. There were no qualifications, reservations or observations in the Secretarial Audit Report. The Board of Directors have to state that the Company has been compliant of all applicable provisions of the Act for Financial Year 2020-2021.

21. Particulars of loans, guarantees or investments under section 186:

The details of loans (Assets) or investments made are provided in the Financial Statement (Please refer Note No. 5 and 6 respectively of the Financial Statement). In the FY 2020-21, there are no Borrowings or Guarantees.

22. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were at arm's length. No contract/ arrangement has been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related party are disclosed by way of notes to accounts vide note no. 33 in the standalone financial results of the Company for the financial year ended March 31, 2021.

Justification for entering into Related Party Transactions:

The Company usually enters into Related Party Transaction to ensure timely availability of products/ services required.

23. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information on energy conservation, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended below:

Conservation of energy:

The Company is engaged in providing financial services and as such its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power,
- Installed Thin Film Transistor (TFT) monitors that saves power,
- Light Emitting Diode (LED) lights,
- Automatic power shutdown of idle monitors,
- Creating environmental awareness by way of distributing the information in electronic form,
- Minimising air-conditioning usage,
- Shutting off all the lights when not in use, and
- Education and awareness programs for employees.

The management frequently puts circulars on corporate intranet, IWIN for the employees educating them on ways and means to conserve the electricity and other natural resources and ensures strict compliance of the same.

Technology absorption and innovation:

The management understands the importance of technology in the business segments it operates and lays utmost emphasis on system development and use of best technology available in the industry. The management keeps itself abreast of technological advancements in the industry and ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet the business needs and objectives.

The management invested considerable resources in deploying the latest technologies in the areas of wide area networking using MPLS, video communications, VoIP, automated dialers and other customer relationship management (CRM) tools and software. The Company also made significant strides in using cloud technology for customer-facing servers providing rapid and inexpensive ramp-up or down of capacity in line with business requirements.

The management is aware of increasing threats in the Information Security domain and has taken several steps to ensure that the Company is safe guarded against hacking attacks, data leakage and security breaches. IT and certain business processes have been recertified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitoring violations, if any.

Foreign exchange earnings/outgo (INR in millions):

- a.) The Foreign exchange earnings: INR 139.47
- b.) The Foreign exchange expenditure: INR 50.37

Research and Development (R & D): The Company is engaged in distribution of various financial products and advising clients on wealth management through mutual fund and alternative investment fund platform, which entails internal research of investment products, sectors and markets.

24. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013:

The Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. The Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its women employees are not subjected to any form of harassment.

Your Directors further state that during the year under review your Company has formulated and adopted a '*Policy for Prevention / Prohibition / Redressal of Sexual Harassment of Women at the Workplace*', and that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. Frauds:

The Auditors of the Company have not reported any frauds under Section 143(12) of the Companies Act, 2013.

26. Directors Responsibility Statement:

Pursuant to the requirement under Section 134(5)

of the Companies Act, 2013, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and Secretarial Standards and that such system were adequate and operating effectively.

The Directors further confirm that, they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

27. Downstream Investment:

During the financial year 2020-21, the Company has not made any downstream investments in terms Foreign Direct Investment Policy.

28. Green Initiative:

Section 136 of the Companies Act 2013 and the Rules framed there under allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the Depositories. A physical copy of the Annual Report will be sent to those Members who have not registered their email addresses with the Depositories for receiving

electronic communication. A physical copy of this Annual Report can also be obtained free of cost by any member from the registered office of the Company on any working day during the business hour.

A copy of this Annual Report for FY 2020-21 is available on website of the Company, www.iiflamc.com

29. Annexure(s) forming part of this Report of Directors:

The Annexure(s) referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

- Nomination and Remuneration Policy of the Company as **Annexure I**.

- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21 – **Annexure - II**.
- Secretarial Audit Report for the financial year ended March 31, 2021 as **Annexure - III**.

30. Acknowledgements:

We are thankful for the significant contribution made by our employees and also express our sincere thanks and appreciation to Securities and Exchange Board of India, Association of Mutual Fund of India, the Company's Bankers, Auditors and Counsels for their continued support and co-operation.

We also acknowledge the support and the continued co-operation received from IIFL Wealth Management Limited, sponsor during the year under review. We look forward to the same going forward.

For and on behalf of the Board of Directors

Kumar Sharadindu
Chairman
DIN: 07341455

Manoj Shenoy
Whole Time Director & Chief Executive Officer
DIN: 08258671

Date: May 15, 2021
Place: Mumbai

ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE I

Nomination and Remuneration Policy

I. OBJECTIVE:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Director.

II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Key Managerial Personnel" (KMP) means:
 - Managing Director, or Chief Executive Officer or Manager
 - Whole-time Director;
 - Chief Financial Officer;
 - Company Secretary; and such other officer as may be prescribed.
4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
5. "Senior Management" means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as maybe amended from time to time shall have the meaning respectively assigned to them therein.

III. ROLE OF COMMITTEE:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board on policy on Remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees.
- To evaluate the performance of the members of the Board and provide necessary report

to the Board for further evaluation of the Board.

- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.

IV. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

1. Appointment Criteria and Qualifications:

- a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.

b) Independent Director:

(i) Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

(ii) Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

2. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3. Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

V. REMUNERATION:

A. Directors:

a. Executive Directors (Managing Director, Manager or Whole Time Director):

- (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- (iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.

In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:

- the relationship of remuneration and performance benchmark;
- balance between fixed and incentive pay reflecting short- and long-term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered, the industry benchmarks and the current trends;
- the Company's performance vis-à-vis the annual budget achievement and individual performance.

b. Non-Executive Director:

- (i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- (ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
- (iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- (iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- (v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- (vi) The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.

a. KMP & Senior Managerial Personnel:

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

- maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company;
- compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the company;

- Remuneration shall be also considered in form of long-term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.
- b. **Research Analysts:**
- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee.
 - (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
 - a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and
 - b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

VI. EVALUATION:

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

VII. OTHER DETAILS:

Membership

The Committee shall consist of minimum 3 non-executive directors, majority of them being independent. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Director.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act a Secretary of the Committee.

ANNEXURE II

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company.

- The CSR Policy and projects of IIFL Asset Management Ltd. are steered by the same values that guide the business of the IIFL Wealth and Asset Management group of companies.
- In order to consolidate our efforts towards impactful CSR, the IIFL Wealth and Asset Management group established the IIFLW CSR Foundation ("Foundation") to design and implement CSR activities on behalf of the IIFLWAM group entities.
- We strongly believe in enabling inclusion to bridge the gap of available opportunities and equality for both - communities that have not been given an opportunity and for those whom such opportunities are unattainable due to monetary or other reasons.
- Our vision for the Foundation is to bring about a positive change in the lives of underprivileged individuals and communities by enabling a strategic and collaborative partnership.
- Through our CSR efforts, we look at collaborative efforts with existing philanthropy to move the needle on impact.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of Meeting of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Kumar Sharadindu	Independent Director	2	2
2.	Mrs. Smita Aggarwal	Independent Director	2	2
3.	Mr. Anup Maheshwari	Whole Time Director	2	2

- Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.iiflamc.com
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not applicable

Sr. No.	Financial Year	Amount Available for set-off preceding financial year (INR)	Amount required to be set off for the financial year, if any (INR)
NA	NA	NA	NA

- Average net profit of the company as per section 135(5) - INR 62,04,78,271
- Two percent of average net profit of the company as per section 135(5): INR 1,24,09,565
 - Surplus arising out of the CSR projects or programs or activities of the previous financial years. - **Not Applicable**
 - Amount required to be set off for the financial year, if any - **Not Applicable**
 - Total CSR obligation for the financial year (7a+7b- 7c): INR 1,24,09,565
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (INR)	Amount Unspent (INR)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (INR)	Date of transfer	Name of the Fund	Amount (INR)	Date of Transfer
1,24,09,565	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(7)	(8)	(9)	(10)	(11)		
Sr. No.	Name of the Project	Items from the list of activities in Schedule VII to the Act.	Local Area (Yes/No.)	Location of the Project		Project Duration	Amount allocated for the Project (INR)	Amount Spent in the current financial year (INR)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (INR)	Mode of Implementation - Direct (Yes/No.)	Mode of Implementation - Through Implementing Agency Name	CSR Registration Number
				State	District							
1	Quality and Affordable Primary Health Services for the Urban Poor in Mumbai (via Swasth Foundation)	(i)	Yes	Maharashtra	Mumbai	1 year	20,00,000	0	NA	No	IIFLW CSR Foundation	CSR00001897
2	Project Dialysis (via Fairfax India Charitable Foundation)	(i)	Yes	Gujarat	Anand	1 Year	18,81,600	0	NA	No	IIFLW CSR Foundation	CSR00001897
3	Bridging the Digital Divide among children in low income communities in Tamil Nadu (via United Way of Chennai)	(ii)	No	Tamil Nadu	Multiple Districts	1 Year	15,00,000	0	NA	No	IIFLW CSR Foundation	CSR00001897
4	Supporting low income households with children in Government schools for better learning outcomes in Delhi (via Saajha)	(ii)	Yes	Delhi	South West Delhi	1 Year	15,00,000	0	NA	No	IIFLW CSR Foundation	CSR00001897
5	Infrastructure support for home for underprivileged semi-orphan children (via Parasaram Trust)	(iii)	No	Tamil Nadu	Theni	1 Year	15,00,000	0	NA	No	IIFLW CSR Foundation	CSR00001897
6	STEM education for underprivileged students	(ii)	Yes	Maharashtra, Karnataka, Delhi	Mumbai, Bangalore, Delhi	1 Year	33,50,166	0	NA	No	IIFLW CSR Foundation	CSR00001897
Total							1,17,31,766					

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No.)	Location of the Project		Amount spent for the Project (INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name	CSR Registration Number	
				State	District					
1	Supporting specialised resources for Special School Program (via IIFL Foundation and V-Excel Educational Trust)	(ii)	No	Tamil Nadu	Chennai	14,039	No	IIFLW CSR Foundation	CSR00001897	
2	Project Disha (via Jai Vakeel Foundation and Research Centre)	(ii)	Yes	Maharashtra	Multiple	1,00,000	No	IIFLW CSR Foundation	CSR00001897	
3	India Young Leadership Development Program (via OASIS A Selfless International Society)	(i)	No	Gujarat	Vadora	1,00,000	No	IIFLW CSR Foundation	CSR00001897	
Total							2,14,039			

- (d) Amount spent in Administrative Overheads – INR 4,63,760/-
 (e) Amount spent on Impact Assessment, if applicable – **Not Applicable**
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – 1,24,09,565
 (g) Excess amount for set off, if any: **Not Applicable**

Sr. No.	Particulars	Amount (INR)
(i)	Two Percent of Average Net Profit of the Company as per Section 135(5)	1,24,09,565
(ii)	Total Amount Spent for the Financial Year	1,24,09,565
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	0

- 9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (INR)	Amount spent in the reporting Financial Year (INR)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any		Amount remaining to be spent in succeeding financial years (INR)
				Name of the Fund	Date of transfer	
1.	-	Nil	Nil	NA	NA	0

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (INR)	Amount spent on the Project in the reporting Financial Year (INR)	Cumulative Amount spent at the end of the reporting Financial Year (INR)	Status of the Project – Completed/ Ongoing
1	0001	STEM education for underprivileged students	FY 2020-21	3 Years	66,49,834	-	66,49,834	Ongoing
2	0002	Maternal and Child health care for underprivileged communities	FY 2020-21	3 Years	4,10,485	-	4,10,485	Ongoing
Total					70,60,319	-	70,60,319	

IIFL Asset Management Limited has transferred a total of INR 1,04,10,485 (including INR 70,60,319 from FY 20) as commitment towards ongoing projects in the thematic areas mentioned in the tables 8 (b) and 9 (b) to be undertaken by IIFL W CSR Foundation. The mode of implementation is either by itself or through sub-grants to other credible, experienced implementing agencies. The expected duration of utilization of these grants is over the next 36 months by March 31st, 2024. IIFL Asset Management Limited's Board will be monitoring the implementation of the ongoing projects with reference to the approved timelines and allocation until project completion.

In case these funds have not been utilized by March 31st, 2024, the IIFL W CSR Foundation will transfer the funds to any fund specified under Schedule VII as per section 135(6).

This year, IIFL Asset Management Limited has reported 100% of ongoing projects' funds as amount spent, despite being ongoing projects, as the money has been transferred to the implementing agency, IIFLW CSR Foundation.

Feedback to the MCA is to include a provision to mention the funds that have been spent by the company but not utilized by the implementing agency as part of ongoing project expenses.

- 10** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset Wise Details) - Not Applicable
- (a) Date of creation or acquisition of the capital asset(s)- **Not Applicable**
 - (b) Amount of CSR spent for creation or acquisition of capital asset. - **Not Applicable**
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- **Not Applicable**
- 11** Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) - Not Applicable.

For IIFL Asset Management Limited

Mr. Kumar Sharadindu
Chairman CSR Committee

Mr. Manoj Shenoy
Whole Time Director & Chief Executive Officer

ANNEXURE III

Form No. MR-3 Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2021

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 201

To,

The Members,

IIFL Asset Management Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IIFL Asset Management Limited, having CIN: U74900MH2010PLC201113 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31stMarch, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any overseas investment and External Commercial Borrowings during the financial year.
- v. Other Acts, Laws, Regulations or Guidelines specifically applicable to the Company:
 - a) The Securities And Exchange Board of India (Mutual Fund) Regulations, 1996 as amended.
 - b) The Securities And Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended
 - c) The Securities And Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to meetings of the Board and its committees and General meetings.

During the year under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act and Rules, Regulations, Guidelines, etc.

- (a) The company is wholly-owned subsidiary of IIFL Wealth Management Ltd. by virtue of Section 2(87) of the Companies Act, 2013. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

- (b) Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings and its Committees exception some cases at shorter notice with the consent of all the Directors; Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions at the Board Meetings were taken with requisite majority.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no significant events/ actions have taken place in pursuance of the above referred laws, rules, regulations, guidelines etc.:

For J. U. Poojari & Associates
Company Secretaries

Place: Mumbai
Date: May 15, 2021

Jayaram U Poojari
FCS No: 8102 CP No: 8187
UDIN: F008102C000335088

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,

The Members of IIFL Asset Management Ltd.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J. U. Poojari & Associates
Company Secretaries

Place: Mumbai
Date: May 15, 2021

Jayaram U Poojari
FCS No: 8102 CP No: 8187
UDIN: F008102C000335088

INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Asset Management Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **IIFL Asset Management Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to Directors' report, but does not include the financial statements and our auditor's report

thereon. The Director's report including Annexures to Directors' report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

Regd. Office. One International Center, Tower 3, 27th -32nd Floor, Senapati Bapat Marg, Prabhadevi (West), Mumbai - 400 013, India. Deloitte Haskins & Sells LLP is a limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 having LLP Identification No. AAB-8737.

- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report including Annexures to Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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

statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 the requirements of section 197(16) of the Act, as amended, in our opinion

and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as 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 as at 31st March 2021.
 - 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") 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)

(UDIN: 21105035AAAAEJ1465)

Place: Mumbai

Date: 15 May 2021

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 March 31, 2021 in conjunction with our audit of the Ind AS 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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.

Place: Mumbai
Date: 15 May 2021

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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)

(UDIN: 21105035AAAAEJ1465)

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) To the best of our knowledge and according to information and explanation given to us the:
 - (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) According to the information and explanations given to us, the Company does not have any immovable properties of acquired freehold land and building. In respect of immovable properties of building that have been taken on lease and disclosed as Right of Use Assets in the Ind AS financial statements, the lease agreements are in the name of the Company.
- (ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) To the best of our knowledge and according to information and explanation given to us, the Company has granted unsecured loans to companies 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) To the best of our knowledge and according to information and explanation given to us the, 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) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and hence reporting under clause (v) of CARO 2016 is not applicable.
- (vi) To the best of our knowledge and according to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the services rendered by the Company.
- (vii) To the best of our knowledge and 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, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Custom Duty, Excise Duty and Employees’ State Insurance is not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Goods and Service Tax as on 31 March 2021 which have not been deposited on account of disputes.
- (viii) To the best of our knowledge and according to the information and explanations given to us, 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) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised money 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) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) To the best of our knowledge 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) To the best of our knowledge and according to the information and explanations given to us, 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.
- (xv) To the best of our knowledge 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)

(UDIN: 21105035AAAAEJ1465)

Place: Mumbai
Date: 15 May 2021

BALANCE SHEET

as at March 31, 2021

(₹ in Mn)

SR. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS				
1	Financial Assets			
(a)	Cash and cash equivalents	3	84.06	29.58
(b)	Bank balance other than (a) above	3A	16.98	-
(c)	Receivables	4		
	(I) Trade receivables		731.76	650.57
	(II) Other receivables		3.59	9.89
(d)	Loans	5	5.39	1,521.24
(e)	Investments	6	650.52	29.31
(f)	Other financial assets	7	1.85	0.10
2	Non-Financial Assets			
(a)	Current tax assets (net)		6.95	51.89
(b)	Deferred tax assets (net)	8	4.49	6.06
(c)	Property, plant and equipment	9	0.07	0.05
(d)	Other intangible assets	11	2.92	6.32
(e)	Right to Use Asset	12	6.49	1.59
(f)	Other non-financial assets	13	641.66	650.35
	Total Assets		2,156.73	2,956.95
LIABILITIES AND EQUITY				
LIABILITIES				
1	Financial Liabilities			
(a)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	261.86	281.90
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b)	Borrowings (other than debt securities)		-	-
(c)	Financial Lease Obligation	12	6.71	1.67
(d)	Other financial liabilities	15	54.58	100.23
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)		147.42	61.28
(b)	Provisions	16	22.99	22.01
(c)	Other non-financial liabilities	17	137.22	30.68
3	EQUITY			
(a)	Equity share capital	18	321.00	321.00
(b)	Other equity	19	1,204.95	2,138.18
	Total Liabilities and Equity		2,156.73	2,956.95

See accompanying Notes to 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

Kumar Sharadindu
Chairperson
(DIN: 07341455)

Manoj Shenoy
Whole Time Director and
Chief Executive Officer
(DIN: 06679235)

Place : Mumbai
Dated: May 15, 2021

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in Mn)

Sr. No.	Particulars	Note No.	FY 2020-21	FY 2019-20
1	Revenue from operations			
(a)	Dividend & Distribution income on investments	20	0.00#	0.00#
(b)	Fees and commission income	21	2,524.52	1,850.32
	Total revenue from operations		2,524.52	1,850.32
2	Other income	22	159.27	157.82
3	Total income (1+2)		2,683.79	2,008.14
	Expenses			
(a)	Finance costs	23	4.80	5.23
(b)	Fees and commission expenses		524.20	434.31
(c)	Impairment on financial instruments	24	0.00#	0.00#
(d)	Employee benefits expenses	25	644.93	546.00
(e)	Depreciation, amortization and impairment	9,11,12	6.52	7.70
(f)	Others expenses	26	405.44	212.57
4	Total expenses		1,585.89	1,205.81
5	Profit before tax (3-4)		1,097.90	802.32
6	Tax expense:	27		
(a)	Current tax		281.81	205.34
(b)	Deferred tax		1.14	(1.57)
7	Profit for the year (5-6)		814.95	598.56
8	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of Employee Benefits		1.70	(4.07)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.43)	1.02
	Subtotal (a)		1.27	(3.05)
(b)	(i) Items that will be reclassified to profit or loss			
	- Foreign currency translation reserve			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (b)			-
	Other comprehensive income / (loss) (a+b)		1.27	(3.05)
9	Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income / (loss) for the year)		816.22	595.51
10	Earnings per equity share			
	Basic (Rs.)	28	25.39	18.65
	Diluted (Rs.)	28	25.39	18.65

Amount less than 10,000

See accompanying Notes to 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

Kumar Sharadindu
Chairperson
(DIN: 07341455)

Manoj Shenoy
Whole Time Director and
Chief Executive Officer
(DIN: 06679235)

Place : Mumbai
Dated: May 15, 2021

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

STATEMENT OF CASHFLOWS

for the year ended March 31, 2021

	(₹ in Mn)	
Particularize	FY 2020-21	FY 2019-20
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	1,097.90	802.32
Adjustments for:		
Depreciation & amortisation	6.52	7.70
Provision for employee benefits	5.18	4.59
Fixed Assets written off	-	6.32
Net changes in fair value through Profit and Loss of investments	(10.43)	1.04
Provision for Expected credit loss	0.00#	0.00#
Interest income	(132.36)	(138.92)
Interest expenses	4.55	5.06
Dividend Income from investments	(0.00#)	(0.00#)
(Profit)/loss on sale of investments	(16.48)	(19.94)
Distribution fee-exempt	(0.00#)	(0.00#)
Net gain on sale of property, plant and equipment	-	0.00#
Operating profit before working capital changes	954.88	668.17
Changes in working Capital :		
Increase in Financial/Non-financial Assets	(175.88)	(789.17)
Increase/ (Decrease) in Financial/Non-financial Liabilities	124.72	267.31
Cash generated from operations	903.72	146.31
Net income tax paid	(152.30)	(149.01)
Net cash (used in)/ generated from operating activities (A)	751.42	(2.70)
B. Cash flows from investing activities		
Purchase of investments	(13,465.33)	(15,875.73)
Sale of investments	12,877.40	15,895.81
Interest received	141.51	130.46
Dividend income	(0.00#)	0.00#
Purchase of Property, plant and equipment (includes intangible assets)	(1.96)	(2.85)
Intercompany Deposit - given to group companies	(16,430.00)	(9,921.40)
Intercompany Deposit - received to group companies	17,935.44	9,807.60
Net cash generated from investing activities (B)	1,057.06	33.89

STATEMENT OF CASHFLOWS

for the year ended March 31, 2021

Particularize	(₹ in Mn)	
	FY 2020-21	FY 2019-20
C. Cash flows from financing activities		
Borrowings - taken from group companies	4,377.00	3,567.20
Borrowings - repaid from group companies	(4,377.00)	(3,567.20)
Interest paid	(4.55)	(5.06)
Dividend paid	(1,749.45)	
Net cash (used in) / generated from financing activities (C)	(1,754.00)	(5.06)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	54.48	26.13
Opening Cash & cash equivalents	29.58	3.45
Closing Cash & cash equivalents	84.06	29.58

Amount less than ₹10,000/-

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

Pallavi A. Gorakshakar
 Partner

Place : Mumbai
 Dated: May 15, 2021

For and on behalf of the Board of Directors

Kumar Sharadindu
 Chairperson
 (DIN: 07341455)

Priya Biswas
 Chief Financial Officer

Manoj Shenoy
 Whole Time Director and
 Chief Executive Officer
 (DIN: 06679235)

Chinmay Joshi
 Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in Mn)

Particulars	Equity attributable to owners of the Company				
	Equity Share Capital	Reserves & Surplus		Total Other Equity	Total
		Securities Premium	Retained Earnings		
Balance at the Apr 1, 2020	321.00	204.00	1,934.18	2,138.18	2,459.18
Profits for the year	-	-	814.95	814.95	814.95
Other comprehensive income			1.27	1.27	1.27
Dividends			(1,749.45)	(1,749.45)	(1,749.45)
Balance at the Mar 31, 2021	321.00	204.00	1,000.95	1,204.95	1,525.95

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Mn)

Particulars	Equity attributable to owners of the Company				
	Equity Share Capital	Reserves & Surplus		Total Other Equity	Total
		Securities Premium	Retained Earnings		
Balance at the Apr 1, 2019	321.00	204.00	1,338.67	1,542.67	1,863.67
Profits for the year	-	-	598.56	598.56	598.56
Other comprehensive income			(3.05)	(3.05)	(3.05)
Balance at the Mar 31, 2020	321.00	204.00	1,934.18	2,138.18	2,459.18

Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities premium.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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

Kumar Sharadindu
Chairperson
(DIN: 07341455)

Manoj Shenoy
Whole Time Director and
Chief Executive Officer
(DIN: 06679235)

Place : Mumbai
Dated: May 15, 2021

Priya Biswas
Chief Financial Officer

Chinmay Joshi
Company Secretary

Notes Forming Part Of Financial Statements for the year ended March 31, 2021

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. The Company is registered with Securities and Exchange Commission as an Investment Adviser.

Note 2. Significant Accounting Policies

a) Statement of Compliance:

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment

b) These financials statements have been approved for issue by the Board of Directors of the Company at their meeting held on May 15, 2021.

c) Revenue Recognition

Revenue is recognised when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties

The following is a description of principal activities from which the Company generates its revenue.

- Investment/Fund Management fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are recognised in accordance with the arrangements entered into with the respective customers.
- Portfolio Management fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.
- Others: Revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.
- Lending / Investments related Income
 - Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments that are classified as fair value through profit or loss or fair value through other comprehensive income.
 - Dividend/ distribution income is accounted in the period in which the right to receive the same is established.

d) Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Financial Assets.

Depreciation: Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease. Individual assets / group of similar assets costing up to Rs.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
Computers*	3
Office equipment	5
Furniture and fixtures*	5

* 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.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

e) Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of

acquisition. Internally generated intangibles are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a straight-line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Estimated useful economic life of the assets is as under:

Class of assets	Useful life in years
Software	3-5

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

f) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in

circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, If any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. the Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) the Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- the Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the above category, income by way of interest and dividend, provision for impairment are recognized in profit or loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity. On disposal of such debt instruments at FVOCI financial assets, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. the Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. the Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. the Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not measured at FVTPL. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.
- The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables and financial assets arising from transactions within the scope of Ind AS 115 the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and forward-looking information.

The Company writes off a financial asset when there is information indicating that the obligor is in severe financial difficulty and there is no realistic prospect of recovery.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorized as follows:

- (i) recognized at amortised costs
- (ii) recognized at fair value through profit and loss (FVTPL) including the embedded

derivative component if any, which is not separated.

- (iii) where there is an embedded derivative as part of the financial liability, such embedded derivative is separated and recorded at fair value and the remaining component is categorized as on amortised costs.

Subsequent measurement:

- (i) All financial liabilities of the Company are categorized as subsequently measured at amortized cost are subsequently measured using the effective interest method.
- (ii) All financial liabilities of the Company categorized at fair value are subsequently measured at fair value through profit and loss statement.
- (iii) For derivatives embedded in the liability, the embedded derivative is subsequently measured at fair value through profit and loss and the liability is subsequently measured at amortised cost using the effective interest method.

Derecognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

h) Derivative financial instruments

The Company enters into derivative financial contracts, which are initially recognized at fair value at the date the contracts are entered into and subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument

In a financial instrument involving embedded derivative, which is separated from the host contract, such embedded derivative component is accounted separately from the underlying host contract and is initially recognized at fair value and is subsequently remeasured at fair value at each reporting period and the resulting gain or loss is recognized in the statement of profit and loss unless the derivative is designated and effective as a hedging instrument.

i) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantages market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 –inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

j) Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are

translated using the exchange rate at the date of the transaction. Nonmonetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

m) **Income Taxes**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the

extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the company, as per their applicable laws and then aggregated.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

k) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). 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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

l) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

m) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Company operates defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees

Recognition and measurement of defined contribution plans: The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

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.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

n) Lease accounting (Ind AS 116)

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus

any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Where appropriate, the right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognizes income on operating leases based on the contractual arrangements.

Critical accounting estimate and judgement

Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

o) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Holding Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

q) Share-based Compensation

The Company recognises compensation expense relating to share-based payments in the net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to ESOP Reserve.

r) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are

deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

II.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

- Property, Plant and Equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The lives are based on historical experience with similar assets and are based on changes in technical or commercial obsolescence.

- Defined Benefit Obligation

The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

- Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

- Expected Credit Loss

The provision for expected credit loss involves estimating the probability of default and loss given default based on the past experience and other factors.

Note 3. Cash and Cash Equivalents

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)		
Cash on hand	0.11	0.11
Balance with banks		
- In current accounts	83.95	29.47
Others		-
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	84.06	29.58

Note 3A. Bank Balance other than 3 above:

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Other Bank Balances		
In Earmarked Accounts	16.98	-
Total	16.98	-

Note 4. Receivables

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
(i) Trade receivables		
Receivables considered good - Unsecured*	731.76	650.57
Total (i)- Gross	731.76	650.57
Less: Impairment loss allowance	0.00#	0.00#
Total (i)- Net	731.76	650.57
(ii) Other receivables		
Receivables considered good - Unsecured	3.59	9.89
Total (ii)- Gross	3.59	9.89
Less: Impairment loss allowance	-	-
Total (ii)- Net	3.59	9.89

* Includes Related party transactions (Refer note 33)

Amount less than ₹10,000/-

- No trade or other receivables are due from directors or from other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any directors is a partner, director or a member as at 31st March 2021, 31st March 2020.
- There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2021 and 31st March 2020.
- No trade receivables and other receivables are interest bearing.
- The Company has adopted simplified approach for impairment allowance. Expected Credit Loss ("ECL") has been recognised for credit impaired trade receivables

Note 5. Loans

(₹ in Mn)

Loans	As at March 31, 2021				As at March 31, 2020			
	Amortised cost	At Fair value	Subtotal	Total	Amortised cost	At Fair value	Subtotal	Total
	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	
(A)								
(i) Term loans - ICD*	4.03	-	-	4.03	1,518.56	-	-	1,518.56
(ii) Others - Staff loan	1.36	-	-	1.36	2.68	-	-	2.68
Total (A) -Gross	5.39	-	-	5.39	1,521.24	-	-	1,521.24
Less: Impairment loss allowance	-	-	-	-	-	-	-	-
Total (A) - Net	5.39	-	-	5.39	1,521.24	-	-	1,521.24
(B)								
(iv) Unsecured	5.39	-	-	5.39	1,521.24	-	-	1,521.24
Total (B)-Gross	5.39	-	-	5.39	1,521.24	-	-	1,521.24
(C)								
(I) Loans in India	5.39	-	-	5.39	1,521.24	-	-	1,521.24
Less: Impairment loss allowance	-	-	-	-	-	-	-	-
Total (C) (I)-Net	5.39	-	-	5.39	1,521.24	-	-	1,521.24
(II) Loans outside India	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-	-	-
Total C(I) and C(II)	5.39	-	-	5.39	1,521.24	-	-	1,521.24

* Includes Loan to related parties (Refer Note 33)

Note 6. Investments

Investments	As at March 31, 2021						As at March 31, 2020							
	Amortised cost			At Fair value			Amortised cost			At Fair value				
	Through other comprehensive income	Through profit or loss	Subtotal	Others	Total	Through other comprehensive income	Through profit or loss	Subtotal	Through com-prehensive income	Through profit or loss	Subtotal	Others	Total	
(A)														
Mutual funds	-	38.89	-	38.89	-	38.89	-	38.89	-	28.67	-	28.67	-	28.67
Debt securities	-	610.98	-	610.98	-	610.98	-	610.98	-	-	-	-	-	-
Equity instruments	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50	-	0.50
Alternate investment funds	-	0.15	-	0.15	-	0.15	-	0.15	-	0.14	-	0.14	-	0.14
Total (A)	-	650.52	-	650.52	-	650.52	-	650.52	-	29.31	-	29.31	-	29.31
(B)														
i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	650.52	-	650.52	-	650.52	-	650.52	-	29.31	-	29.31	-	29.31
Total (B)	-	650.52	-	650.52	-	650.52	-	650.52	-	29.31	-	29.31	-	29.31
(C)														
Less: Allowance for impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total- Net (D) = A-C	-	650.52	-	650.52	-	650.52	-	650.52	-	29.31	-	29.31	-	29.31

(₹ in Mn)

Note 6. Investments

(₹ in Mn)

Name of Investment	As at March 31, 2021			As at March 31, 2020		
	Face Value	No. of Units	Total Amount	Face Value	No. of Units	Total Amount
Investment in Mutual Funds include :						
IIFL DYNAMIC BOND FUND DIRECT PLAN - GROWTH	10	563,624.61	9.90	10	563,624.61	9.29
IIFL FOCUSED EQUITY FUND - DIRECT PLAN - GROWTH	10	826,539.44	21.41	10	826,539.44	12.02
IIFL LIQUID FUND - DIRECT PLAN - GROWTH	1,000	4,769.07	7.58	1,000	4,769.07	7.36
ICICI Prudential Overnight Fund Growth						
			38.89			28.67
Investment in Equity Instrument include :						
MF UTILITIES INDIA PRIVATE LIMITED	1.00	500,000.00	0.50	1.00	500,000.00	0.50
			0.50			0.50
Investment in Debt Securities include :						
IIFL WEALTH PRIME LIMITED SR-FEB2027 10 NCD PERPETUAL FVRS5LAC	500,000.00	1,210.00	610.98			
			610.98			
Investment in Alternate investment funds include :						
IIFL INCOME OPPORTUNITIES FUND SERIES SPECIAL SITUATIONS - CARRY	3.9963	1,010.77	0.00	3.9963	1,010.77	0.01
IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 2 - CARRY	6.0634	1,116.00	0.01	6.0634	1,191.00	0.01
IIFL REAL ESTATE FUND (DOMESTIC) - SERIES 4 - CARRY	9.1267	1,375.00	0.01	9.1267	1,500.00	0.01
IIFL SEED VENTURES FUND 1 - CARRY	9.7492	1,500.00	0.01	9.7492	1,500.00	0.01
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 1 - CARRY	9.1727	1,500.00	0.01	9.1727	1,500.00	0.01
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2 - CARRY	9.2481	1,500.00	0.01	9.2481	1,500.00	0.01
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3 - CARRY	9.4449	1,500.00	0.01	9.4449	1,500.00	0.01
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4 - CARRY	10	1,500.00	0.01	10	1,500.00	0.02
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5 - CARRY	10	1,500.00	0.01	10	1,500.00	0.02
IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7 - CARRY	10	1,500.00	0.02	10	1,500.00	0.02
IIFL YIELD ENHANCER FUND - CARRY	2.2369	1,375.00	0.00#	2.2369	1,500.00	0.00
INDIA HOUSING FUND - CARRY	9.9152	1,500.00	0.01	9.9152	1,500.00	0.01
IIFL SEED VENTURE FUND - KOGTA CO-INVESTMENT	10	2,500.00	0.03	-	-	-
			0.15			0.14
Total			650.52			29.31

Note 7. Other financial assets

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Other deposits	0.04	0.04
Advances to Group/Holding company (Refer Note 33)	1.81	0.06
Total	1.85	0.10

Note 8. Deferred Taxes

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2021 are as follows:

	(₹ in Mn)						
	Opening balance as at Apr 1, 2020	Addition on acquisition/ merger	Recognised in profit or loss*	Foreign exchange difference	MAT credit utilised/ Created	Recognised in/ reclassified from OCI	Closing balance as at Mar 31, 2021
Deferred tax assets:							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.92	-	0.36			-	1.28
Impairment of Assets	0.00#	-	0.00#				0.00#
Retirement benefits for employees	5.53	-	0.69			(0.43)	5.79
Impact of Lease Accounting (IndAS 116)	0.02	-	0.03	-	-	-	0.05
Provision for expenses	0.89	-	(0.89)	-	-	-	(0.00)
Total deferred tax assets (A)	7.36	-	0.18	-	-	(0.43)	7.12
Offsetting of deferred tax (assets) with deferred tax liabilities	-	-	-	-	-	-	(2.63)
Net Deferred tax (assets)	7.36						4.49
Deferred tax liabilities:							
Property, plant and equipment	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Unrealised profit on investments etc.	1.30	-	1.32	-	-	-	2.63
Intangible assets		-		-	-	-	-
Retirement benefits for employees	-	-	-	-	-	-	-
Undistributed earnings in joint operations	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total deferred tax liabilities (B)	1.30	-	1.32	-	-	-	2.63
Offsetting of deferred tax liabilities with deferred tax (assets)	-						(2.63)
Net Deferred tax liabilities	-	-	-	-	-	-	(0.00)
Deferred tax assets (A - B)	6.06	-	(1.14)	-	-	(0.43)	4.49

Note 8. Deferred Taxes (Contd....)

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in income tax expense for the year ended March 31, 2020 are as follows:

	(₹ in Mn)						
	Opening balance as at Apr 1, 2019	Addition on acquisition/ merger	Recognised in profit or loss*	Foreign exchange difference	MAT credit utilised/ Created	Recognised in/ reclassified from OCI	Closing balance as at Mar 31, 2020
Deferred tax assets:							
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.50	-	0.42			-	0.92
Impairment of Assets	-	-	0.00#				0.00#
Retirement benefits for employees	5.12	-	(0.61)			1.02	5.53
Impact of Lease Accounting (IndAS 116)	-	-	0.02	-	-	-	0.02
Provision for expenses	-	-	0.89	-	-	-	0.89
Total deferred tax assets (A)	5.62	-	0.72	-	-	1.02	7.36
Offsetting of deferred tax (assets) with deferred tax liabilities		-	-	-	-	-	-
Net Deferred tax (assets)	5.62						7.36
Deferred tax liabilities:							
Unrealised profit on investments etc.	2.15	-	(0.85)	-	-	-	1.30
Total deferred tax liabilities (B)	2.15	-	(0.85)	-	-	-	1.30
Deferred tax assets (A - B)	3.47	-	1.57	-	-	1.02	6.06

Amount less than ₹10,000/-

* Includes impact of ₹0.10/- mn in Statement of Profit and Loss due to change in income tax rates during the year ended March 31, 2020. Refer note below.

The Government of India vide Ordinance No. 15 of 2019 dated September 20, 2019 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate. Due to reduced tax rate, the Company has re-measured its Deferred Tax Assets and Liabilities as at April 1, 2019 and the impact of this change has been fully recognised in the Statement of Profit and Loss Account under "Tax expense" for the year ended March 31, 2020

Note 9. Property Plant and Equipment

	(₹ in Mn)			
Particulars	Furniture Fixture	Office Equipment	Computers	Total
Gross Carrying value as on April 01, 2020	0.01	0.19	0.12	0.32
Additions	-		0.04	0.04
Additions related to acquisitions	-	-	-	-
As at March 31, 2021	0.01	0.19	0.16	0.36
Depreciation				
Upto April 01, 2020				
Op. Dep.	0.01	0.18	0.08	0.27
Depreciation for the year			0.02	0.02
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2021	0.01	0.18	0.10	0.29
Net Block as at March 31, 2021	-	0.01	0.06	0.07

Note 9. Property Plant and Equipment (Contd...)

Previous year 2019-20

Particulars	(₹ in Mn)			
	Furniture Fixture	Office Equipment	Computers	Total
Gross Carrying value as on April 01, 2019	0.01	0.17	0.09	0.27
Additions	-	0.02	0.03	0.05
Additions related to acquisitions	-	-	-	-
As at March 31, 2020	0.01	0.19	0.12	0.32
Depreciation	-	-	-	-
Upto April 01, 2019	-	-	-	-
Op. Dep.	0.01	0.12	0.06	0.19
Depreciation for the year	-	0.06	0.02	0.08
Deductions/Adjustments during the year	-	-	-	-
Upto March 31, 2020	0.01	0.18	0.08	0.27
Net Block as at March 31, 2020	-	0.01	0.04	0.05

Note 10. Capital Work-in-Progress:

Particulars	(₹ in Mn)
	As at March 31, 2021
As at April 01, 2020	-
Additions	-
Deductions	-
As at Mar 31, 2021	-
Particulars	(₹ in Mn)
	As at March 31, 2020
As at April 01, 2019	6.32
Additions	-
Deductions	6.32
As at Mar 31, 2020	-

Note 11. Other Intangible Assets

Particulars	(₹ in Mn)
	As at March 31, 2020
Software/Intangible assets (acquired)	
Gross Carrying value as on April 01, 2020	22.20
Additions	1.91
Deductions / adjustments during the year	-
As at Mar 31, 2021	24.11
Amortisation	
Upto April 01, 2020	
Op. Dep.	15.88
Amortisation for the year	5.31
Deductions / adjustments during the year	-
Upto Mar 31, 2021	21.19
Net Block as at Mar 31, 2021	2.92

Note 11. Other Intangible Assets (Contd...)

Previous year 2019-20

Particulars	(₹ in Mn)
	As at March 31, 2020
Software/Intangible assets (acquired)	
Gross Carrying value as on April 01, 2019	19.40
Additions	3.35
Deductions / adjustments during the year	0.55
As at Mar 31, 2020	22.20
Amortisation	
Upto April 01, 2019	
Op. Dep.	8.89
Amortisation for the year	6.99
Deductions / adjustments during the year	-
Upto Mar 31, 2020	15.88
Net Block as at Mar 31, 2020	6.32

Note 12. Disclosure Pursuant to Ind AS 116 “Leases”

Change in Accounting Policy

The Company has adopted Ind AS 116 – “Leases” with effect from April 01, 2019 and applied the standard to its leases retrospectively. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 amounting to ₹ 1.73 Mn has been recognized and “Right to use assets” has been recognized at an amount equal to the “Lease liability” as at that date.

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2021:

Particulars	(₹ in Mn)		
	Premises	Vehicles	Total
Balance as at 01 April, 2020	-	1.58	1.58
Additions during the year	6.10	-	6.10
Depreciation charge for the year	(0.57)	(0.62)	(1.19)
Deletions during the year	-	-	-
Balance as at March 31, 2021	5.53	0.96	6.49

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

Particulars	(₹ in Mn)		
	Premises	Vehicles	Total
Balance as at 01 April, 2020	-	1.73	1.73
Additions during the year	-	0.77	0.77
Depreciation charge for the year	-	(0.63)	-0.63
Deletions during the year	-	(0.29)	-0.29
Balance as at March 31, 2021	-	1.59	1.59

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	(₹ in Mn)		
	Premises	Vehicles	Total
Balance as at 01 April, 2020	-	1.67	1.67
Additions	6.10	-	6.10
Deletion	-	-	-
Finance cost accrued during the period	0.13	0.13	0.26
Payment of lease liabilities	(0.60)	(0.72)	(1.32)
Balance as at March 31, 2021	5.63	1.08	6.71

Note 12. Disclosure Pursuant to Ind AS 116 “Leases” (Contd...)

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	(₹ in Mn)		
	Premises	Vehicles	Total
Balance as at 01 April, 2019	-	1.73	1.73
Additions	-	0.77	0.77
Deletion	-	(0.29)	(0.29)
Finance cost accrued during the period	-	0.18	0.18
Payment of lease liabilities	-	(0.72)	(0.72)
Balance as at March 31, 2020	-	1.67	1.67

Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2021:

Particulars	(₹ in Mn)		
	As at March 31, 2021		
	Premises	Vehicles	Total
Current lease liabilities	2.12	0.65	2.77
Non-current lease liabilities	3.50	0.43	3.93
Total	5.62	1.08	6.70

Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020:

Particulars	(₹ in Mn)		
	As at March 31, 2020		
	Premises	Vehicles	Total
Current lease liabilities	-	0.60	0.60
Non-current lease liabilities	-	1.07	1.07
Total	-	1.67	1.67

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2021		As at March 31, 2020	
	Premises	Vehicles	Premises	Vehicles
	Less than one year	2.50	0.72	-
One to five years	3.74	0.44	-	1.16
More than five years	-	-	-	-
Total undiscounted lease liabilities	6.24	1.16	-	1.88
Lease liabilities included in the statement of financial position	5.62	1.08	-	1.67

Amounts recognised in profit or loss

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
Interest on lease liabilities	0.25	0.18
Expenses relating to short-term leases	29.72	28.56
Depreciation relating to leases	1.19	0.63
Total	31.16	29.36

Amounts recognised in the statement of cash flows

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	1.32	0.72

Note 13. Other Non Financial Assets

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Prepaid expenses - Unsecured	627.27	642.94
Advances recoverable in cash or in kind or for value to be received - Unsecured	1.06	4.34
Employee Advance against expenses	-	-
Others	13.33	3.07
Total	641.66	650.35

Note 14. Payables

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 14.1)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for expenses	57.10	32.16
- Accrued salaries and benefits	0.59	0.30
- Provision for expenses	204.17	249.44
Total	261.86	281.90

14.1. Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2016 (MSMED) on the basis of confirmations sought from suppliers on registration with the specified authority under MSMED:

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) 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 Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) 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 Act	-	-

Note 15. Other Financial Liabilities

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Payable to holding co / group companies (Refer Note 33)	54.33	99.98
Security deposit	0.25	0.25
Total	54.58	100.23

Note 16. Provisions:

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity (Refer Note 25.1)	22.99	22.01
Total	22.99	22.01

Note 17. Other Non Financial Liabilities:

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Statutory remittances	137.22	30.68
Total	137.22	30.68

Note 18. 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, 2021		As at March 31, 2020	
Equity Shares of ₹ 10 each	32,500,000	325.00	32,500,000	325.00
Issued, Subscribed and Paid Up:	32,100,000	321.00	32,100,000	321.00
Equity Shares of ₹ 10 each fully paid				
Less:				-
Total	32,100,000	321.00	32,100,000	321.00

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	32,100,000	321.00	32,100,000	321.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	32,100,000	321.00	32,100,000	321.00

- (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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (d) Details of shares held by Holding Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	32,100,000	100%	32,100,000	100%

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	32,100,000	100%	32,100,000	100%

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

Note 19. Other Equity:

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Securities premium	204.00	204.00
(b) Others (specify nature)		
Retained earnings	1,000.95	1,934.18
Total	1,204.95	2,138.18

Note 20. Dividend & Distribution income on investments

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
Distribution income on investments	0.00#	0.00#
Total	0.00#	0.00#

Amount less than ₹10,000/-

Note 21. Fee and Commission Income

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
Management fees from Mutual fund	95.22	54.55
Management fees from AIF and VCF	1,554.72	1,299.59
Management fees from clients	842.03	487.54
Advisory Fees (Refer Note 33)	32.55	8.64
Total	2,524.52	1,850.32

Note 22. Other Income

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
Interest income	132.36	138.92
Fair value changes of investments:		
- Realised	16.48	19.94
- Unrealised	10.43	(1.04)
Profit on sale of Assets	-	0.00#
Total	159.27	157.82

Amount less than ₹10,000/-

Note 23. Finance Cost

Particulars	(₹ in Mn)					
	FY 2020-21			FY 2019-20		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings (Refer note 33)	-	4.55	4.55	-	5.06	5.06
Other interest expense	-	0.25	0.25	-	0.17	0.17
Total	-	4.80	4.80	-	5.23	5.23

Note 24. Impairment On Financial Instruments

(₹ in Mn)

Particulars	FY 2020-21		FY 2019-20	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Trade Receivables	-	0.00#	-	0.00#
Total	-	0.00#	-	0.00#

Amount less than ₹10,000/-

Note 25. Employee Benefit Expenses (Refer Note 33)

(₹ in Mn)

Particulars	FY 2020-21	FY 2019-20
Salaries and wages	388.54	409.98
Contribution to provident and other funds (Refer Note 25.2)	11.42	12.72
Share based payments to employees	235.31	110.33
Staff welfare expenses	4.48	8.38
Gratuity expense (Refer Note 25.1)	5.18	4.59
Total	644.93	546.00

25.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19)

Particulars	For The Period 01/04/2020 - 31/03/2021	For The Period 01/04/2019 - 31/03/2020
Type of benefit	Gratuity	Gratuity
Country	India	India
Reporting currency	INR	INR
Reporting standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding status	Unfunded	Unfunded
Starting period	01-04-2020	01-04-2019
Date of reporting	31-03-2021	31-03-2020
Period of reporting	12 Months	12 Months
Assumptions		
Expected return on plan assets	N.A.	N.A.
Rate of discounting	6.57%	6.04%
Rate of salary increase	7.50%	7.50%
Rate of employee turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

25.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) (Contd...)

Particulars	For The Period 01/04/2020 - 31/03/2021	For The Period 01/04/2019 - 31/03/2020
Table showing change in the present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the period	22.01	17.58
Interest cost	1.33	1.34
Current service cost	3.85	3.25
Liability transferred in/ acquisitions	2.71	2.04
(Liability transferred out/ divestments)	(1.60)	(3.40)
(Benefit paid directly by the employer)	(3.61)	(2.87)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.01)	2.76
Actuarial (gains)/losses on obligations - due to experience	(0.69)	1.31
Present value of benefit obligation at the end of the period	22.99	22.01
Amount recognized in the balance sheet		
(Present value of benefit obligation at the end of the period)	(22.99)	(22.01)
Fair value of plan assets at the end of the period	-	-
Funded status (surplus/ (deficit))	(22.99)	(22.01)
Net (liability)/asset recognized in the balance sheet	(22.99)	(22.01)
Net interest cost for current period		
Present value of benefit obligation at the beginning of the period	22.01	17.58
(fair value of plan assets at the beginning of the period)	-	-
Net liability/(asset) at the beginning	22.01	17.58
Interest cost	1.33	1.34
(Interest income)	-	-
Net interest cost for current period	1.33	1.34
Expenses recognized in the statement of profit or loss for current period		
Current service cost	3.85	3.25
Net interest cost	1.33	1.34
Expenses recognized	5.18	4.59
Expenses recognized in the other comprehensive income (OCI) for current period		
Actuarial (gains)/losses on obligation for the period	(1.70)	4.07
Return on plan assets, excluding interest income		
Net (income)/expense for the period recognized in oci	(1.70)	4.07
Balance sheet reconciliation		
Opening net liability	22.01	17.58
Expenses recognized in statement of profit or loss	5.18	4.59
Expenses recognized in oci	(1.70)	4.07
Net liability/(asset) transfer in	2.70	2.06
Net (liability)/asset transfer out	(1.59)	(3.42)
(Benefit paid directly by the employer)	(3.61)	(2.87)
Net liability/(asset) recognized in the balance sheet	22.99	22.01
Other details		
No of active members	117.00	113
Per month salary for active members	11.40	10.44

25.1. Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) (Contd...)

Particulars	For The Period 01/04/2020 - 31/03/2021	For The Period 01/04/2019 - 31/03/2020
Weighted average duration of pbo	10.00	10
Average expected fs	8.00	9
Projected benefit obligation (pbo)	22.99	22.01
Prescribed contribution for next year (12 months)		-
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	22.99	22.01
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	22.99	22.01
Interest Cost	1.51	1.33
(Interest Income)	-	-
Net Interest Cost for Next Year	1.51	1.33
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	3.82	3.85
Net Interest Cost	1.51	1.33
(Expected Contributions by the Employees)		-
Expenses Recognized	5.33	5.18
Maturity analysis of the benefit payments		
1st following year	1.42	1.41
2nd following year	1.58	1.32
3rd following year	1.84	1.53
4th following year	1.86	1.69
5th following year	3.12	1.69
Sum of years 6 to 10	8.55	8.43
Sum of years 11 and above	25.34	25.56
Sensitivity analysis		
PBO on current assumptions	22.99	22.01
Delta effect of +1% change in rate of discounting	(1.72)	(1.80)
Delta effect of -1% change in rate of discounting	1.97	2.09
Delta effect of +1% change in rate of salary increase	1.18	1.28
Delta effect of -1% change in rate of salary increase	(1.18)	(1.29)
Delta effect of +1% change in rate of employee turnover	(0.02)	(0.12)
Delta effect of -1% change in rate of employee turnover	0.01	0.11

The above mentioned plans are valued by independent actuaries using the projected unit credit method.

25.2 Defined Contribution Plans:

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

Particulars	FY 2020-21	FY 2019-20
Contribution to provident fund	11.42	12.72
Contribution to ESIC	-	-
Contribution to labour welfare fund	0.00#	0.00#
Total	11.42	12.72

Amount less than ₹10,000/-

The Company contributes to recognised provident fund for qualifying employees. Under the scheme, the Company is required to contribute specified percentage of payroll costs to fund the benefits.

Note 26. Other Expenses:

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
Operations and Fund Management expenses	132.05	18.91
Rent and energy cost (Refer note 33)	32.97	33.68
Insurance	1.18	1.01
Repairs & Maintenance	0.17	0.24
Marketing, Advertisement and Business promotion expenses	48.00	28.10
Travelling & Conveyance	3.20	16.98
Legal & professional fees	96.38	22.01
Communication	2.83	3.30
Software Charges / Technology Cost*	20.89	29.55
Office & Other Expenses	51.12	46.07
Directors' fees and commission (Refer note 33)	3.34	3.31
Remuneration to Auditors :		
Audit Fees	0.90	0.90
Corporate Social Responsibility Expenses & Donation (Refer Note 31)	12.41	8.51
Total	405.44	212.57

* includes write off of ₹ Nil (FY 2020-21) and ₹6.32 Mn (FY 2019-20)

Note 27. Income taxes

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/ (income)

Sr. No.	Particulars	(₹ in Mn)	
		FY 2020-21	FY 2019-20
(a)	Profit and Loss section:		
	(i) Current Income tax :		
	Current income tax expense	278.57	203.95
	Effect of previously unrecognised tax losses and tax offsets used during the current year	-	-
	Tax expense in respect of earlier years	3.24	1.39
		281.81	205.34
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	1.14	(1.47)
	Effect on deferred tax balances due to the change in income tax rate		(0.10)
		1.14	(1.57)
	Income tax expense reported in the statement of profit or loss [(i)+(ii)]	282.95	203.77
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):		
	On re-measurement of defined benefit plans	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	0.43	1.02
		0.43	1.02
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	0.43	1.02

Note 27. Income taxes (Contd...)

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

		(₹ in Mn)	
Sr. No.	Particulars	FY 2020-21	FY 2019-20
(a)	Profit/(loss) before tax	1,097.90	802.32
(b)	Income tax expense at tax rate applicable to the company	276.32	201.93
(c)	(i) Tax on income subject to lower tax rate		
	(A) Gains on investments (including fair valuation)	(1.80)	(0.87)
(d)	(ii) Tax on Income exempt from Tax		
	(A) Income from Investments (Including tax suffered income on investment in AIF)	(0.00)	(0.00)
	(iii) Tax on expense not tax deductible		
	(B) Expenses not allowable as tax deductible as per tax laws	5.47	1.07
	(iv) Effect on deferred tax due to change in Income tax		(0.10)
	(v) Tax expense in respect of earlier years	3.24	1.39
	(vi) Tax effect on various other items	(0.28)	0.35
	Total effect of tax adjustments [(i) to (xii)]	6.63	1.84
(e)	Tax expense recognised during the year	282.95	203.77
	Effective tax rate	25.77%	25.40%

Note 28. Earnings Per Share:

Basic and diluted earnings per share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

		(₹ in Mn)	
Particulars		FY 2020-21	FY 2019-20
Face value of equity shares in ₹fully paid up		10.00	10.00
BASIC			
Profit after tax as per Statement of Profit and Loss	A	814.95	598.56
Weighted average number of shares subscribed	B	32.10	32.10
Face value of equity shares (in ₹) fully paid		10.00	10.00
Basic EPS (₹)	A/B	25.39	18.65
DILUTED			
Profit after tax as per Statement of Profit and Loss	A	814.95	598.56
Weighted number of shares subscribed	B	32.10	32.10
Add: Potential equity shares on account of conversion of employee stock option	C		-
Weighted average number of shares outstanding	D=B+C	32.10	32.10
Diluted EPS (₹)	A/D	25.39	18.65

Note 29. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company's principal financial liabilities comprise trade and other payables and other financial liabilities. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, loans, investments and other financial assets that derive directly from its operations and Investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company senior management oversees the management of these risks. The Company senior management is overseen by the audit committee with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

29A.1. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk assessment on various components is described below:

1) Trade and other receivables

The Company's trade receivables primarily include receivables from mutual funds, alternative Investment funds, customers under Portfolio Management scheme and Advisory services arrangements. The Company has made lifetime expected credit loss provision based on provision matrix which takes into account historical experience in collection and credit losses.

Movement in the Expected Credit Loss/ Impairment Loss allowance with regards to trade receivables is as follows :

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Balance at the beginning of the year	0.00#	-
Movement in expected credit loss allowances on trade receivable	0.00#	0.00#
Balance at the end of the year	0.00#	0.00#

Amount less than ₹10,000/-

2) Others

In addition to the above, balances and deposits with banks, loans, investments in Alternate Investment Funds and in units of funds and other financial assets also have exposure to credit risk.

Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

The credit risk in respect of Investments in Alternate Investment Funds and in units of funds classified as Fair Value through Profit or Loss is priced in the fair value of the respective instruments.

Credit risk on loans is considered insignificant considering the loan is given to group companies.

Credit Risk on Other Financial assets is considered insignificant considering the nature of such assets and absence of counterparty risk.

29B. Liquidity Risk

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities.

The following table shows the maturity profile of Financial liabilities:

Financial liabilities	As at March 31, 2021				
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years
Derivative financial instruments	-	-	-	-	-
Trade Payables	261.86	0.17	261.27	0.42	-
Debt Securities	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	54.58	0.08	54.33	-	0.18
Total	316.44	0.25	315.60	0.42	0.18

(₹ in Mn)

29B. Liquidity Risk (Contd...)

(₹ in Mn)

Financial liabilities	As at March 31, 2020				
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years
Derivative financial instruments	-				
Trade Payables	281.90	0.30	278.85	2.75	-
Debt Securities	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-
Other financial liabilities	100.23	-	100.05	-	0.18
Total	382.13	0.30	378.90	2.75	0.18

For Finance Lease Obligation maturity refer note no. 12

29C. Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in futures cash flows that may result from a change in the price of a financial instrument.

The Company manages market risk through a treasury department, which evaluate and exercises control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit/ Investment committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limit and policies.

29C.1 Currency Risk

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. However the company does have some exposure to foreign currencies through its business operations or by maintaining cash balance and Fixed deposits in currencies other than reporting/functional currencies.

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2020-2021 are as below:

(₹ in Mn)

Particulars	USD	HKD	AED	CAD	SGD	OMR
Cash and cash equivalents	0.00	0.01	0.00	0.01	-	0.08
Trade receivables	49.55	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-

The carrying amount of Financial assets and liabilities subject to foreign exchange risk for FY 2019-2020 are as below:

(₹ in Mn)

Particulars	USD	HKD	AED	CAD	SGD	OMR
Cash and cash equivalents	0.00	0.01	0.00	0.01	-	0.09
Trade receivables	21.84	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Trade payables	1.44	-	-	-	-	-

29C.1 Currency Risk (Contd...)

Below is the sensitivity analysis for the year considering 1% appreciation/(depreciation):

Particulars	(₹ in Mn)	
	2020-21	2019-20
Increase		
Impact on Profit and Loss after tax	0.37	0.18
Impact on Equity	0.37	0.18
Decrease		
Impact on Profit and Loss after tax	(0.37)	(0.18)
Impact on Equity	(0.37)	(0.18)

29C.2 Interest rate risk

The Company has measured interest rate risk sensitivity on financial assets and liabilities on financial instruments accounted for on amortised cost basis. Since all loans and borrowings are fixed rate there is no interest rate sensitivity

29C.3. Other Price Risk (including Equity Linked Investments)

Other price risk is related to the change in market reference price of the investments which are fair valued and exposes the Company to price risks.

The carrying amount of financial assets and liabilities subject to price risk is as below:

Particulars	(₹ in Mn)	
	As at March 31, 2021	As at March 31, 2020
Financial Assets		
Investments	650.52	29.31
	650.52	29.31
Financial Liabilities		
Derivative financial instruments	-	-
Debt securities	-	-
	-	-

Sensitivity to change in prices of the above assets and liabilities are measured on the following parameters

Investments in AIFs / MFs /Equity and others	1% change in the NAV/ Price
Investments in Debt securities are linked to underlying interest/price movements in the interest bearing securities	0.25% change in yield over duration of the instruments considering PV(0,1) as a measure of change in value

Below is the sensitivity analysis for the year :

Particulars	(₹ in Mn)	
	FY 2020-21	FY 2019-20
Increase		
Impact on Profit and Loss after tax	(4.52)	0.22
Impact on Equity	(4.52)	0.22
Decrease		
Impact on Profit and Loss after tax	4.52	(0.22)
Impact on Equity	4.52	(0.22)

29D.Capital Management

The Company's capital management is intended to create value for shareholders. The assessment of Capital level and requirements are assessed having regard to long-and short term strategies of the Company and regulatory capital requirements of its businesses and constituent entities.

29E. Category Wise Classification for applicable Financial Assets and Liabilities

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2021			Total
		Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
Financial Assets					
(a)	Cash and cash equivalents	84.06	-	-	84.06
(b)	Bank balance other than (a) above	16.98	-	-	16.98
(c)	Derivative financial instruments	-	-	-	-
(d)	Receivables				-
	(I) Trade receivables	731.76	-	-	731.76
	(II) Other receivables	3.59	-	-	3.59
(e)	Loans	5.39	-	-	5.39
(f)	Investments	-	650.52	-	650.52
(g)	Other financial assets	1.85	-	-	1.85
	Total	843.63	650.52	-	1,494.15
Financial Liabilities					
(a)	Derivative financial instruments	-	-	-	-
(b)	Payables				-
	(I) Trade payables				-
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	261.86	-	-	261.86
(c)	Debt securities	-	-	-	-
(d)	Borrowings (other than debt securities)	-	-	-	-
(e)	Financial Lease Obligation	6.71	-	-	6.71
(f)	Other financial liabilities	54.58	-	-	54.58
	Total	323.14	-	-	323.14

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2020			Total
		Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
Financial Assets					
(a)	Cash and cash equivalents	29.58	-	-	29.58
(b)	Bank balance other than (a) above	-	-	-	-
(c)	Derivative financial instruments	-	-	-	-
(d)	Receivables				-
	(I) Trade receivables	650.57	-	-	650.57
	(II) Other receivables	9.89	-	-	9.89
(e)	Loans	1,521.24	-	-	1,521.24
(f)	Investments	-	29.31	-	29.31
(g)	Other financial assets	0.10	-	-	0.10
	Total	2,211.38	29.31	-	2,240.69

29E. Category Wise Classification for applicable Financial Assets and Liabilities (Contd...)

(₹ in Mn)

Sr No.	Particulars	As at 31st March 2020			Total
		Measure at amorised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive income (OCI)	
Financial Liabilities					
(a)	Derivative financial instruments	-	-	-	-
(b)	Payables				-
(l)	Trade payables				-
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	281.90	-	-	281.90
(c)	Debt securities	-	-	-	-
(d)	Borrowings (other than debt securities)	-	-	-	-
(e)	Financial Lease Obligation	1.67	-	-	1.67
(f)	Other financial liabilities	100.23	-	-	100.23
	Total	383.79	-	-	383.79

29E.1. Fair values of financial instruments

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This include NAVs of the schemes of mutual funds.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company uses widely recognised valuation methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps.

29E. 1a. Financial instruments measured at fair value – Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

(₹ in Mn)				
Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Mutual funds	38.89	-	-	38.89
Investment in NCD		610.98	-	610.98
Investments in Equity Shares #	-	-	0.50	0.50
Investments in Alternate Investment Funds *	-	-	0.15	0.15
Total Assets	38.89	610.98	0.65	650.52

(₹ in Mn)				
Financial instruments measured at fair value	Recurring fair value measurements at 31.03.2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Mutual funds	28.67	-	-	28.67
Investments in Equity Shares #	-	-	0.50	0.50
Investments in Alternate Investment Funds *	-	-	0.14	0.14
Total Assets	28.67	-	0.64	29.31

The fair values are determined basis the independent third party valuations.

* The fair values of these investments are determined basis the NAV published by the funds.

Reconciliation of Level 3 fair value measurements

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Opening Balance	0.64	0.79
Total gains or losses		
- in profit or loss	(0.00)	
MTM Gain / (Loss)		0.00
Purchases	0.01	
Disposal/ Settlements	(0.00)	(0.15)
Transfer out of Level 3		
Closing Balance	0.65	0.64

29E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Mn)				
	As at 31st March 2021		As at 31st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	84.06	84.06	29.58	29.58
Bank balance other than above	16.98	16.98	-	-

29E. 1b Fair value of financial assets and financial liabilities measured at amortised cost (Contd...)

	(₹ in Mn)			
	As at 31st March 2021		As at 31st March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Receivables				
(I) Trade receivables	731.76	731.76	650.57	650.57
(II) Other receivables	3.59	3.59	9.89	9.89
Loans	5.39	5.39	1,521.24	1,521.24
Other financial assets	1.85	1.85	0.10	0.10
Financial Liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	261.86	261.86	281.90	281.90
Debt securities	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-
Financial Lease Obligation	6.71	6.71	1.67	1.67
Other financial liabilities	54.58	54.58	100.23	100.23

Financial assets measured at amortised cost:

The carrying amounts of cash and cash equivalents and other bank balances, trade and other receivables, loans and other financial assets are considered to be the same as their fair values.

Financial liabilities measured at amortised cost:

The carrying amounts of trade payables, other financial liabilities and lease liabilities are considered to be the same as their fair values.

Note 30. The Company 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/recoverable 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 31. Corporate Social Responsibility

During the year, the Company has spent its entire liability ₹12.41 Mn as required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company is committed to supporting development of the country by contributing in achieving 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 education, community awareness, sports, environmental sustainability, and health. Refer note 33 on Related Party Disclosure

Note 32. Segment Reporting

In the opinion of the management, there is only one reportable business segment - Asset Management business as envisaged by Ind AS 108 'Operating Segments', 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 segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 33. Related Party Disclosures:

Related party disclosures for the year ended 31st March, 2021

a) List of Related Parties:

Nature of relationship	Name of party
Director/ Key Managerial Personnel	Ms. Homai Daruwalla, Independent Director (resigned w.e.f. March 21, 2020)
	Mr. Pranab Pattanayak, Independent Director (resigned w.e.f. March 21, 2020)
	Mr. Venkataraman Rajamani
	Mr. Kumar Sharadindu (appointed w.e.f. January 22, 2020)
	Ms. Smita Aggarwal (appointed w.e.f. March 11, 2020)
	Mr. Anup Maheshwari (Resigned as Joint Chief Executive Officer w.e.f. March 19, 2021)
	Mr. Ravi Sethurathnam - Independent Non-Executive Director(Appointed w.e.f. February 25, 2021)
	Mr. Prashasta Seth, Chief Executive Officer (Resigned with effect from December 31, 2020)
	Mr. Manoj Shenoy, Whole Time Director (Appointed w.e.f. March 22,2021), Chief Executive Officer (Appointed w.e.f.February 02, 2021)
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Trustee Limited
	IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited)
	IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)
	IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited)
	IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019)
	IIFL Wealth Employee Welfare benefit Trust (w.e.f August 01, 2018)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL Inc.
	IIFL Private Wealth Hong Kong Limited *
	IIFL Asset Management (Mauritius) Limited (Formerly Known as IIFL Private Wealth (Mauritius) Ltd)
	IIFL (Asia) Pte. Limited
	IIFL Capital Pte. Limited
	IIFL Securities Pte. Limited
	IIFL Capital (Canada) Limited
	IIFLW CSR Foundation (w.e.f Jan 20, 2020)
	IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)**
Other Related Parties	IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)

Note 33. Related Party Disclosures: (Contd...)

Nature of relationship	Name of party
	IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	IIFL Securities Services IFSC Limited
	IIFL Corporate Services Limited (Formerly known as IIFL Asset Reconstruction Limited)
	IIFL Home Finance Limited
	Samasta Microfinance Limited (w.e.f March 01, 2017)
	Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)
	Shreyans Foundation LLP
	FIH Mauritius Investment Limited
	India Infoline Foundation
	5paise Capital Limited
	5paise P2P Limited
	5paise Insurance Brokers Limited
	5paise Trading Limited
	General Atlantic Singapore Fund Pte Limited
	Mr. Karan Bhagat
	Mrs. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Mr. Varun Bhagat (Brother of Mr. Karan Bhagat)
	Kush Family Private Trust
	Kyra Family Private Trust
	Kyrush Investments
	Bhagat Family Private Trust
	Kyrush Family Private Trust
	Kyrush Trading & Investments Private Limited (Formerly known as Kyrush Realty Private Limited)
	Mr. Yatin Shah
	Mrs. Ami Yatin Shah (Spouse of Mr. Yatin Shah)
	Mr. Prakashchandra Shah (Father of Mr. Yatin Shah)
	Yatin Prakash Shah HUF
	Yatin Investments
	Naykia Realty Private Limited
	Naykia Family Private Trust
	Prakash Shah Family Private Trust
	Naysa Shah Family Private Trust
	Kiaan Shah Family Private Trust
	India Alternatives Investment Advisors Private Limited resigned w.e.f 31.05.2020
	Financial advisors (India)Private Limited
	CDE Real Estate Private Limited Resigned w.e.f January 19, 2021
	Mr. Nirmal Jain
	Mrs. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Ardent Impex Private Limited

Note 33. Related Party Disclosures: (Contd...)

Nature of relationship	Name of party
	Orpheous Trading Private Limited
	Sunder Bhawar Ventures Private Limited
	Nirmal Madhu Family Private Trust
	MNJ Consultants Private Limited
	Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)
	Kalki Family Private Trust

*IIFL Private Wealth (Hongkong) Limited has completed voluntary liquidation

**IIFL Wealth Capital Markets Limited is now Wholly Owned Subsidiary of IIFL Wealth Finance Limited with effect from April 24, 2020.

b) Significant Transactions with Related Parties

Nature of Transaction	Director/ Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	(₹ in Mn)
					Total
Purchase of Investments					
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	310.04	-	310.04
	-	-	-	-	-
Sale of Investments					
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	302.46	-	302.46
	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	224.24	-	224.24
	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	-	95.90	-	95.90
	-	-	-	-	-
Dividend Paid					
IIFL Wealth Mangement Limited	-	1,749.45	-	-	1,749.45
	-	-	-	-	-
ICD Given					
IIFL Wealth Mangement Limited	-	9,210.00	-	-	9,210.00
	-	(7,354.30)	-	-	(7,354.30)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	3,920.00	-	3,920.00
	-	-	(2,027.10)	-	(2,027.10)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	2,790.00	-	2,790.00
	-	-	(540.00)	-	(540.00)
IIFL Investment Adviser & Trustee Services Limited	-	-	510.00	-	510.00
	-	-	-	-	-
ICD Received back					
IIFL Wealth Mangement Limited	-	10,710.00	-	-	10,710.00
	-	(7,240.50)	-	-	(7,240.50)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	3,920.00	-	3,920.00
	-	-	(2,027.10)	-	(2,027.10)

Note 33. Related Party Disclosures: (Contd...)

Nature of Transaction	Director/ Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	(₹ in Mn)
					Total
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	2,790.00	-	2,790.00
	-	-	(540.00)	-	(540.00)
IIFL Investment Adviser & Trustee Services Limited	-	-	510.00	-	510.00
	-	-	-	-	-
ICD Taken					-
IIFL Wealth Mangement Limited	-	2,557.00	-	-	2,557.00
	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	1,820.00	-	1,820.00
	-	-	(3,567.20)	-	(3,567.20)
ICD Repaid					-
IIFL Wealth Mangement Limited	-	2,557.00	-	-	2,557.00
	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	1,820.00	-	1,820.00
	-	-	(3,567.20)	-	(3,567.20)
Interest Income					
IIFL Wealth Management Limited	-	77.83	-	-	77.83
	-	(132.76)	-	-	(132.76)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	5.80	-	5.80
	-	-	(2.60)	-	(2.60)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	1.90	-	1.90
	-	-	(0.03)	-	(0.03)
IIFL Investment Adviser & Trustee Services Limited	-	-	0.88	-	0.88
	-	-	-	-	-
Interest Expenses					
IIFL Wealth Management Limited	-	4.20	-	-	4.20
	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	0.35	-	0.35
	-	-	(5.06)	-	(5.06)
Fees/Expenses incurred/Reimbursed For Services Procured					
IIFL Securities Limited	-	-	-	47.00	47.00
	-	-	-	(124.45)	(124.45)
IIFL Wealth Management Limited	-	27.80	-	-	27.80
	-	(26.61)	-	-	(26.61)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distributions Services Limited)	-	-	39.58	-	39.58
	-	-	(34.97)	-	(34.97)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	67.07	-	67.07
	-	-	-	-	-

Note 33. Related Party Disclosures: (Contd...)

(₹ in Mn)					
Nature of Transaction	Director/ Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	1.03	-	1.03
	-	-	-	-	-
IIFL Capital Pte Limited	-	-	39.85	-	39.85
	-	-	-	-	-
Corporate Social Responsibility (CSR)					-
India Infoline Foundation	-	-	-	-	-
	-	-	-	(1.45)	(1.45)
IIFLW CSR Foundation	-	-	19.47	-	19.47
	-	-	-	-	-
Fees Earned For Services (including Brokerage) rendered					
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	32.55	-	32.55
	-	-	(8.64)	-	(8.64)
Remuneration to KMP's					
Prashastha Seth	12.75	-	-	-	12.75
	(24.93)	-	-	-	(24.93)
Anup Maheshwari	45.67	-	-	-	45.67
	(40.03)	-	-	-	(40.03)
Manoj Shenoy	5.42	-	-	-	5.42
	-	-	-	-	-
Varun Bhagat	-	-	-	-	-
	-	-	-	(1.49)	(1.49)
Gratuity Expense					
Anup Maheshwari	0.18	-	-	-	0.18
	(0.39)	-	-	-	(0.39)
Sitting Fees/Commission To Directors					
Homai A. Daruwalla	-	-	-	-	-
	(1.45)	-	-	-	(1.45)
Pranab Pattanaik	-	-	-	-	-
	(1.38)	-	-	-	(1.38)
Kumar Sharadindu	1.59	-	-	-	1.59
	(0.33)	-	-	-	(0.33)
Smita Aggarwal	1.59	-	-	-	1.59
	(0.16)	-	-	-	(0.16)
Ravi Sethurathnam	0.17	-	-	-	0.17
	-	-	-	-	-
Allocation / Reimbursement of expenses Paid					
IIFL Wealth Mangement Limited	-	19.97	-	-	19.97
	-	(37.15)	-	-	(37.15)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distributions Services Limited)	-	-	0.25	-	0.25
	-	-	(0.32)	-	(0.32)

Note 33. Related Party Disclosures: (Contd...)

(₹ in Mn)					
Nature of Transaction	Director/ Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
IIFL Facilities Services Limited	-	-	-	0.02	0.02
	-	-	-	-	-
IIFL Management Services Limited	-	-	-	-	-
	-	-	-	(2.27)	(2.27)
Allocation / Reimbursement of expenses Received					
Other funds received					
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	1.66	-	1.66
	-	-	-	-	-
IIFL Wealth Mangement Limited	-	1.04	-	-	1.04
	-	(1.70)	-	-	(1.70)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distributions Services Limited)	-	-	-	-	-
	-	-	(0.31)	-	(0.31)
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-
	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	0.01	-	0.01
	-	-	(0.12)	-	(0.12)
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	-	-	-
	-	-	-	-	-
IIFL Trustee Limited	-	-	1.82	-	1.82
	-	-	-	-	-
Other funds Paid					
IIFL Wealth Mangement Limited	-	235.82	-	-	235.82
	-	(111.19)	-	-	(111.19)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distributions Services Limited)	-	-	-	-	-
	-	-	-	-	-
IIFL Securities Limited	-	-	-	-	-
	-	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	0.02	-	0.02
	-	-	-	-	-
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	0.74	-	0.74
	-	-	(15.80)	-	(15.80)
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-
	-	-	(0.01)	-	(0.01)
IIFL Trustee Limited	-	-	0.37	-	0.37
	-	-	-	-	-
IIFL Finance Limited	-	-	-	0.59	0.59
	-	-	-	-	-

Note 33. Related Party Disclosures: (Contd...)

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

Nature of Transaction	Key Man- agerial Person	Holding Company	Fellow Subsidiar- ies	Other Related Parties	(₹ in Mn)
					Total
Sundry payables					-
					-
IIFL Securities Limited	-	-	-	15.25	15.25
	-	-	-	(29.49)	(29.49)
IIFL Wealth Management Limited	-	44.04	-	-	44.04
	-	(79.19)	-	-	(79.19)
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distributions Services Limited)	-	-	10.28	-	10.28
	-	-	(10.73)	-	(10.73)
IIFL Investment Adviser & Trustee Services Ltd	-	-	-	-	-
	-	-	(0.04)	-	(0.04)
IIFL Management Services Limited	-	-	-	-	-
	-	-	-	(0.22)	(0.22)
IIFL Wealth Prime Limited (Formerly known as IIFL Wealth Finance Limited)	-	-	23.21	-	23.21
	-	-	(15.68)	-	(15.68)
IIFL Finance Limited	-	-	-	-	-
	-	-	-	(2.47)	(2.47)
Sundry receivables					
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)			1.88		1.88
IIFL Trustee Limited	-	-	0.15	-	0.15
	-	-	-	-	-
IIFL Wealth Portfolio Managers Limited (Formerly known as IIFL Portfolio Managers Limited)	-	-	24.58	-	24.58
	-	-	(4.73)	-	(4.73)
Payable To Broker a/c:					
IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distributions Services Limited)	-	-	-	-	-
	-	-	-	-	-
ICD Given:					
IIFL Wealth Management Limited	-	-	-	-	-
	-	(1,500.00)	-	-	(1,500.00)
Gratuity Liability					
Anup Maheshwari	0.92	-	-	-	0.92
	(0.74)	-	-	-	(0.74)
Manoj Shenoy	1.63	-	-	-	1.63
	-	-	-	-	-

* Transaction with IIFLW CSR Foundation includes contributions done in the current year, towards liabilities of current year and carried forward liabilities of previous year.

Note 34. Maturity analysis of assets and liabilities as at March 31, 2021

		(₹ in Mn)		
SR. No.	Particulars	Within 12 months	After 12 months	As at March 31, 2021
ASSETS				
1	Financial Assets			
	(a) Cash and cash equivalents	84.06	-	84.06
	(b) Bank balance other than (a) above	16.98		16.98
	(c) Derivative financial instruments			-
	(d) Receivables			
	(I) Trade receivables	731.76	-	731.76
	(II) Other receivables	-	3.59	3.59
	(e) Loans	0.73	4.66	5.39
	(f) Investments	39.04	611.48	650.52
	(g) Other financial assets	1.81	0.04	1.85
2	Non-Financial Assets			
	(a) Current tax assets (net)	-	6.95	6.95
	(b) Deferred tax assets (net)	-	4.49	4.49
	(c) Property, plant and equipment	-	0.07	0.07
	(d) Capital work-in-progress	-	-	-
	(e) Other intangible assets	-	2.92	2.92
	(f) Right to Use Asset	0.63	5.86	6.49
	(g) Other non-financial assets	307.74	333.92	641.66
	Total Assets	1,182.75	973.98	2,156.73
LIABILITIES AND EQUITY				
LIABILITIES				
1	Financial Liabilities			
	(a) Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises			-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	261.86	-	261.86
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(b) Debt securities			-
	(c) Borrowings (other than debt securities)			-
	(d) Deposits			-
	(e) Financial Lease Obligation	2.77	3.93	6.71
	(f) Other financial liabilities	54.40	0.18	54.58
2	Non-Financial Liabilities			
	(a) Current tax liabilities (net)	147.42	-	147.42
	(b) Provisions	1.42	21.57	22.99
	(c) Deferred tax liabilities (net)			-
	(d) Other non-financial liabilities	137.22	-	137.22
3	EQUITY			
	(a) Equity share capital	-	321.00	321.00
	(b) Other equity	-	1,204.95	1,204.95
	Total Liabilities and Equity	605.08	1,551.63	2,156.73

Note 34. Maturity analysis of assets and liabilities as at March 31, 2021 (Contd...)

Maturity analysis of assets and liabilities as at March 31, 2020

(₹ in Mn)				
SR. No.	Particulars	Within 12 months	After 12 months	As at March 31, 2020
ASSETS				
1	Financial Assets			
(a)	Cash and cash equivalents	29.58	-	29.58
(b)	Bank balance other than (a) above			-
(c)	Derivative financial instruments			-
(d)	Receivables			
(I)	Trade receivables	650.57	-	650.57
(II)	Other receivables	-	9.89	9.89
(e)	Loans	1,520.08	1.16	1,521.24
(f)	Investments	-	29.31	29.31
(g)	Other financial assets	0.06	0.04	0.10
2	Non-Financial Assets			
(a)	Current tax assets (net)	-	51.89	51.89
(b)	Deferred tax assets (net)	-	6.06	6.06
(c)	Property, plant and equipment	-	0.05	0.05
(d)	Capital work-in-progress	-	-	-
(e)	Other intangible assets	-	6.32	6.32
(f)	Right to Use Asset	-	1.59	1.59
(g)	Other non-financial assets	253.68	393.62	650.35
3	Assets classified as held for sale			-
	Total Assets	2,453.96	499.92	2,956.95
LIABILITIES AND EQUITY				
LIABILITIES				
1	Financial Liabilities			
(a)	Derivative financial instruments	-	-	-
(b)	Payables			
(I)	Trade payables			
(i)	total outstanding dues of micro enterprises and small enterprises			-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	281.90	-	281.90
(II)	Other payables			
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Debt securities			-
(d)	Borrowings (other than debt securities)			-
(e)	Deposits			
(f)	Financial Lease Obligation	0.60	1.07	1.67
(g)	Other financial liabilities	100.05	0.18	100.23
2	Non-Financial Liabilities			
(a)	Current tax liabilities (net)	61.28		61.28
(b)	Provisions	1.41	20.59	22.01
(c)	Other non-financial liabilities	30.68	-	30.68
3	EQUITY			
(a)	Equity share capital	-	321.00	321.00
(b)	Other equity	-	2,138.18	2,138.18
	Total Liabilities and Equity	475.92	2,481.02	2,956.95

Note 35. Subsequent Events

There were no subsequent events from the date of financial statements till the date of adoption of accounts

Note 36. The spread of COVID-19 across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are as yet unknown. The Company has continued to engage with clients and employees through extensive business continuity planning and robust technology platform with minimal disruption on any business activity during the lockdown phase. Further, the Company has assessed that it would be able to navigate currently prevailing uncertain economic conditions based on its business model, profile of assets and liabilities, availability of liquidity and capital at its disposal. The extent to which the COVID-19 pandemic (including the current “second wave”) will impact the Company’s operations and results will depend on future developments, which remain uncertain. Accordingly, the Company has undertaken extensive scenario planning to better prepare itself and will continue to actively monitor any material changes to the future economic conditions.

Note 37. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on May 15, 2021

Note 38. The previous year figures have been regrouped wherever necessary

For and on behalf of the Board of Directors

Kumar Sharadindu
Chairperson
(DIN: 07341455)

Manoj Shenoy
Whole Time Director and
Chief Executive Officer
(DIN: 06679235)

Place : Mumbai
Dated: May 15, 2021

Priya Biswas
Chief Financial Officer

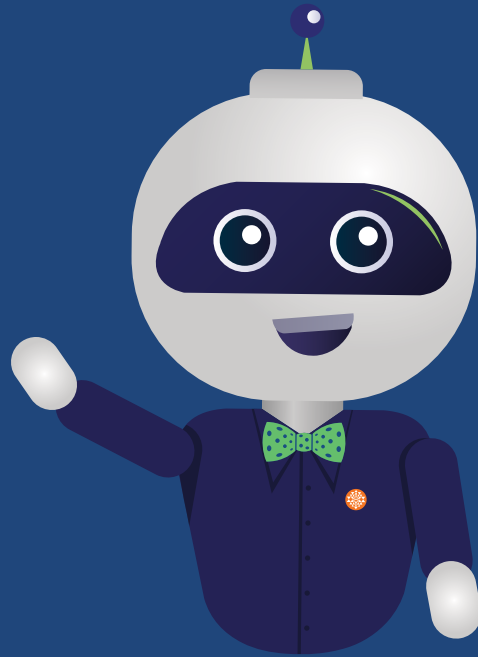
Chinmay Joshi
Company Secretary

CAUTIONARY STATEMENT

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Asset Management Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.

NOTES

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IIFL
ASSET MANAGEMENT



INDIA

IIFL ASSET MANAGEMENT LIMITED

Regd. Office: IIFL Center, 6th Floor, Kamala City,
Senapati Bapat Marg, Lower Parel, Mumbai 400013

CIN: U74900MH2010PLC201113

www.iifamc.com

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