

IIFL MANAGEMENT SERVICES LTD
(FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
(₹ in million)

Standalone Financial Statements
as on March 31, 2019

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V. Sankar Aiyar & Co.

CHARTERED ACCOUNTANTS
2-C, Court Chambers
35, New Marine Lines
Mumbai - 400 020

INDEPENDENT AUDITOR'S REPORT

To The Members of IIFL Management Services Limited (formerly known as India Infoline Insurance Services Limited)

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of IIFL Management Services Limited (formerly known as India Infoline Insurance Services Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 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 March 31, 2019, profit, total comprehensive income, changes in equity and cash flows 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 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 we have obtained is sufficient and appropriate to provide a basis for our 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 preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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, total comprehensive income, changes in equity and cash flows 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 controls 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 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 ability of the Company 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.

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.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2016 audited by us for the year ended 31st March 2018, our report dated 1st May, 2018 and audited by the predecessor auditor for the year ended 31st March, 2017 whose report dated 2nd May, 2017 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
 - 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 changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B".



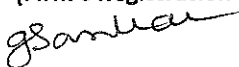
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and based on verification of records, the company has not paid or provided for managerial remuneration during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 32 of the financial statements.
- 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.

For V Sankar Aiyar & Co,
Chartered Accountants
(Firm's Registration No. 109208W)



(G Sankar)
Partner
(Membership No. 46050)

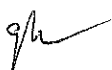
Place: Mumbai

Date: May 13, 2019

Annexure A to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Management Services Limited (formerly known as India Infoline Insurance Services Limited) on the accounts for the year ended 31st March 2019

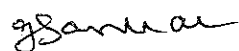
- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification which in our opinion is reasonable considering the size of the Company and nature of its fixed assets. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The company is not carrying on any manufacturing or trading activity. Therefore, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted loan to 1 company covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies were not, prima facie, prejudicial to the interests of the Company;
 - (b) The borrowers have been regular in the payment of the principal and interest as stipulated;
 - (c) There are no overdue amounts as at the balance sheet date, in respect of these loans
- (iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made.
- (v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2019 from the date they became payable.
 - (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Goods and Services



Tax, Excise Duty, Customs Duty and Cess which have not been deposited on account of any dispute.

- (viii) Based on our audit procedures and according to the information and explanations given to us, the Company has does not have any borrowings from debenture holders, banks, financial institutions and government during the year.
- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. However it has raised monies by way of Commercial Papers and the monies raised were utilized for the purpose for which these were raised.
- (x) According to the information and explanations given to us, and based on the audit procedures performed and the representations obtained from the management, we report that no fraud by the company or on the Company by its officers or employees, having a material misstatement on the financial statements has been noticed or reported during the period under audit.
- (xi) According to the information and explanations given to us and based on verification of records, the Company has not paid or provided for managerial remuneration during the year. Therefore, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934.

For V. Sankar Aiyar & Co,
Chartered Accountants
(Firm's Registration No. 109208W)



(G Sankar)
Partner
(Membership No. 46050)

Place: Mumbai

Date: May 13, 2019

Annexure B to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Management Services Limited (formerly Known as India Infoline Insurance Services Limited) on the standalone accounts for the year ended 31st March 2019

Report on the Internal Financial Controls 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 Management Services Limited (formerly Known as India Infoline Insurance Services Limited) ("the Company") as of March 31st, 2019 in conjunction with our audit of the standalone 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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial



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

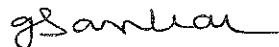
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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, 2019 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.

For V Sankar Aiyar & Co,
Chartered Accountants
(Firm's Registration No. 109208W)



(G Sankar)
Partner
(Membership No. 46050)

Place: Mumbai

Date: May 13, 2019

IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
STANDALONE BALANCE SHEET

(₹ in million)

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
(I) Non-current assets				
(a) Property, plant and equipment	4	195.03	319.57	355.81
(b) Capital work-in-progress		852.54	828.85	619.99
(c) Investment property	5	48.38	51.86	55.63
(d) Investments in joint ventures	6	0.05	0.05	0.05
(e) Financial assets				
(i) Loans	7	2.10	2.09	25.74
(f) Deferred tax assets (net)	8	42.84	58.55	36.46
(g) Other non-current assets	9	8.70	1.12	706.04
		1,149.64	1,262.09	1,799.72
(II) Current assets				
(a) Inventories		-	-	-
(b) Financial assets				
(i) Investments	6	41.56	-	-
(ii) Trade receivables	10	110.37	82.97	76.65
(iii) Cash and cash equivalents	11	402.41	594.79	56.32
(iv) Other financial assets	12	17.84	0.23	0.11
(c) Other current assets	9	0.38	0.54	-
		572.56	678.53	133.08
(III) Assets held for Sale	13	88.83	-	-
TOTAL ASSETS (I + II)		1,811.03	1,940.62	1,932.80
EQUITY AND LIABILITIES				
(I) Equity				
(a) Equity share capital	14	2.81	2.81	2.81
(b) Other equity	15	355.28	328.28	407.05
		358.09	331.09	409.86
(II) Liabilities				
(i) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	1.14	0.90	-
(ii) Other financial liabilities	17	0.92	0.90	1.01
(b) Provisions	18	-	-	0.90
(c) Other non-current liabilities		2.06	1.80	1.91
(ii) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	495.00	1,483.41	1,459.41
(ii) Trade payables	20	-	-	-
Total outstanding dues of micro enterprises and small enterprises		3.24	7.83	6.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		708.74	99.22	40.62
(iii) Other financial liabilities	16	228.62	11.20	13.50
(b) Other current liabilities	18	0.16	0.31	0.35
(c) Provisions	17	15.12	5.76	0.17
(d) Current tax liabilities (net)	21	-	-	-
		1,450.88	1,607.73	1,521.03
TOTAL LIABILITIES (i+ii)		1,452.94	1,609.53	1,522.94
TOTAL EQUITY AND LIABILITIES (I + II)		1,811.03	1,940.62	1,932.80

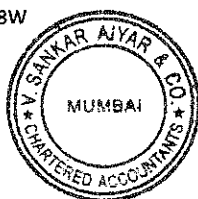
The accompanying notes form an integral part of the financial statements

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As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W

G. Sankar

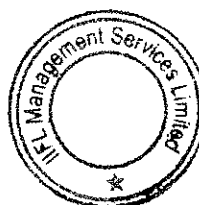
G. Sankar
Partner
Membership No. : 046050



For and on Behalf of Board of Directors

Narendra Deshmaj Jain

Narendra Deshmaj Jain
Director
(Din: 01984467)



Bhawani Shankar Jhanwar
Bhawani Shankar Jhanwar
Director
(Din: 08250590)

Place : Mumbai
Dated : May 13, 2019

IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in million)

PARTICULARS	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	22	289.24	262.83
Other income	23	44.94	16.16
Total Income (A)		334.18	278.99
EXPENSES			
Employee benefits expense	24	79.35	77.37
Finance costs	25	88.19	104.70
Depreciation and amortization expense	4	37.42	37.23
Other expenses	26	68.59	151.32
Total expenses (B)		273.55	370.62
Profit/(loss) before exceptional items (C=A-B)		60.63	(91.63)
Exceptional items (D)		-	-
Profit/(loss) before tax (E=C+D)		60.63	(91.63)
Tax expense:	27		
Current tax		27.64	9.02
MAT credit entitlement		-	-
Net current tax		27.64	9.02
(Excess)/short provision of tax relating to earlier years		(5.88)	0.09
Deferred tax		11.19	(22.06)
Total tax expenses (F)		32.95	(12.95)
Profit/(loss) for the period (E-F)		27.68	(78.68)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		(0.94)	(0.12)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.26	0.03
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		27.00	(78.77)
Earnings per equity share	28		
(1) Basic		98.64	(280.37)
(2) Diluted		98.64	(280.37)

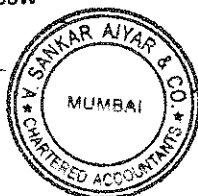
The accompanying notes form an integral part of the financial statements

1 - 37

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W

For and on Behalf of Board of Directors

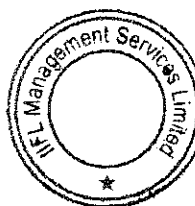
G. Sankar
Partner
Membership No. : 046050



Narendra Deshmaj Jain
Director
(Din: 01984467)

Bhawani Shankar Jhanwar

Bhawani Shankar Jhanwar
Director
(Din: 08250590)



Place : Mumbai
Dated : May 13, 2019

IFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in million)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit/(Loss) before taxation, and extraordinary item	60.63	(91.63)
Adjustments for:		
Depreciation & amortisation	37.42	37.23
Provision for gratuity	0.63	0.57
Provision for leave encashment	0.44	0.67
Provision for expenses	3.08	7.38
Capital gain	(32.68)	(2.59)
Financial assets measured at fair value through profit & loss account(net)	(1.33)	-
Interest expenses	88.19	104.70
Bad debts written off	4.94	56.05
Share of loss in partnership firm	35.43	58.18
Net (gain)/loss on derecognition of property, plant and equipment	(7.86)	(10.46)
Operating profit before working capital changes	188.89	160.10
(Increase) / decrease in trade receivables	(32.34)	(62.37)
(Increase) / decrease in other current assets	(17.68)	(0.43)
(Increase) / decrease in long-term loans and advances	(0.01)	23.65
(Increase) / decrease in other non-current assets	-	705.45
Increase / (decrease) in other long-term liabilities	0.24	-
Increase / (decrease) in long term provision	(0.25)	(0.47)
Increase / (decrease) in trade payable	(7.67)	(6.53)
Increase / (decrease) in current financial liabilities	567.16	(0.27)
Increase / (decrease) in current liabilities	200.37	(2.30)
Increase / (decrease) in short term provisions	(0.31)	(0.35)
Cash generated from operations	898.40	816.48
Tax (paid) / refund	(15.23)	(4.04)
Net cash flow from / (used in) operating activities (A)	883.17	812.44
Cash flow from investing activities		
(Purchase) of fixed assets	(25.43)	(210.29)
Sale of fixed assets	11.37	14.68
(Purchase) / sale of investments (net)	14.89	2.59
Interest received	0.22	(0.25)
Net cash flow from / (used in) investing activities (B)	1.05	(193.27)
Cash flow from financing activities		
Proceeds / (repayment) of short term borrowings (net)	(976.40)	22.83
Interest paid	(100.20)	(103.53)
Net cash flow from / (used in) financing activities (C)	(1,076.60)	(80.70)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(192.38)	538.47
Cash and cash equivalents at the beginning of the year (refer note 11)	594.79	56.32
Cash and cash equivalents at End of the year (refer note 11)	402.41	594.79
Net increase/(decrease) in cash and cash equivalents	(192.38)	538.47

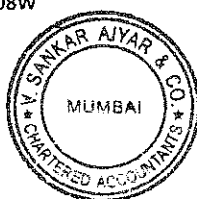
The accompanying notes form an integral part of the financial statements

1 - 37

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W

For and on Behalf of Board of Directors

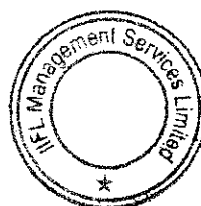
G. Sankar
Partner
Membership No. : 046050



Narendra Deshmaj Jain
Director
(Din: 01984467)

Bhawani Shankar Jhanwar
Director
(Din: 08250590)

Place : Mumbai
Dated : May 13, 2019



IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL			(₹ in million)	
Particulars	No. of Shares	Amount		
As at April 1, 2017	280,630	2.81		
Change in equity share capital	-	-		
As at March 31, 2018	280,630	2.81		
Change in equity share capital	-	-		
As at March 31, 2019 (Refer note 14)	280,630	2.81		

B. OTHER EQUITY					(₹ in million)	
Particular	Reserves and Surplus			Other items of Other Comprehensive Income	Total	
	Capital Reserve	Securities Premium	Retained Earnings			
Opening balance as at April 1, 2018	368.28	7.19	(47.10)	(0.09)	328.28	
Total comprehensive income for the year			27.68	(0.68)	27.00	
Closing balance as at March 31, 2019 (Refer note 15)	368.28	7.19	(19.42)	(0.77)	355.28	

					(₹ in million)	
Particular	Reserves and Surplus			Other items of Other Comprehensive Income	Total	
	Capital Reserve	Securities Premium	Retained Earnings			
Opening balance as at April 1, 2017	-	7.19	63.55	-	70.74	
Adjustments due to Scheme of Arrangement (refer 36.2.1)	368.28	-	-	-	368.28	
Adjustments due to transition into IND AS (refer 36.2.1)	-	-	(31.97)	-	(31.97)	
Opening balance restated as at April 1, 2017	368.28	7.19	31.58	-	407.05	
Total comprehensive income for the year			(78.68)	(0.09)	(78.77)	
Closing balance as at March 31, 2018 (Refer note 15)	368.28	7.19	(47.10)	(0.09)	328.28	

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W

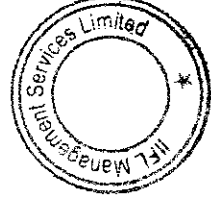


G. Sankar
Partner
Membership No. : 046050

For and on Behalf of Board of Directors

Narendra Deshmaj

Narendra Deshmaj Jain
Director
(Din: 01984467)



Bhawani Shankar Jhanwar

Bhawani Shankar Jhanwar
Director
(Din: 08250590)

Place : Mumbai
Dated : May 13, 2019

Note 1. Corporate Information

IIFL Management Services Limited (Formerly known as India Infoline Insurance Services Limited) ("The Company") is a subsidiary of IIFL Securities Ltd. The Company is into providing property advisory, consultancy and allied services and providing office and related infrastructure and facility services catering mainly to group companies and outsiders. The financial statement comprises financial statements of the Company for the year ended March 31, 2019.

1.1 Composite Scheme of Arrangement:

The Board of Directors of IIFL Securities Limited ("IIFL Securities") and IIFL Holdings Limited ("IIFL Holdings") as at its meeting held on January 31, 2018, had approved the Composite Scheme of Arrangement amongst IIFL Securities, IIFL Holdings, India Infoline Finance Limited ("IIFL Finance"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") which inter-alia, envisages the following:

- amalgamation of IIFL M&R with IIFL Holdings;
- demerger of the Securities Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Securities;
- demerger of the Wealth Business Undertaking (as defined in the Scheme) of IIFL Holdings into IIFL Wealth;
- transfer of the Broking and Depository Participant Business Undertaking (as defined in the Scheme) of IIFL Wealth to its wholly owned subsidiary i.e., IIFL Distribution; and
- amalgamation of IIFL Finance with the IIFL Holdings, on a going-concern basis.

The Appointed Date for the amalgamation of IIFL M&R with the IIFL Holdings is opening hours of April 01, 2017 and for all the other demergers/transfers/amalgamation, the Appointed Date is opening hours of April 01, 2018.

The shareholders of the respective Companies have approved the Scheme. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

Certified copy of the said order of the Tribunal was received by IIFL Holdings on March 15, 2019 and filed with the Registrar of Companies on April 11, 2019.

Clause 56.2.4 of the Scheme states that Part V of the Scheme dealing with the merger of IIFL Finance with IIFL Holdings shall be made effective upon receipt of Non-Banking Finance Company (NBFC) registration by IIFL Holdings from the Reserve Bank of India (RBI). Pending the receipt of NBFC registration from RBI and based on the legal opinion obtained by IIFL Holdings, the Board of Directors of the respective companies at its meeting held on May 13, 2019 have decided to give effect to the Scheme in the following manner:

- Merger of IIFL M&R with IIFL Holdings with effect from the Appointed Date i.e. April 01, 2017;
- Demerger of Securities Business Undertaking and the Wealth Business Undertaking from IIFL Holdings with effect from the Appointed Date i.e. April 01, 2018; and
- Transfer of the Broking and Depository Participant Business Undertaking from IIFL Wealth to its wholly owned subsidiary, IIFL Distribution Services Limited with effect from the Appointed Date April 01, 2018.

d) Merger of the IIFL Finance with IIFL Holdings to be given effect after receipt of necessary registration from the RBI.

Pursuant to the above, the Company has become 100% subsidiary of IIFL Securities Limited w.e.f April 01, 2018 as per the scheme of arrangement.

1.2 Key Accounting Estimates And Judgements

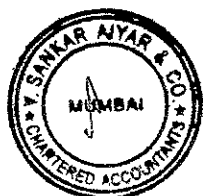
The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note 2. Significant Accounting Policies

2.01 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') as amended from time to time. For all periods up to and including the year ended March 31, 2018 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended from time to time. The financial statements for the year ended March 31, 2019 are the Company's first Ind AS financial statements. Refer to note 36 for information on how the Company has adopted Ind AS. The financial statements have been prepared on a historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period (Refer accounting policy regarding financial instruments).

The Financial Statements of the Company comprises of Balance Sheets and Statement of Changes in Equity as at March 31, 2019, March 31, 2018 and April 01, 2017. Cash Flow Statements and Statement of Profit and Loss for years ended March 31, 2019 and March 31, 2018, a summary of significant accounting policies, notes and other explanatory Information. The Financial Statements are presented in million, except when otherwise indicated. Amount which is less than Rs. 0.01 million is shown as Rs. 0.00 million. The Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. These financial statements have been approved for issue by the Board of Directors on May 13, 2019.



2.02 Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current vs non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
 - ii) Held primarily for the purpose of trading
 - iii) Expected to be realised within twelve months after the reporting period, or
 - iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is treated as current when:

- i) It is expected to be settled in normal operating cycle
 - ii) It is held primarily for the purpose of trading
 - iii) It is due to be settled within twelve months after the reporting period, or
 - iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Foreign currency translation

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

i. Functional and presentation currencies:

Items included in the Standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Company.

ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the statement profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign subsidiaries are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or fair values determined.

iii) Foreign operations:

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date
- income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to Statement of Profit and Loss as part of the gain or loss on disposal.

2.04 Property, Plant & Equipment (PPE)

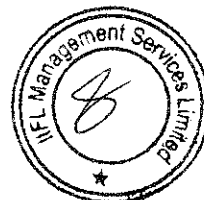
Measurement at recognition: An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

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 directly attributable to new manufacturing facility during its construction period are capitalized 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.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

On transition to INDAS, the Company has elected to continue with the carrying value for all property, Plant & equipment as recognised in its IGAAP financials as deemed cost at the transition date of 01-April, 2017.



Subsequent measurement (depreciation and useful lives):

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. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. 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.

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.

Estimated useful life of the assets is as under:

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

* For these class of assets 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.

Individual assets or group of similar assets costing less than or equal to ₹5,000 are fully depreciated in the year of purchase.

De-recognition: 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 de-recognition 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.

2.05 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 including research cost 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.

On transition to INDAS, the Company has elected to continue with the carrying value for all intangible assets as recognised in its IGAAP financials as deemed cost at the transition date of 01-April, 2017.

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 life of the intangible assets is as under:

Class of assets	Useful life in years
Computer software	3

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 de-recognition 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.

2.06 Investment properties

Recognition and initial measurement

Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. After initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model.

On transition to INDAS, the Company has elected to continue with the carrying value for all investment property as recognised in its IGAAP financials as deemed cost at the transition date of 01-April, 2017.



Depreciation:

Depreciation on each item of Investment property 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. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

De-recognition

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

2.07 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.

2.08 Capital work in progress

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-Current Assets.

2.09 Non Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount or the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

PPE, investment property and intangible assets once classified as held for sale are not depreciated or amortized.

2.10 Revenue recognition

Revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service to a customer. The performance obligation can be satisfied over time or a point in time as determined at the inception of the contract. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by Company; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

The Company recognised revenue from various activities as follows:

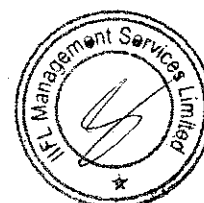
Revenue is recognized when a customer obtains a control over goods or services and thus has ability to direct the use and obtain the benefits from such goods or services or as per the terms agreed in the contract. The Company recognizes revenue from various activities as follows:

- 1) Operational revenue: Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.
- 2) Interest income: Interest income is recognized on accrual basis.
- 3) Other income including treasury: Other Incomes are accounted on accrual basis or right to receive is established.
- 4) Profit / loss on sale of investment are recognised on trade date basis.

If the performance obligations are satisfied overtime, the Company uses the percentage of completion method to recognize revenue i.e., the cumulative revenue recognised is proportionate to the percentage of completion. For the computation of percentage of completion, the Company uses the ratio of cost incurred till date to estimated total cost. Cost incurred is one of the reliable indicators of progress of completion and satisfaction of performance obligations.

Revenue is recognised at the transaction price which is the amount of consideration to which Company is expected to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes) and significant financing component, if any.

Security deposits taken/ given are not discounted if they do not constitute a significant finance component.



2.11 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.

2.11.1 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 asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the statement of profit and loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

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 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 at amortised cost

Financial assets are measured at the amortised cost, if both of the following criteria are met:

- (a) The Company 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 (SPPI) on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

This category generally 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.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset.

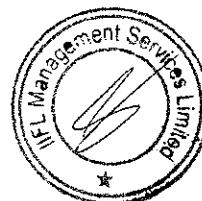
The amortized cost of a financial asset is also adjusted for loss allowance, if any.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI if both of the following criteria are met:

- (a) The business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, 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.

Such financial assets are measured initially as well as at each reporting date at fair value. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss.



(iii) Financial assets at fair value through profit or loss (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 subsidiaries, joint venture and 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. Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTPL. The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in statement of profit and loss. The Company recognizes dividend income from such instruments in the statement of profit and loss.

(iv) Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividend from these investments are recognised in the statement of profit and loss when the Company right to receive dividends is established. As at each of the reporting dates, there are no equity instruments measured at FVOCI.

Reclassifications:

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a similar financial assets) is derecognized (i.e. removed from the 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.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, 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 applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as i and ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

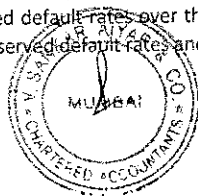
Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.



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

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the statement of profit and loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the statement of profit and loss.

2.11.3 Fair value measurement

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 advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

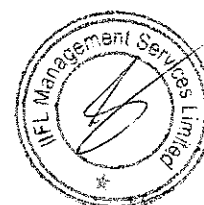
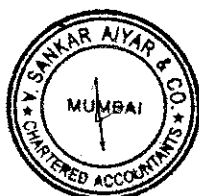
2.12 Cash and cash equivalents

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 and other short term highly liquid investments

2.13 Income taxes

Current income tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate



Deferred tax

Deferred tax is provided using the balancesheet method on temporary differences between the tax bases of assets and liabilities & their carrying amounts for financials reporting purposes as at the reporting date. 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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

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.

2.14 Provisions and contingent liabilities

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 reporting period, taking into account the risk & uncertainties surrounding the obligation.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company in the normal course of its business, comes across client claims/ regulatory penalties/ inquiries, etc. and the same are duly clarified/ address from time to time. The penalties/ action if any are being considered for disclosure as contingent liability only after finality of the representation of appeals before the lower authorities.

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.

Contingent assets are disclosed only where an inflow of economic benefits is probable.

2.15 Borrowing Costs

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.

2.16 Employee benefits

Short-Term 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:

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 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 and the Company operates a Superannuation scheme for eligible 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.

Defined benefit plans

Gratuity scheme: The Company, operates a gratuity scheme for employees. The contribution is paid to a separate fund, towards meeting the Gratuity obligations.

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. Re-measurements 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 re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

Other Long Term Employee Benefits: Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

2.17 Lease accounting :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease as lessee:

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

Finance lease as lessor:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company net investment outstanding in respect of the leases.

Operating lease as lessor:

In respect of assets given on operating lease, lease rentals are recognised on a straight line basis over the term of lease unless;

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rental are recognised based on contractual term.

Operating lease as lessee:

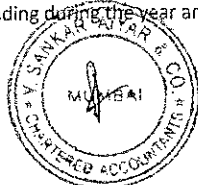
In respect of assets taken on operating lease, lease rentals are recognised on a straight line basis over the term of lease unless;

- i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or
- ii) The payments by lessee are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the rental are recognised based on contractual term.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.



Note 3. 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.

3.1 Significant management judgements

3.1.1 Classification of property

The properties of the Company are classified as Property, Plant and Equipment since the main business of the Company is to acquire property with an intention earn rental income by providing it on lease to the outsider and group company being the ordinary course of business. The properties of the Company would be classified as Investment property if acquired with an intention of capital appreciation.

3.1.2 Operating lease contracts – the Company as lessor

The Company has entered into leases of its Property, Plant and Equipment properties. The Company has determined based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

3.1.3 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

3.2 Critical accounting estimates and assumptions

3.2.1 Classification of assets and liabilities into current and non-current

The management classifies the assets and liabilities into current and non-current categories based on the operating cycle of the respective business / projects which has been determined to be 12 months cycle.

3.2.2 Income taxes

The Company tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

3.2.3 Useful lives of depreciable / amortisable assets (Property, plant and equipment, intangible assets and investment property)

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 useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2.4 Defined benefit obligation (DBO)

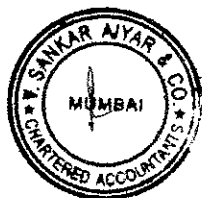
The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Notes - 'Employee benefits'.

3.2.5 Impairment of financial assets

The provision for expected credit loss involves estimating the probability of default and loss given default based on the Company own experience & forward looking estimation.

3.2.6 Provision for litigations:

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant and other evidence and facts specified to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the financial statements.



IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

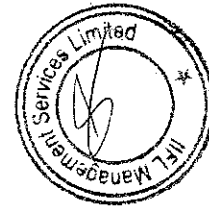
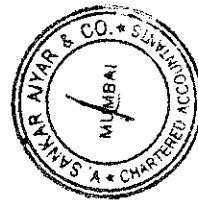
NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Computer	Electrical equipment	Furniture and fixture	Office equipment	Land	Total
Gross Block							
Opening balance as at April 01, 2018	297.16	0.90	2.97	48.70	2.55	4.50	356.78
Addition during the year/period	-	-	-	1.75	-	-	1.75
Deletion/adjustment during the year/period	(99.88)	-	(0.11)	-	-	-	(99.99)
Closing gross block as at March 31, 2019	197.28	0.90	2.86	50.45	2.55	4.50	258.54
Accumulated depreciation							
Opening balance as at April 01, 2018	16.93	0.39	0.83	18.43	0.63	-	37.21
Depreciation for the year	16.93	0.36	0.80	18.73	0.60	-	37.42
Deletion/adjustment during the year/period	(11.05)	-	(0.07)	-	-	-	(11.12)
Closing balance as at March 31, 2019	22.81	0.75	1.56	37.16	1.23	-	63.51
Net block closing as at March 31, 2019	174.47	0.15	1.30	13.29	1.32	4.50	195.03
Net block opening as at April 01, 2018	280.23	0.51	2.14	30.27	1.92	4.50	319.57

Particulars	Building	Computer	Electrical equipment	Furniture and fixture	Office equipment	Land	Total
Gross Block							
Opening balance as at April 01, 2017 *	297.16	0.63	2.95	48.30	2.27	4.50	355.81
Addition during the year/period	-	0.27	0.18	0.56	0.43	-	1.44
Deletion/adjustment during the year/period	-	-	(0.16)	(0.16)	(0.15)	-	(0.47)
Closing gross block as at March 31, 2018	297.16	0.90	2.97	48.70	2.55	4.50	356.78
Accumulated depreciation							
Opening balance as at April 01, 2017 *	-	-	-	-	-	-	-
Depreciation for the year	16.93	0.39	0.84	18.44	0.63	-	37.23
Deletion/adjustment during the year/period	-	-	(0.01)	(0.01)	-	-	(0.02)
Closing balance as at March 31, 2018	16.93	0.39	0.83	18.43	0.63	-	37.21
Net Block Closing as at March 31, 2018	280.23	0.51	2.14	30.27	1.92	4.50	319.57
Net Block Opening as at April 01, 2017	297.16	0.63	2.95	48.30	2.27	4.50	355.81

Note:

- (a) * Opening balance as on April 01, 2017 is at deemed cost
(b) Adjustment during the year includes asset held for sale consisting of building having written down value as at March 31, 2019 of ₹ 88.83 million, the same has been disclosed under note no 13
(c) Capital work in progress of ₹ 852.54 million (Previous year ₹ 828.85 million and April 01, 2017 ₹ 619.99 million) pertains to assets not yet capitalised



NOTE 5 : INVESTMENT PROPERTY

(₹ in million)		
Non Current	Land	
	March 31, 2019	March 31, 2018
Gross block	51.86	55.63
Opening block *	(3.48)	(3.77)
Deductions/adjustments during the year	48.38	51.86
Closing gross block	-	-
Amortisation	-	-
Less : Amortisation	-	-
Closing balance	48.38	51.86
Net Block closing block	51.86	55.63
Net Block opening block	-	-

* Opening balance as on April 01, 2017 is at deemed cost

(₹ in million)		
(i) Amounts recognised in profit or loss for investment properties	March 31, 2019	March 31, 2018
Particulars	-	-
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	-	-
Profit/ (loss) from investment properties	-	-

(₹ in million)			
(ii) Fair value	March 31, 2019	March 31, 2018	April 01, 2017
Particulars	222.57	205.15	187.73
Investment properties	222.57	205.15	187.73
Total	-	-	-

Estimation of fair value

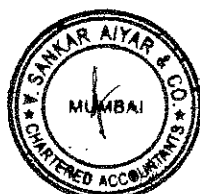
The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
- ready reckoner value / guideline rate as obtained from registrar department ; or
- independent valuer report

The fair values of investment properties have been determined based income approach followed by independent valuer.

NOTE 6 : INVESTMENTS

(₹ in million)			
A) Non Current	March 31, 2019	March 31, 2018	April 01, 2017
Investment in joint venture	0.05	0.05	0.05
Meenakshi Tower LLP	0.05	0.05	0.05
Total	-	-	-
B) Current	March 31, 2019	March 31, 2018	April 01, 2017
Investments carried at fair value through the statement of profit and loss:			
Investments in bonds and debentures			
(a) 62.486 (March 31, 2018: Nil, April 1, 2017: Nil) units of ₹ 1,00,000 each of Piramal - Indiareit Fund Scheme V	9.37	-	-
(b) 14.868 (March 31, 2018: Nil, April 1, 2017: Nil) units of ₹ 1,00,000 each of Piramal - Indiareit Fund Scheme V	2.23	-	-
Investments in alternate investment funds			
(a) 895,851.514 (March 31, 2018: Nil, April 1, 2017: Nil) units of ₹ 10 each of IIFL Special Opportunities Fund	10.35	-	-
(b) 1,013,464.919 (March 31, 2018: Nil, April 1, 2017: Nil) units of ₹ 10 each of IIFL Special Opportunities Fund - Series 7	10.33	-	-
(c) 943,288.344 (March 31, 2018: Nil, April 1, 2017: Nil) units of ₹ 10 each of IIFL Special Opportunities Fund - Series 4	9.28	-	-
Total	41.56	-	-
- Quoted	41.61	0.05	0.05
- Unquoted	-	-	-



NOTE 7 : LOANS

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
Non Current			
Loans receivables considered good - Unsecured	2.10	2.09	25.74
Security deposits with landlords and tenants - considered good (net of provision)	2.10	2.09	25.74
Total			

NOTE 8 : DEFERRED TAX ASSETS (NET)

(₹ in million)

March 31, 2019	Balance as at April 01, 2018	Recognised/(reversed) in statement of profit and loss	Recognised/(reversed) in other comprehensive income	Mat Credit Utilised	Balance as at March 31, 2019
Deferred tax assets					
Compensated absences and retirement benefits	0.66	(0.07)	0.26	-	0.85
Provisions for doubtful receivables/other financial asset (including expected credit loss)	29.93	1.38	-	-	31.31
Minimum alternate tax carry-forward	6.85	0.42	-	(5.20)	2.07
Depreciation on property, plant and equipment	21.11	(12.13)	-	-	8.98
Total	58.55	(10.40)	0.26	(5.20)	43.21
Deferred tax liabilities					
Unrealised profit on investments	-	(0.37)	-	-	(0.37)
Total	-	(0.37)	-	-	(0.37)
Net deferred tax assets/(liability)	58.55	(10.77)	0.26	(5.20)	42.84

(₹ in million)

March 31, 2018	Balance as at April 01, 2017	Recognised/(reversed) in statement of profit and loss	Recognised/(reversed) in other comprehensive income	Mat Credit Utilised	Balance as at March 31, 2018
Deferred tax assets					
Compensated absences and retirement benefits	0.76	(0.13)	0.03	-	0.66
Provisions for doubtful receivables/other financial asset (including expected credit loss)	14.58	15.35	-	-	29.93
Minimum alternate tax carry-forward	6.85	-	-	-	6.85
Depreciation on property, plant and equipment	14.27	6.84	-	-	21.11
Total	36.46	22.06	0.03	-	58.55
Net deferred tax assets/(liability)	36.46	22.06	0.03	-	58.55

NOTE 9 : OTHER ASSETS

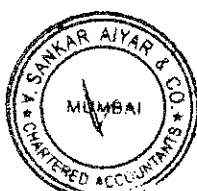
(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
A) Non Current			
(a) Capital advance	-	-	705.45
Unsecured considered good	8.70	1.12	0.58
(b) Advance tax (net of provision)	-	-	0.01
(c) Other non current assets	8.70	1.12	706.04
Total			
B) Current			
(a) Prepaid expense	0.38	0.47	-
(b) Other current assets	-	0.07	-
Unsecured considered good	0.38	0.54	-
Total			

NOTE 10 : TRADE RECEIVABLES

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
Current			
(a) Trade receivables considered good - Unsecured	65.90	3.84	11.85
(b) Trade receivables which have significant increase in credit	54.40	95.43	89.10
(c) Trade receivables - credit impaired	69.25	57.94	15.28
Total - Gross	189.55	157.21	116.23
Less: Allowance for credit loss (refer note 33)	(79.18)	(74.24)	(39.58)
Total	110.37	82.97	76.65



NOTE 11 : CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Cash on hand	-	-	-
Cheque and draft on hand	-	0.01	-
Balances with banks:			
In current accounts	402.41	54.78	56.32
In deposit account (Maturity less than 3 months)	-	540.00	-
Total	402.41	594.79	56.32

NOTE 12 : OTHER FINANCIAL ASSETS

(₹ in million)

Current	March 31, 2019	March 31, 2018	April 01, 2017
(a) Interest accrued on deposits/loans and investments	-	0.23	-
(b) Provision for gratuity (funded)	-	-	0.11
(c) Receivable from related party (refer note 35)	17.84	-	-
Total	17.84	0.23	0.11

NOTE 13 : ASSETS HELD FOR SALE

(₹ in million)

Non Current	March 31, 2019	March 31, 2018	April 01, 2017
Building	88.83	-	-
Land	-	-	-
Total	88.83	-	-

NOTE 14 : EQUITY SHARE CAPITAL

(₹ in million)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Authorized share capital:			
400,000 (P.Y. 400,000, April 01, 2017: 500,000) Equity Shares of ₹ 10 each	4.00	4.00	5.00
100,000 (P.Y. 400,000) Preference shares of ₹ 10 each	1.00	1.00	-
Issued, subscribed and paid up:			
280,630 (Previous Year 280,630) Equity Shares of ₹ 10 each fully paid-up with voting rights	2.81	2.81	2.81

The company has only two class of shares referred to as equity shares and preference share having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. Preference shares has been reclassified as other non current non financial liability (refer note 16).
The authorised share capital of the company as on March 31, 2018 has been restructured w.e.f October 06, 2017.

A. Reconciliation of shares outstanding at the beginning and at the end of the year

(₹ in million)

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and paid up at the beginning of the year	280,630	2.81	280,630	2.81	280,630	2.81
Add: Issued during the year	-	-	-	-	-	-
Less: Equity shares bought back	-	-	-	-	-	-
Issued, subscribed and paid up at the end of the year	280,630	2.81	280,630	2.81	280,630	2.81

B. Terms / rights attached to equity shares

The company has only two class of shares referred to as equity shares and preference share having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. Preference shares has been reclassified as other non current non financial liability (refer note 16).
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

C. Equity Shares held by holding company and its subsidiaries

Equity shares of ₹ 10 each fully paid (Refer note 1.1)	March 31, 2019		March 31, 2018		April 01, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
IIFL Securities Ltd, the Holding Company	280,630	100	-	-	-	-
IIFL Holdings Limited, the Holding Company	-	-	280,630	100	280,630	100

D. Details of shareholders holding more than 5% shares in the company

Equity shares of ₹ 10 each fully paid (Refer note 1.1)	March 31, 2019		March 31, 2018		April 01, 2017	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
IIFL Securities Ltd, the Holding Company	280,630	100	-	100	-	100
IIFL Holdings Limited, the Holding Company	-	-	280,630	100	280,630	100

E. During the period of five years immediately preceeding the balance sheet date, the Company has not issued any shares without payment being received in cash or by any way of bonus shares or shares bought back.



NOTE 15 : OTHER EQUITY

(₹ in million)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Capital reserve	368.28	368.28	-
Opening balance	-	-	-
Addition during the year	-	-	368.28
Adjustments due to scheme of arrangement (refer 36.2.1)	-	-	-
Deduction during the year	-	-	-
Balance in capital reserve	368.28	368.28	368.28
Securities premium	7.19	7.19	7.19
Opening balance	-	-	-
Addition during the year	-	-	-
Deduction during the year	-	-	-
Balance in securities premium	7.19	7.19	7.19
Retained earnings	(47.10)	31.58	63.55
Opening balance	-	-	(31.97)
Adjustments due to transition into IND AS (refer 36.2.1)	27.68	(78.68)	-
Profit during the year as per statement of profit and loss	(19.42)	(47.10)	31.58
Balance in retained earnings	(19.42)	(47.10)	31.58
Other comprehensive income	(0.09)	-	-
Opening balance	-	-	-
Addition during the year	(0.68)	(0.09)	-
Deduction during the year	(0.77)	(0.09)	-
Balance in other comprehensive income	(0.77)	(0.09)	-
Total other equity	355.28	328.28	407.05

Other note:

i) Capital reserves : Capital reserve is created due to composite Scheme of Arrangement.

ii) Securities premium : Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

iii) Retained earnings : The balance in retained earnings primarily represents the surplus after payment of dividend(including tax on dividend) and transfer to reserves.

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
A) Non Current	0.90	0.90	-
(a) Non convertible preference share	0.24	-	-
(b) Provision for gratuity (funded) (refer note 24)	1.14	0.90	-
Total	0.90	0.90	-
B) Current	708.74	99.22	40.62
(a) Payable to related party (refer note 35)	3.18	0.23	0.22
-Unsecured considered good	1.29	0.52	-
(b) Provision for gratuity (funded) (refer note 24)	499.97	-	-
(c) Book overdraft	133.90	98.47	40.29
(d) Payable to joint venture (refer note 35)	70.40	-	0.11
(e) Other payable	-	-	-
Total	708.74	99.22	40.62

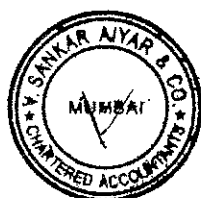
Non convertible preference shares are 90,000, 0.1% Redeemable non-convertible, non-cumulative preference shares of ₹ 10/- each aggregating to ₹ 0.90 million. It shall carry dividend at 0.1% p.a. and will not have any cumulative right with respect to payment of dividend.

Other payable includes amounts payable to vendors / customers in the usual course of business

NOTE 17 : PROVISIONS

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
A) Non current	0.92	0.90	1.01
Provision for leave encashment	0.92	0.90	1.01
Total	0.92	0.90	1.01
B) Current	0.16	0.31	0.35
Provision for leave encashment	0.16	0.31	0.35
Total	0.16	0.31	0.35



NOTE 18 : OTHER LIABILITIES

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
A) Non current			
Application money received for non convertible preference share (pending for allotment)	-	-	0.90
Total	-	-	0.90
B) Current			
(a) Advances received from customers	200.00	-	-
- Asset held for sale	19.09	9.06	13.50
- Others	9.53	2.14	-
(b) Statutory dues	228.62	11.20	13.50
Total			

NOTE 19 : BORROWINGS

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
Current			
Unsecured			
(a) Commercial paper	495.00	-	-
(b) Inter corporate deposits (refer note 35)	495.00	1,483.41	1,459.41
Total			

(a) Inter corporate deposits are borrowed on short term basis as per the business requirement. These ICDs are subject to interest basis CD PSU 3M average rate +300 bps for borrowings ≤ 90 days and SBI 1 year MCLR + 200 bps for > 90 days which are comparable with interest charged on such borrowings by the outsiders, applicable rate of interest as at March 31, 2019 @ 10.31%
(b) Commercial papers as stated above are net of unexpired discount of Rs. Nil million (March 31, 2018: ₹ 16.59 million, April 01, 2017 : ₹ 12.70 million).

NOTE 20 : TRADE PAYABLES

(₹ in million)

	March 31, 2019	March 31, 2018	April 01, 2017
Current			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
(a) Creditors for supplies and services	-	-	-
(b) Accrued salaries & benefits	-	-	-
(c) Provision for expenses	-	-	-
Total (a)			
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.10	0.20	-
(a) Creditors for supplies and services	0.01	0.20	0.16
(b) Accrued salaries & benefits	3.08	7.38	6.64
(c) Provision for expenses	0.05	0.05	0.18
(d) Other payables	3.24	7.83	6.98
Total (b)	3.24	7.83	6.98
Total (a+b)			

Trade payables are non-interest bearing and are settled in accordance with the contract terms with the vendors.

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:

(₹ in million)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
(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 21 : CURRENT TAX LIABILITIES (NET)

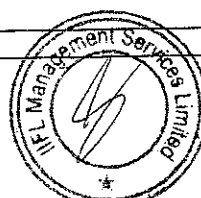
(₹ in million)

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Current tax liabilities (net of provision)	15.12	5.76	0.17

NOTE 22 : REVENUE FROM OPERATIONS

(₹ in million)

Particulars	March 31, 2019	March 31, 2018
(a) Commission / marketing support income	136.07	51.50
(b) Interest on loans	17.70	-
(c) Brokerage income	22.37	87.56
(d) Advisory fees	113.10	119.77
(e) Other operating revenue	-	4.00
Total	289.24	262.83



(₹ in million)

NOTE 23 : OTHER INCOME

Particulars	March 31, 2019	March 31, 2018
(a) Interest income from:		
- Investments	0.03	-
- Inter corporate deposit	-	2.66
- Fixed deposit	0.19	0.25
- Income tax refund	0.02	0.16
(b) Dividend income on current investment	0.15	-
(c) Net gain on financial assets measured at fair value through profit & loss account (net)	1.33	-
(d) Capital gains on investments	32.68	2.59
(e) Net gain on derecognition of property, plant and equipment	7.86	10.46
(f) Other income	2.68	0.04
Total	44.94	16.16

(₹ in million)

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

Particulars	March 31, 2019	March 31, 2018
(a) Salaries and wages	77.04	74.13
(b) Contribution to provident and other funds	1.11	1.78
(c) Share based payments "	-	0.01
(d) Staff welfare expenses	0.13	0.21
(e) Gratuity	0.63	0.57
(f) Leave encashment	0.44	0.67
Total	79.35	77.37

Cash-settled share-based payments

In respect of the cash-settled share-based payments, Employee Stock Options (ESOS) of the holding company are issued to eligible employees of the company. The company makes the necessary payment to the holding company.

The company have recognised the following amounts as an expense in the Statement of Profit and Loss:

(₹ in million)

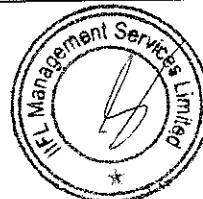
Particulars	March 31, 2019	March 31, 2018
A : Defined contribution plans		
Employer's contribution to provident fund and other fund	0.74	1.11
Employer's contribution to pension fund	0.33	0.58
Employer's contribution to NPS	-	-
Employer's contribution to ESIC	0.04	0.09
Labour welfare fund contribution for workmen	-	-

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

B : Defined benefit plans

(₹ in million)

i) Reconciliation of opening and closing balances of defined benefit obligation		
Present value of benefit obligation at the beginning of the year	5.73	-
Interest cost	0.44	-
Liability transferred in / acquisitions	0.02	5.52
(Liability transferred out / divestments)	(0.34)	(0.01)
Current service cost	0.59	0.57
Actuarial (gains)/ loss on obligations – Due to change in demographic assumptions	0.04	-
Actuarial (gains)/ loss on obligations – Due to change in financial assumptions	1.03	-
Actuarial (gains)/ loss on obligations – Due to experience	(0.22)	0.23
(Benefit paid directly by the employer)	(0.08)	-
(Benefit paid from the fund)	(0.81)	(0.58)
Present value of benefit obligation at the end of the year	6.40	5.73
ii) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	5.21	-
Interest income	0.40	-
Contributions by the employer	0.16	-
Assets transferred in/acquisitions	-	5.68
(Benefit paid from the fund)	(0.81)	(0.58)
Return on plan assets, excluding interest income	(0.09)	0.11
Fair value of plan assets at the end of the year	4.87	5.21
iii) Amount recognised in the balance sheet		
(Present value of benefit obligation at the end of the period)	6.40	5.73
Fair value of plan assets at the end of the period	4.87	5.21
Funded status (surplus/ (deficit))	(1.53)	(0.52)
Net (liability)/asset recognized in the balance sheet	(1.53)	(0.52)



iv) Expenses recognised during the year	0.59	0.57
Current service cost	0.04	-
Net interest cost	0.63	0.57
Expense recognised in the statement of profit and loss under "Employee benefits expenses"		

iv) Expense recognised in the other comprehensive income (OCI) during the year	0.85	0.23
Actuarial (gains)/loss on obligation for the period	0.09	(0.11)
Return on plan assets, excluding interest income	0.94	0.12
Net (income)/expense for the period recognized in OCI		

v) Balance sheet reconciliation	(0.52)	-
Opening net liability	0.63	0.57
Expenses recognized in statement of profit or loss	0.94	0.12
Expenses recognized in OCI	0.02	(0.16)
Net liability/(asset) transfer in	(0.34)	(0.01)
Net (liability)/asset transfer out	(0.08)	-
(Benefit paid directly by the employer)	(0.16)	-
(Employer's contribution)	0.49	0.52
Net liability/(asset) recognized in the balance sheet		

vi) Classification of defined benefit obligations	1.29	0.52
Current portion	0.24	-
Non-current portion		

Actuarial assumptions	7.79%	7.73%
Interest / discount rate	9.00%	7.00%
Annual expected increase in salary cost		

C : General description of significant defined plans

Gratuity plan

Gratuity is payable to all eligible employees of the company on death or on resignation, or on retirement after completion of five years of service. During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by making monetary ceiling as prescribed under the Act. Changing in liability (if any) due to this scheme change is recognised as past service cost / (income)

The company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

(₹ in million)		
D : Investment details :	March 31, 2019	March 31, 2018
Category of investment	4.87	5.21
Insurance fund	4.87	5.21
Total		

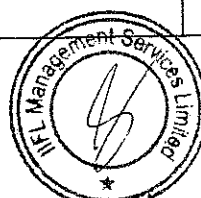
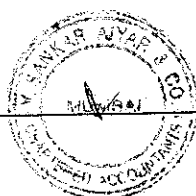
E : Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in million)		
Particulars	March 31, 2019	March 31, 2018
Projected benefit obligation on current assumptions	6.40	5.73
Delta effect of +1% change in rate of discounting	(0.64)	(0.60)
Delta effect of -1% change in rate of discounting	0.77	0.73
Delta effect of +1% change in rate of salary increase	0.58	0.60
Delta effect of -1% change in rate of salary increase	(0.57)	(0.56)
Delta effect of +1% change in rate of employee turnover	(0.04)	0.05
Delta effect of -1% change in rate of employee turnover	0.04	(0.06)

(₹ in million)		
F : Expected employer's contribution in future years	March 31, 2019	March 31, 2018
Particulars	1.29	1.11
1 year		

G : Maturity Analysis of the Benefit Payments		
Particulars	March 31, 2019	March 31, 2018
Projected benefits payable in future years from the date of reporting	1.81	1.60
1st Following year	0.06	0.06
2nd Following year	0.06	0.07
3rd Following year	0.07	0.07
4th Following year	0.08	0.08
5th Following year	1.24	0.50
Sum of years 6 To 10	16.54	16.25
Sum of years 11 and above		



H : Risk exposure

Gratuity is a defined benefit plan and company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

NOTE 25 : FINANCE COSTS			(₹ in million)
Particulars	March 31, 2019	March 31, 2018	
Interest expenses on borrowing	83.93	104.53	
Other finance expense	4.26	0.17	
Total	88.19	104.70	

NOTE 26 : OTHER EXPENSES			(₹ in million)
Particulars	March 31, 2019	March 31, 2018	
Advertisement expense	0.03	1.20	
Brokerage and related expenses	8.31	12.64	
Communication expense	0.25	0.30	
Directors commission & sitting fees	-	0.11	
Corporate social responsibility expense (refer note 34)	0.08	-	
Electricity	1.53	1.11	
Exchange and statutory charges	-	0.49	
Legal and professional charges	0.49	2.36	
Miscellaneous expenses	0.45	0.06	
Office expenses	6.18	2.15	
Printing and stationery	0.04	0.08	
Expected credit loss (including provision for doubtful debts)	4.94	56.05	
Rent expenses	3.40	5.98	
Insurance charges	0.05	0.03	
Marketing and commission expenses	2.99	5.58	
Rates & taxes	0.41	0.59	
Repairs & maintenance	-	-	
- Computer	-	-	
- Others	1.15	0.43	
Remuneration to auditors:	-	-	
- As auditors - statutory audit	0.05	0.05	
- Certification work and other matters	-	-	
- Out of pocket expenses	-	-	
Share of loss in partnership firm	35.43	58.18	
Software charges	-	0.14	
Travelling and conveyance	2.81	3.79	
Total	68.59	151.32	

NOTE 27 : TAX EXPENSE:			(₹ in million)
(a) Components of income tax expenses:			
Particulars	March 31, 2019	March 31, 2018	
Current tax			
Current Year	27.64	9.02	
Changes in estimates related to prior years	(5.88)	0.09	
Total current tax expense	21.76	9.11	
Deferred tax			
Origination and reversal of temporary differences	11.19	(22.06)	
Total deferred tax expense/(benefit)	11.19	(22.06)	
Income tax expenses	32.95	(12.95)	



IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	(₹ in million)	
	March 31, 2019	March 31, 2018
Particulars	60.63	(91.63)
Profit before tax	27.82%	27.55%
Tax using domestic tax rates	16.87	(25.24)
Tax amount		
Tax effect of:	10.74	15.03
Non-deductible expenses	(0.85)	(1.78)
Differential tax rate on income	(0.04)	-
Tax-exempt income - Dividend	(0.21)	-
Change in income tax rate	12.32	(1.05)
Recognition of previously unrecognised deductible temporary differences	(5.88)	0.09
Adjustments for current tax for prior periods	32.95	(12.95)
Tax expense reported in the statement of profit and loss		

	(₹ in million)	
	March 31, 2019	March 31, 2018
Particulars	10.00	10.00
Face value of equity share (₹)	27.68	(78.68)
Profit after tax as per statement of profit and loss	0.28	0.28
Weighted average number of equity shares for EPS (in No.)	98.64	(280.37)
Basic earnings per share (₹)	98.64	(280.37)
Diluted earnings per share (₹)		

NOTE 29 : LIST OF JOINTLY CONTROLLED ENTITY

The Company is a partner in a Limited Liability Partnership Firm M/s. Meenakshi LLP. The Partners of the said LLP are IIFL MANAGEMENT SERVICES LTD (Formerly known INDIA INFOLINE INSURANCE SERVICES LIMITED) and Shreyans Foundation LLP. Both have agreed for equal share in Profits / (Loss) and have contributed ₹ 0.05 million each as capital contribution w.e.f April 01, 2017, transferred on account of scheme of arrangement.

NOTE 30 : SEGMENT REPORTING

The company's primary business segments are reflected based on the principal business carried out, i.e. broking advisory. All other activities of the company revolve around the main business. The risk and returns of the business of the company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per Ind AS 108 – Operating Segment.

NOTE 31 : LEASES

Assets taken on operating leases:

	(₹ in million)		
	March 31, 2019	March 31, 2018	April 01, 2017
Particulars			
Future minimum lease payments under non-cancellable operating lease :			
Not later than one year	5.17	4.53	2.83
Later than one year and not later than five years	1.77	0.02	2.20
Later than five year	-	-	-
Total	6.94	4.55	5.03

NOTE 32 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A : Summary details of contingent liabilities (to the extent not provided for)

	(₹ in million)		
	March 31, 2019	March 31, 2018	April 01, 2017
Particulars			
Corporate guarantees given	-	-	-
Bank guarantee	-	-	-
MVAT matters in dispute	-	-	-
Income-tax matters in dispute	-	-	-
Service tax matters in dispute	-	-	-

B : Capital commitments

	March 31, 2019	March 31, 2018	April 01, 2017
Particulars	0.02	-	0.03
Capital contracts (net of advances)			

C : Other litigations

The company is subject to legal proceedings and claims which arises in the ordinary course of the business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the company's financial position.



NOTE 33 : FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification

The carrying value of financial instruments by categories is as follows:

(₹ in million)

Particulars	CARRYING VALUE			
	As at March 31, 2019		As at March 31, 2018	As at April 01, 2017
	Fair Value through Profit or loss	Amortised Cost	Amortised Cost	
Financial assets				
Cash and cash equivalents	-	402.41	594.79	56.32
Trade receivables	-	110.37	82.97	76.65
Loans:				
Security deposit with landlords	-	1.99	1.99	21.99
Security deposit with others	-	0.11	0.10	3.75
Investments:				
Investments in bonds and debentures	11.60	-	-	-
Investments in alternate investment funds	29.96	-	-	-
Other financial assets	-	17.84	0.23	0.11
Total	41.56	532.72	680.08	158.82
Financial liabilities				
Borrowings:				
Inter corporate deposits (refer note 35)	-	495.00	-	-
Commercial paper	-	0.90	1,483.41	1,459.41
Non-convertible preference shares	-	3.24	7.83	6.98
Trade and other payables	-	708.98	99.22	40.62
Other financial liabilities	-	-	-	-
Total	-	1,208.12	1,591.36	1,507.01

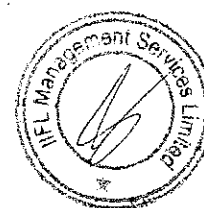
B. Fair value hierarchy

The table which provides the fair value measurement hierarchy of the Company's assets and liabilities is as follows:

(₹ in million)

As at March 31, 2019	CARRYING VALUE	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial instrument measured at fair value				
(a) Investments in bonds and debentures	11.60	-	-	11.60
(b) Investments in alternate investment funds	29.96	-	-	29.96
Financial instrument not measured at fair value				
(c) Loans				
- Security deposit with landlords	1.99	-	-	1.88
Total	43.55	-	-	43.44
Financial instrument not measured at fair value				
Financial liabilities				
(a) Non-convertible preference shares	0.90	-	-	0.90
Total	0.90	-	-	0.90

As at March 31, 2018	CARRYING VALUE	FAIR Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial instrument measured at fair value				
(a) Investments in bonds and debentures	-	-	-	-
(b) Investments in alternate investment funds	-	-	-	-
Financial instrument not measured at fair value				
(c) Loans				
- Security deposit with landlords	1.99	-	-	1.76
Total	1.99	-	-	1.76
Financial instrument not measured at fair value				
Financial liabilities				
(a) Non-convertible preference shares	0.90	-	-	0.90
Total	0.90	-	-	0.90



As at April 01, 2017	CARRYING VALUE	FAIR Value		
		Level 1	Level 2	Level 3
Financial assets				
Financial instrument measured at fair value				
(a) Investments in bonds and debentures	-	-	-	-
(b) Investments in alternate investment funds	-	-	-	-
Financial instrument not measured at fair value				
(c) Loans				21.66
- Security deposit with landlords	21.99	-	-	21.66
Total	21.99			21.66
Financial liabilities				
(a) Non-convertible preference shares	-	-	-	-
Total				

The management assessed that carrying amount of cash and cash equivalents, other bank balances, trade receivables, loans, unsecured borrowings, trade payable and other financial liabilities approximate their fair values largely due to the short- term maturities of these instruments.

C. Measurement of fair values

The fair values of investments in bonds is based on last traded price and alternate investment fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at the balance sheet date. NAV represents the price at which the issuer will issue further units of alternate asset fund and the price at which issuers will redeem such units from the investors.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value Change in discount rate by 500 basis points would increase / (decrease) as below
Financial Assets:				
(a) Investments in alternate investment funds	Alternate Investment Fund is based on the net asset value (NAV) as stated by the issuers of these alternate asset funds in the published statements as at balance Sheet date. NAV represents the price at which issuers will redeem such units from the investors.	Not Applicable	Not Applicable	Not Applicable
(b) Investment in non convertible debentures	These indicates thinly traded / non traded securities as defined in SEBI Regulations and Guidelines and the fair value is estimated considering the valuation declared by fund houses or last traded price for respective instruments during every reporting date	Not Applicable	Not Applicable	Not Applicable
(c) Security deposits from landlords	Discounted cash flow technique- The fair value is estimated considering net present value calculated using discount rates derived from quoted prices of similar instruments with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor	Discount Rate	6.25% - 6.85% based in SBI FD rate for respective period of Deposit	Not Applicable

Transfers between Levels 1, 2 and 3

There have been no transfers between Level 1, Level 2 and Level 3 during the respective period presented above.

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk ; and
- Market risk



i. 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 arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables and other financial asset.

Credit quality analysis

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is provided in case of broking and advisory business when a debtor fails to make the contractual payments beyond the company policy. The company have identified the provisions based on simplified approach for various buckets based on days past dues.

As per the simplified approach, the Company makes provision of expected credit losses on trade receivables and other assets to mitigate the risk of default payments and makes appropriate provision at each reporting date whenever outstanding is for longer period and involves high risk.

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in million)				
As at March 31, 2019	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	65.90	54.40	69.25	189.55
Less: Impairment loss allowance	-	(9.93)	(69.25)	(79.18)
Carrying amount	65.90	44.47	-	110.37
Other financial assets (including loans)	19.94	-	33.35	53.29
Less: Impairment loss allowance	-	-	(33.35)	(33.35)
Carrying amount	19.94	-	-	19.94

As at March 31, 2018	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	3.84	95.43	57.94	157.21
Less: Impairment loss allowance	-	(16.30)	(57.94)	(74.24)
Carrying amount	3.84	79.13	-	82.97
Other financial assets (including loans)	2.32	-	33.35	35.67
Less: Impairment loss allowance	-	-	(33.35)	(33.35)
Carrying amount	2.32	-	-	2.32

As at April 01, 2017	Financial Assets where loss allowance measured at 12-month ECL	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
Trade receivables	11.85	89.10	15.28	116.23
Trade receivables	-	(24.30)	(15.28)	(39.58)
Carrying amount	11.85	64.80	-	76.65
Other financial assets (including loans)	25.85	-	13.35	39.20
Less: Impairment loss allowance	-	-	(13.35)	(13.35)
Carrying amount	25.85	-	-	25.85

The movement in the allowance for impairment in respect of trade receivables and other financial assets during the year was as follows: (₹ in million)

Particulars	Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired	Total
As at April 01, 2017	24.30	28.63	52.93
Increase / (decrease) net	(8.00)	62.66	54.66
As at March 31, 2018	16.30	91.29	107.59
Increase / (decrease) net	(6.37)	11.31	4.94
As at March 31, 2019	9.93	102.60	112.53



Measurement of ECL

The Company has applied the simplified approach of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Cash and cash equivalents / Deposits with Banks

Credit risk from cash and bank balances is managed by the company's treasury department in accordance with the company's policy.

ii. Liquidity risk

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities. It uses a range of products mix to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the company's cash flow position and ensures that the company is able to meet its financial obligation at all times including contingencies.

Exposure to liquidity risk

The table below analyse the company's financial liability into relevant maturity companying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2019	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 year	5-10 year	More than 10 years
(a) Inter corporate deposits (refer note 35)	495.00	495.00	-	-	0.90
(b) Non-convertible preference shares	0.90	-	-	-	-
(c) Trade and other payables	3.24	3.24	-	-	-
(d) Other financial liabilities	708.98	708.74	0.24	-	-
	1,208.12	1,206.98	0.24	-	0.90

As at March 31, 2018	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 year	5-10 year	More than 10 years
(a) Commercial paper	1,483.41	1,483.41	-	-	0.90
(b) Non-convertible preference shares	0.90	-	-	-	-
(c) Trade and other payables	7.83	7.83	-	-	-
(d) Other financial liabilities	99.22	99.22	-	-	-
	1,591.36	1,590.46	-	-	0.90

As at April 01, 2017	CONTRACTUAL CASH FLOWS				
	Carrying amount	Upto 1 year	1-5 year	5-10 year	More than 10 years
(a) Commercial paper	1,459.41	1,459.41	-	-	-
(b) Trade and other payables	6.98	6.98	-	-	-
(c) Other financial liabilities	40.62	40.62	-	-	-
	1,507.01	1,507.01	-	-	-

iii. 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.

Currency risk

Currency risk is not material, as the Company's primary business activities are within India and dose not have significant exposure in foreign currency.

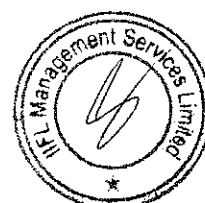
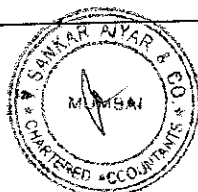
Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

Particulars	March 31, 2019			March 31, 2018			April 01, 2017		
Financial Assets									
Fixed-rate Instruments									
(a) Investments in bonds and debentures									
Financial Liabilities									
Fixed-rate Instruments									
(a) Commercial paper									
Total									



Fair value sensitivity analysis for fixed-rate instruments

The company's fixed-rate financial assets or financial liabilities are carried at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit or loss, since neither the carrying amount nor the future cash flows will fluctuate.

The following table shows sensitivity analysis for impact on interest cost of borrowings on variable interest rate

	(₹ in million)		
Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Inter corporate deposits taken (refer note 35)	495.00	-	-
Applicable rate average rate	10.31%	-	-
Annualised interest cost	51.03	-	-

Sensitivity analysis for impact on variable interest cost

	(₹ in million)		
Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Increase in 1% change in ROI	4.95	-	-
Decrease in 1% change in ROI	(4.95)	-	-

Exposure to Price Risk

The company exposure to price risk arising from investment held by the company and is classified in the balance sheet through fair value through profit & loss account. Company has majorly invested in Alternate Investment Funds under various scheme and its exposure.

	(₹ in million)		
Particulars	March 31, 2019	March 31, 2018	April 01, 2017
(a) Alternate Investment Funds	29.96	-	-
(b) Debt Securities	11.60	-	-

The effect of upward movement of 5% in the price affects the projected net income by ₹. 0.93 million and further downward movement of 5% the projected net loss will be ₹. 0.93 million for FY 2018-19.

E. Capital management

The Company's objective when managing capital are to:

- Safeguard their ability to continue as going concern, so that they can continue to provide returns for the share holders and benefits for other stake holders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio.

The Company's strategy is to maintain gearing ratio as per industry norms. The gearing ratio is as follows

	(₹ in million)		
Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Total debt (A)	495.00	1,483.41	1,459.41
Less : Cash & cash equivalent (excluding client bank balance) (B)	402.41	594.79	56.32
Net debt (C=A-B)	92.59	888.62	1,403.09
Total equity (Including all reserves) (D)	358.09	331.09	409.86
Net debt to equity (C/D) (in times)	0.26	2.68	3.42

NOTE 34 : CORPORATE SOCIAL RESPONSIBILITY

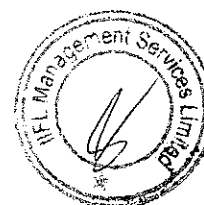
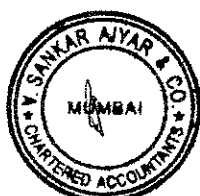
During the year ended March 31, 2019, the Company spent ₹. 0.08 million (FY 2017-18: ₹. Nil) out of the total amount of ₹. 0.08 million (FY 2017-18: ₹. Nil) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The aforementioned amount has been contributed to India Infoline Foundation.

NOTE 35 : RELATED

(A) As Per Ind As 24, the disclosures of transaction with the related parties are given below :

List of related parties where control exists and also related parties with whom transactions have taken place and relationships :

Name of the Company	Holding /Subsidiary/Other related parties
Holding Company (refer note 1.1)	IIFL Securities Limited (Formerly Known as India Infoline Limited)
Director or his Relatives	Mr. Venkataraman Rajamani Mr. Narendra Deshmaj Jain Mr. Bhawani Shankar Jhanwar Mr. Anil Nelson Mascarenhas (Up to 21/12/2018) Mr. Amar Ambani (Up to 30/10/2018)
Private company in which a director or his relative is a member or director	Clara Developers Private Limited



IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Fellow Subsidiaries (refer note 1.1)	<ol style="list-style-type: none"> 1. IIFL Facilities Services Limited (Formerly Known as IIFL REAL ESTATE LIMITED) 2. IIFL Securities Services IFSC Limited 3. IIFL Commodities Limited (Formerly India Infoline Commodities Limited) 4. IIFL Insurance Brokers Limited (Formerly India Infoline Insurance Brokers Limited) 5. IIFL Asset Reconstruction Limited (from May 9, 2017) 6. India Infoline Foundation 7. IIFL Wealth UK Limited 8. IIFL Capital Inc.
Joint Venture and Associates	<ol style="list-style-type: none"> 1. Meenakshi Tower LLP 2. IIFL Asset Reconstruction Limited (from April 11, 2016 to May 8, 2017)
Other Related parties (Holding Company upto April 1, 2018) (refer note 1.1)	<ol style="list-style-type: none"> 1. IIFL Finance Limited (Formerly IIFL Holdings Limited)*
Other Related Parties (Fellow Subsidiaries upto April 01, 2018) #	<ol style="list-style-type: none"> 1. India Infoline Finance Limited# 2. IIFL Home Finance Limited 3. Samasta Microfinance Limited 4. Clara Developers Private Limited 5. IIFL Wealth Management Limited# 6. IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) 7. IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) 8. IIFL Alternate Asset Advisors Limited 9. IIFL Distribution Services Limited 10. IIFL Investment Adviser and Trustee Services Limited 11. IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) 12. IIFL Private Wealth (HongKong) Limited 13. IIFL Private Wealth Management (Dubai) Limited 14. IIFL Inc 15. IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Limited) 16. IIFL (Asia) Pte. Limited 17. IIFL Capital Pte. Limited 18. IIFL Securities Pte. Limited 19. IIFL Capital (Canada) Limited 20. IIFL Wealth Securities IFSC Limited 21. IIFL Altire Advisors Private Limited (Formerly Altire Advisors Private Limited) 22. IIFL Wealth Advisors (India) Limited (Formerly Wealth Advisors (India) Private Limited)
Other Related Parties	<ol style="list-style-type: none"> 1. FIH Maritius Investment Limited 2. Giskard datatech Private Limited 3. Spaisa Capital Limited 4. Spaisa P2P Limited 5. Spaisa Insurance Brokers Limited 6. Orpheus Trading Private Limited 7. India Infoline Employee Trust 8. Sunder Bhanwar Holiday Home Private Limited (upto March 04, 2018) 9. Kalki Family Private Trust

Date of Demerger – 1 April 2018 being the appointed date in terms of the Composite Scheme of Arrangement amongst India Infoline Finance Limited ("IIFL Finance"), IIFL Holdings Limited ("IIFL Holdings"), India Infoline Media and Research Services Limited ("IIFL M&R"), IIFL Securities Limited ("IIFL Securities"), IIFL Wealth Management Limited ("IIFL Wealth") and IIFL Distribution Services Limited ("IIFL Distribution"), and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") approved by the Board of Directors of the Holding Company at its meeting held on January 31, 2018, and approved by the National Company Law Tribunal Bench at Mumbai (Tribunal) on March 07, 2019 under the applicable provisions of the Companies Act, 2013.

*IIFL Private Wealth (Hongkong) Limited' has ceased to carry its business operations and is in process of winding up.

** IIFL Wealth Management Limited has dis-invested with effect from IIFL Private Wealth (Suisse) SA and accordingly does not hold any stake in IIFL Private Wealth (Suisse) SA. (Effective date of disinvestment: February 27, 2019)

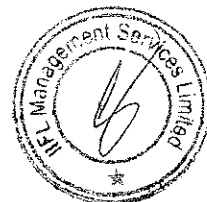
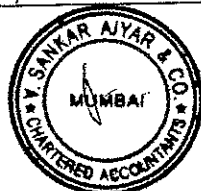
(B) Significant Transactions with Related Parties

	(₹ in million)	
Nature of transaction	March 31, 2019	March 31, 2018
Interest Income		
(i) Other related parties		
India Infoline Finance Limited	-	2.66
Commission Income/Advisory Fees /Arranger Fees /Customer Support/Infrastructure Support/ Marketing Support		
(i) Other related parties		
India Infoline Finance Limited	59.55	8.73



IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Rent Income		
(i) Holding Company		1.04
IIFL Securities Limited (Formerly India Infoline Limited)	-	
(ii) Other related parties		0.42
India Infoline Finance Limited	-	0.71
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	-	0.44
IIFL Wealth Finance Limited	-	0.01
Samasta Microfinance Limited	-	
Donation Paid		
(i) Other related parties	0.08	-
India Infoline Foundation		
Delayed Pay in Charges/Dp Bill/Document Charges		
(i) Holding Company	4.27	-
IIFL Securities Limited (Formerly India Infoline Limited)		
Brokerage Expense/ Rebroker Expenses		
(i) Holding Company	0.22	-
IIFL Securities Limited (Formerly India Infoline Limited)		
Rent Expense		
(i) Fellow Subsidiaries	1.60	2.31
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
Interest Expense		
(i) Holding Company	1.23	0.66
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	4.03	-
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)	14.38	8.87
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
(iii) Other related parties	7.12	-
India Infoline Finance Limited	2.11	-
IIFL Wealth Management Limited		
Allocation/Reimbursement of expenses Received		
(i) Holding Company	5.84	1.10
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	2.66	1.00
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
(iii) Other related parties	12.45	0.98
India Infoline Finance Limited	2.74	0.05
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	-	1.23
IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)	0.12	0.01
Spaisa Capital Limited		
Allocation/Reimbursement of expenses Paid		
(i) Holding Company	29.07	-
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	9.41	8.03
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
(iii) Other related parties	0.88	1.33
India Infoline Finance Limited	0.12	0.54
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)		
Transactions post passing of demerger entry and due to de-merger received		
(i) Fellow Subsidiaries	8.48	5.22
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
Others Paid		
(i) Holding Company	0.45	0.06
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	0.16	0.05
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
(iii) Other related parties	31.01	0.02
India Infoline Finance Limited	0.46	0.01
IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited)	-	-
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)	0.71	0.01
IIFL Wealth Management Limited		
Others Received		
(i) Holding Company	0.09	0.08
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	0.11	4.42
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
(iii) Other related parties	0.12	542.08
India Infoline Finance Limited	-	0.03
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Limited)		



IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

ICD Taken		
(i) Holding Company	260.00	183.00
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	10,720.00	1,472.11
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)	130.00	-
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)		
(iii) Other related parties	2,740.00	-
India Infoline Finance Limited	65.00	-
IIFL Wealth Management Limited		
ICD Taken Returned Back		
(i) Holding Company	250.00	183.00
IIFL Securities Limited (Formerly India Infoline Limited)		
(ii) Fellow Subsidiaries	10,720.00	1,472.11
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)		
(iii) Other related parties	2,450.00	-
India Infoline Finance Limited		
ICD Given		
(i) Other related parties	-	1,500.00
India Infoline Finance Limited		
ICD Given Returned Back		
(i) Other related parties	-	1,500.00
India Infoline Finance Limited		
Share of profit/(loss)		
(i) Joint Venture	35.43	58.18
Meenakshi Towers LLP		

(₹ in million)

(C) Closing Balance	March 31, 2019	March 31, 2018	April 01, 2017
Particulars			
A) Outstanding Balance of ICD Receivable/ (Payable)			
(i) Holding Company	(10.00)	-	-
IIFL Securities Limited (Formerly India Infoline Limited)			
(ii) Fellow Subsidiaries	(130.00)	-	-
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Limited)			
(iii) Other related parties	(290.00)	-	-
India Infoline Finance Limited	(65.00)	-	-
IIFL Wealth Management Limited			
B) Other receivables / (payables)			
(i) Holding Company	0.26	-	-
IIFL Securities Limited (Formerly India Infoline Limited)			
(ii) Fellow Subsidiaries	(0.06)	-	-
IIFL Insurance Brokers Limited (Formerly Known as India Infoline Insurance Brokers Ltd)	(0.07)	-	-
IIFL Facilities Services Limited (Formerly IIFL Real Estate Limited)			
(iii) Other related parties	-	(0.23)	(0.22)
IIFL Finance Limited (Formerly IIFL Holdings Limited)*	16.93	-	-
India Infoline Finance Limited	0.63	-	-
IIFL Home Finance Limited (Formerly Known as India Infoline Housing Finance Ltd)	(0.03)	-	-
IIFL Wealth Management Limited	(2.30)	-	-
IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Ltd)	(0.72)	-	-
IIFL Wealth Finance Limited	0.02	-	-
Spaisa Capital Limited			
C) Investment in joint venture	0.05	0.05	0.05
Meenakshi Towers LLP			
D) Payable to joint venture	133.90	98.47	40.29
Meenakshi Towers LLP			



Note 36 : FIRST TIME ADOPTION OF IND AS

The date of transition to Ind AS is April 01, 2017. The Company applied Ind AS 101 'First-time Adoption of Indian Accounting Standards' in preparing these first Ind AS standalone financial statements. The effects of the transition to Ind AS on equity and total comprehensive income are presented in this section and are further explained in the accompanying notes.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019 together with the comparative period data as at and for the year ended March 31, 2018 and April 01, 2017 being restated as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the company's date of transition to Ind AS. This note explains the principal adjustments made and exemptions applied by the company in restating its previous Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

1. First-time adoption exemptions applied

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, in preparing these financial statements, as set out below:

1.1 Optional exemptions applied by the Company

Business combinations

Ind AS 101 provides optional exemption not to apply Ind AS 103 to any past Business combinations. Accordingly all the past Business combinations prior to April 01, 2017 have been accounted in accordance with previous Indian GAAP.

Property, plant and equipment (PPE), Intangible assets (IA) and Investment properties (IP)

Ind AS 101 provides optional exemption to have deemed cost as a starting point for the items of PPE, IA and IP instead of cost determined as per the requirement of Ind AS 16. The Company has opted to carry forward the PPE, IA and IP under Ind AS at deemed costs i.e. carrying value under previous

1.2 Mandatory exemptions applied by the Group

Estimates

Entity's estimates in accordance with Ind AS at the date of transition are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

The Company made estimates for impairment of financial assets based on expected credit loss in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Classification and measurement of financial assets

As per IND AS 101, entity has assessed classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exists at the date of April 01, 2017

2. Reconciliations

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

2.1 Total Equity as at April 1, 2017 and March 31, 2018

2.2 Total Comprehensive Income for the year ended March 31, 2018



Note 36.2 : FIRST TIME IND AS ADOPTION RECONCILIATIONS

36.2.1 : Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2018 and 1st April, 2017

(₹ in million)

36.2.1 : Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2018 and 1st April, 2017								
Particulars	Explanation	As At 31st March 2018			As At 1st April 2017			
		IGAAP	Effects of transition to Ind AS	IND AS	IGAAP	Adjustment of Merger on April 01, 2017	Effects of transition to Ind AS	IND AS
ASSETS								
(I) Non-current assets	1	371.43	(51.86)	319.57	0.04	411.40	(55.63)	355.81
(a) Property, plant and equipment		828.85	-	828.85	-	619.99	-	619.99
(b) Capital work-in-progress		-	51.86	51.86	-	-	55.63	55.63
(c) Investment property		0.05	-	0.05	0.05	-	-	0.05
(d) Investments in subsidiaries, associates and joint ventures		-	-	-	-	-	-	-
(e) Financial assets	2	22.09	(20.00)	2.09	-	25.74	-	25.74
(i) Loans		13.35	(13.35)	-	13.35	-	(13.35)	-
(ii) Other financial assets		28.62	29.93	58.55	21.13	0.75	14.58	36.46
(f) Deferred tax assets (net)		1.12	-	1.12	0.59	705.45	-	706.04
(g) Other non-current assets		1,265.51	(3.42)	1,262.09	35.16	1,763.33	1.23	1,799.72
(II) Current assets	3	-	-	-	-	-	-	-
(a) Inventories		-	-	-	-	-	-	-
(b) Financial assets		157.20	(74.23)	82.97	1.60	114.63	(39.58)	76.65
(i) Trade receivables		594.79	-	594.79	38.65	17.67	-	56.32
(ii) Cash and cash equivalents		0.23	-	0.23	-	0.11	-	0.11
(iii) Other financial assets		0.54	-	0.54	-	-	-	-
(c) Other current assets		752.76	(74.23)	678.53	40.25	132.41	(39.58)	133.08
TOTAL ASSETS (I+II)		2,018.27	(77.65)	1,940.62	75.41	1,895.74	(38.35)	1,932.80
EQUITY AND LIABILITIES								
(I) Equity		3.71	(0.90)	2.81	2.81	-	-	2.81
(a) Equity share capital		422.72	(94.44)	328.28	70.74	368.28	(31.97)	407.05
(b) Other equity		426.43	(95.34)	331.09	73.55	368.28	(31.97)	409.86
(II) Liabilities	4, 5							
(i) Non-current liabilities								
(a) Financial liabilities		-	-	-	-	-	-	-
(i) Borrowings		-	0.90	0.90	-	-	-	-
(ii) Other financial liabilities		0.90	-	0.90	-	1.01	-	1.01
(b) Provisions		-	-	-	-	0.90	-	0.90
(c) Other non-current liabilities		0.90	0.90	1.80	-	1.91	-	1.91
(ii) Current liabilities								
(a) Financial liabilities		1,483.41	-	1,483.41	-	1,459.41	-	1,459.41
(i) Borrowings		-	-	-	-	-	-	-
(ii) Trade payables		-	-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises		7.83	-	7.83	0.18	6.80	-	6.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		82.43	16.79	99.22	(0.10)	47.10	(6.38)	40.62
(iii) Other financial liabilities		11.20	-	11.20	1.61	11.89	-	13.50
(b) Other current liabilities		0.31	-	0.31	-	0.35	-	0.35
(c) Provisions	5.76	-	5.76	0.17	-	-	0.17	
(d) Current tax liabilities (net)	1,590.94	16.79	1,607.73	1.86	1,525.55	(6.38)	1,521.03	
TOTAL EQUITY AND LIABILITIES (I+II)		2,018.27	(77.65)	1,940.62	75.41	1,895.74	(38.35)	1,932.80

The Scheme of Arrangement between IIFL Facilities Services Limited and IIFL Management Services Limited was approved by National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated on September 08, 2017. The certified true copy of the order was duly filed with Registrar of Companies, Mumbai and the Scheme was effective from September 29, 2017. Pursuant to order of NCLT, Mumbai Bench, Real Estate Advisory Services including investment and other asset and liabilities relating to its joint venture M/S Meenakshi Towers LLP Undertaking (the undertaking) on going concern basis was vested from the Company IIFL Facilities Services Limited to IIFL Management Services Limited w.e.f. the appointed date i.e. April 01, 2017. Accordingly the company have given effect of scheme on its transaction date.



Note 36.2 : FIRST TIME IND AS ADOPTION RECONCILIATIONS

36.2.2 : Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in million)

Particulars	Explanation	For the period ended on 31 March 2018		
		IGAAP	IND AS Adjustment	IND AS
INCOME				
Revenue from operations		262.83	-	262.83
Other income		16.16	-	16.16
Total Revenue		278.99	-	278.99
EXPENSES				
Employee benefits expense	4, 6	77.48	(0.11)	77.37
Finance costs		104.70	-	104.70
Depreciation and amortization expense		37.23	-	37.23
Other expenses	3,5	73.52	77.80	151.32
Total Expenses		292.93	77.69	370.62
Profit before tax		(13.94)	(77.69)	(91.63)
Tax expense				
Current tax		9.02	-	9.02
MAT credit Entitlement		-	-	-
Net current tax		9.02	-	9.02
(Excess)/short provision of tax relating to earlier years		0.09	-	0.09
Deferred tax	2	(6.75)	(15.31)	(22.06)
Total tax expense		2.36	(15.31)	(12.95)
Profit/(loss) after tax		(16.30)	(62.38)	(78.68)
Items of other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	6	-	(0.12)	(0.12)
(ii) Income tax relating to items that will not be reclassified to profit or loss	2	-	0.03	0.03
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		(16.30)	(62.47)	(78.77)

Explanations for the reconciliation of the Balance Sheet and Profit and Loss Statement as previously reported under IGAAP to Ind AS

1 Property Plant and Equipment, Investment Properties and Intangibles Assets

The company has elected to measure property, plant and equipment, intangible assets and investment properties at deemed cost at the date of transition to Ind AS.

2 Deferred Tax

Under Ind AS, deferred tax has been recognised on the adjustment made on transition to Ind AS. Previous Indian GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous Indian GAAP.

3 Trade Receivables and other financial assets

The impairment provisions for trade receivables and other financial assets are based on assumptions about risk of default and expected cash loss rates. The company uses simplified approach based on judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

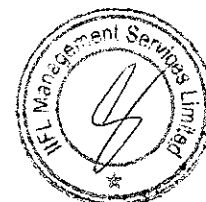
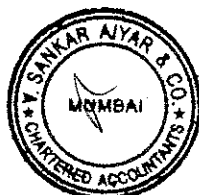
Under the previous Indian GAAP, investment in mutual funds were classified as current investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earning / statement of profit and loss.

4 ESOP

Under Previous GAAP, the cost of cash-settled employee share-based payments was recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based payments of its Holding Company given to the employees of the Company is recognised in the statement of profit and loss for the year ended 31st March 2018 based on the fair value of the options as on the grant date with consequent increase in the amount payable to the holding Company.

5 IND AS Impact of Joint Venture

For Group reporting purpose, Meenakshi Tower LLP have converted its financials into Ind AS w.e.f April 01, 2017 i.e. transition date of the Group and the above Ind AS adjustment includes impact of Ind AS conversion in the books of Meenakshi Tower LLP. Accordingly the provision equivalent to the share of loss of Meenakshi Tower LLP has been adjusted in the books of IIFL Management Services Ltd as per IND AS recasted profit and loss statement.



6 Defined benefit liabilities

Both under previous Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous Indian GAAP, the entire cost, including remeasurements, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

7 Figures for the previous year have been regrouped, re-arranged, reclassified wherever necessary

NOTE 37 : OTHER NOTES

For the uses the premises, infrastructure and other facilities and services as provided by the Company to its holding Company / subsidiaries / group companies/ other related parties and vice-versa for business operation which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company or vice versa were identified and recovered/paid based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered/paid on an actual basis and the estimates are used only where actual were difficult to determine.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

a. Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
 - Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.
- Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is still assessing the impact on account of this amendment.

b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 –

Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

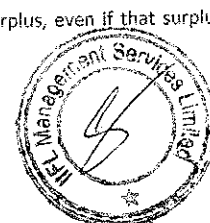
c. Amendment to

Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

d. Amendment to

Plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost any gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

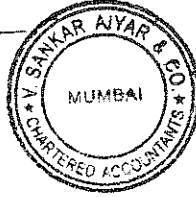


IIFL MANAGEMENT SERVICES LTD (FORMERLY KNOWN AS INDIA INFOLINE INSURANCE SERVICES LTD)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm's Registration No. 109208W

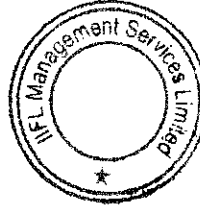
G. Sankar
Partner
Membership No. : 046050



Place : Mumbai
Dated : May 13, 2019

For and on Behalf of Board of Directors

Narender Deshmaj Jain
Director
(Din: 01984467)



Bhawani Shankar Jhanwar
Director
(Din: 08250590)