

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of IIFL Securities Alternate Asset Management Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statement of **IIFL Securities Alternate Asset Management Limited** ("the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date and notes to the financial statements, including a summary of material 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 the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

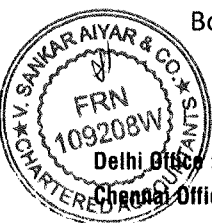
We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the S Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any key audit matters for the Company.

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

These financial statements have been prepared on the basis of the annual financial statements of the Company. 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 net profit and other comprehensive income and other financial information 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.

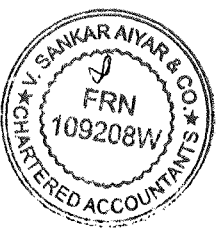
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statement 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.
- Obtain sufficient appropriate audit evidence regarding the Financial Statements of the Company to express an opinion on the financial Statements.

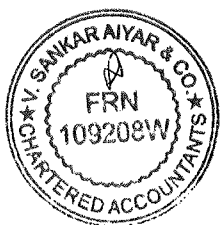
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a

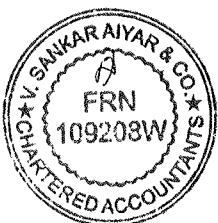


statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its managing director during the period.

- (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 no pending litigation which may impact its financial position – Refer Note 19(3) of the financial statements;
 - (i) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note No 19(4) of the Financial Statements;
 - (ii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note No 19(5) of the Financial Statements;
 - (iii) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or



provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 19(1) of the Financial Statements;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note No 19(2) of the Financial Statements; and

(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(iv) The Company has neither declared nor paid any dividend during the period.

(v) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the period ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being trampled with.

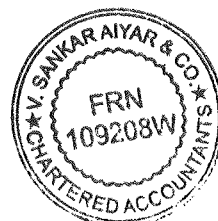
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the period ended March 31, 2024.

**For V. Sankar Aiyar & Co.,
Chartered Accountants
(FRN 109208W)**

S Nagabushan

**Place: Mumbai
Date: May 15, 2024**

**(S Nagabushanam)
(M.No.107022)
UDIN: 24107022BKFGKH2019**

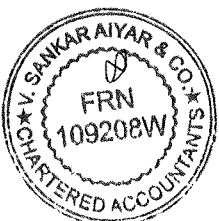


ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

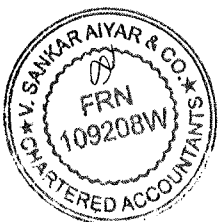
Annexure referred to in our report of even date to the members of IIFL Securities Alternate Asset Management Limited on the financial statement for the period ended 31st March 2024

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

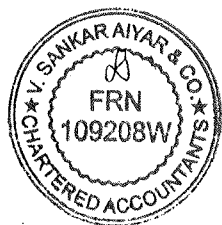
- (i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
- (a) (A) The Company does not have any Property, Plant and Equipment and Right of Use Assets and hence requirement of the clause 3(i)(a)(A) is not applicable.
- (B) The Company does not have any intangible assets and hence requirement of the clause 3(i)(a)(B) is not applicable.
- (b) The Company does not have property, plant and equipment and right to use assets. Therefore, paragraph 3(i)(b) of the Order is not applicable to the Company.
- (c) The Company does not have any immovable property. Therefore, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder and accordingly, the requirements of paragraph 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) The Company is not carrying on any trading or manufacturing activity. Therefore, paragraph 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and records of the Company examined by us, the Company has not availed any working capital limits at any point of time during the period, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order not applicable.
- (iii) According to the information and explanations given to us, the Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or any other parties during the period. Therefore, paragraph 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firm, Limited Liability Partnerships or any other parties during the period. Therefore, paragraph 3(iv) of the Order is not applicable to the Company.



- (v) According to information and explanations given to us and records of the Company examined by us, 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 and based on our verification of the records of the Company, 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 to us, there are no undisputed statutory dues outstanding for more than six months as at March 31, 2024 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 cases of non-deposit of disputed dues of sales tax or goods and services tax or duty of customs or duty of excise.
- (viii) In our opinion and according to the information and explanation given to us, in respect of tax assessments made under the Income Tax Act, 1961, there are no transactions which have been surrendered or disclosed as income by the Company. Accordingly, there are no previously unrecorded income and related assets which have been accounted in the books of account during the period.
- (ix) According to information and explanation given to us,
- (a) The Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the period and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the period for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the period and hence reporting on clause 3(ix)(f) of the Order is not applicable.



- (x) According to the information and explanation given to us,
- (a) The Company has not raised moneys by way of initial public offer or further public offer or public offer (including debt instruments) during the period and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) During the period, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) According to the information and explanation given to us,
- (a) Based upon the audit procedures performed and information and explanations given by the management, we have not come across any instances of fraud by the Company or on the Company during the period.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and upto the date of this report.
 - (c) The Company has a whistle blower policy system in place and according to the information and explanation received, no complaints have been received by the Company during the period (and up to the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us,
- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) There is no requirement of an internal audit and hence reports of the Internal Auditors for the period under audit were not available.
- (xv) In our opinion, during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information and explanation given to us,
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 - (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



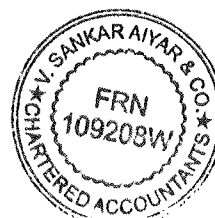
- (xvii) The Company has not incurred cash losses during the period covered by our audit and the company was not in existence in the immediately preceding financial period.
- (xviii) This being the first year of the Company, there has been no resignation of the statutory auditors of the Company during the period.
- (xix) In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to information and explanation given to us and records examined by us, the Company does not have other than ongoing projects. Hence reporting under clause 3(xx)(a) of the Order is not applicable.
(b) According to information and explanation given to us and records examined by us, in respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

**For V. Sankar Aiyar & Co.,
Chartered Accountants
(FRN 109208W)**

S Nagabushan

**Place: Mumbai
Date: May 15, 2024**

**(S Nagabushanam)
(M.No.107022)
UDIN: 24107022BKFGKH2019**



Annexure B to the Independent Auditor's Report

Annexure referred to in our report of even date to the members of IIFL Securities Alternate Asset Management Limited on the Financial Statements for the period ended 31st March 2024

Report on the Internal Financial Controls with reference to Financial Statements 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 Securities Alternate Asset Management Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the period 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.

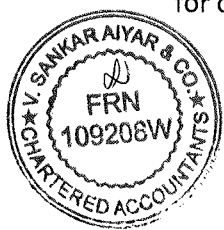
These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and 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

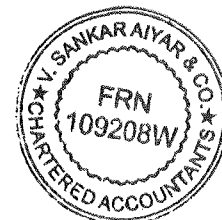
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria 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
(FRN 109208W)**

S Nagabushanam

**Place: Mumbai
Date: May 15, 2024**

**(S Nagabushanam)
(M.No.107022)
UDIN: 24107022BKFGKH2019**



IIFL Securities Alternate Asset Management Limited
Balance Sheet as at March 31, 2024

(₹ in Lakh)

| Particulars | Notes No. | As at Mar 31, 2024 |
|----------------------------------------------------------------------------------------|-----------|--------------------|
| ASSETS | | |
| (1) Non-current assets | | - |
| (2) Current assets | | |
| (a) Financial Assets | | |
| (i) Cash and cash equivalents | 4 | - |
| (ii) Bank balances other than (i) above | 5 | 900.00 |
| (iii) Other Financial assets | 6 | 4.39 |
| TOTAL ASSETS | | 904.39 |
| EQUITY AND LIABILITIES | | |
| (1) EQUITY | | |
| (a) Equity Share capital | 7 | 900.00 |
| (b) Other Equity | 8 | 3.50 |
| (2) LIABILITIES | | |
| (1) Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Trade Payables | | |
| Total outstanding dues of micro enterprises and small enterprises | | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 9 | 0.20 |
| (b) Current tax liabilities (Net) | 10 | 0.69 |
| TOTAL LIABILITIES AND EQUITY | | 904.39 |

The accompanying notes forming an integral part of the financial

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As per our attached report of even date

For V. Sankar Aiyar & Co

Chartered Accountants

Firm's Registration No. 109208W

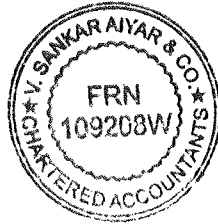
By the hand of

S Nagabushanam

S. Nagabushanam

Partner

Membership No.- 107022



For and on behalf of the Board of Directors

Ujwal H Shah

Ujwal Harkisandas Shah

Director

(DIN: 10051076)

Narendra Deshmajain

Narendra Deshmajain

Director

(DIN: 01984467)

Place : Mumbai

Dated: May 15, 2024

IIFL Securities Alternate Asset Management Limited
Statement of Profit and Loss for the period ended March 31, 2024

(₹ in Lakh)

| Particulars | Notes No. | For the year ended Mar 31,2024 |
|-----------------------------------------------------------------------------------------|-----------|--------------------------------|
| INCOME | | |
| (i) Revenue from operations | 11 | - |
| (ii) Other Income | 12 | 4.88 |
| (I) Total Income (i+ii) | | 4.88 |
| EXPENSES | | |
| (i) Others expenses | 13 | 0.20 |
| (II) Total Expenses | | 0.20 |
| (III) Profit / (loss) before exceptional items and tax (I-II) | | 4.68 |
| (IV) Exceptional items | | - |
| (V) Profit/(loss) before tax (III-IV) | | 4.68 |
| Tax Expense: | 14 | |
| (i) Current Tax | | 1.18 |
| (ii) Deferred Tax | | - |
| (VI) Total Tax Expenses (i+ii) | | 1.18 |
| (VII) Profit/(Loss) for the period (V-VI) | | 3.50 |
| Other Comprehensive Income | | |
| (i) Items that will not be reclassified to profit or (loss) (specify items and amounts) | | - |
| (ii) Income tax relating to items that will not be reclassified to profit or (loss) | | - |
| (VIII) Other Comprehensive Income (i+ii) | | - |
| (IX) Total Comprehensive Income for the period (VII+VIII) | | 3.50 |
| Earnings per equity share | 15 | |
| (1) Basic (₹) | | 0.04 |
| (2) Diluted (₹) | | 0.04 |

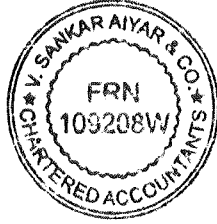
The accompanying notes forming an integral part of the financial statements

1-19

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

S Nagabushanam

S. Nagabushanam
Partner
Membership No.- 107022



Place : Mumbai
Dated: May 15, 2024

For and on behalf of the Board of Directors



Ujwal H Shah

Ujwal Harkisandas Shah
Director
(DIN: 10051076)

Narendra Deshmal Jain

Narendra Deshmal Jain
Director
(DIN: 01984467)

IIFL Securities Alternate Asset Management Limited
Cash Flows Statement for year ended March 31, 2024

(₹ in Lakh)

| Particulars | For the year ended March 31, 2024 |
|------------------------------------------------------------------|-----------------------------------|
| Cash flows from operating activities | 4.68 |
| Net profit before taxation, and extraordinary item | 4.68 |
| Adjustments for: | - |
| Gratuity | - |
| Interest expenses | - |
| Rent Paid | - |
| Depreciation & Amortisation | 4.68 |
| Operating profit before working capital changes | - |
| Increase/(Decrease) in other financial liabilities | - |
| Increase/(Decrease) in trade and other payable | - |
| (Increase)/Decrease in other financial assets | - |
| Decrease / (Increase) in non-financial assets | - |
| Tax (Paid) / Refund | 4.68 |
| Net cash from/(used in) operating activities (a) | 4.68 |
| Cash flows from investing activities | - |
| Net cash from/(used in) investing activities (b) | - |
| Cash flows from financing activities | 900.00 |
| Proceeds from issuance of share capital | 900.00 |
| Net cash from / (used in) financing activities (c) | 900.00 |
| Net increase/(decrease) in Cash and Bank Balances (a+b+c) | 904.68 |
| Cash and cash equivalents at the beginning of the year | - |
| Cash and cash equivalents at the end of the year | 900.00 |
| Net increase/(decrease) in Cash and cash equivalents | 900.00 |

1-19

The accompanying notes forming an integral part of the financial statements

As per our attached report of even date

For V. Sankar Aiyar & Co

Chartered Accountants

Firm's Registration No. 109208W

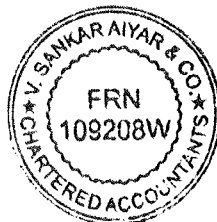
By the hand of

S Nagabushana

S. Nagabushanam

Partner

Membership No.- 107022



For and on behalf of the Board of Directors

Ujwal H Shah

Ujwal Harkisandas Shah

Director

(DIN: 10051076)

Narendra Deshmajain

Narendra Deshmajain

Director

(DIN: 01984467)

Place : Mumbai

Dated: May 15, 2024

IIFL Securities Alternate Asset Management Limited
Statement of Changes in Equity for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL
FY 2023-24

(₹ in Lakh)

| Particulars | No. of Shares | Amount |
|-------------------------------------------------------------------|---------------|--------|
| As at March 31, 2023 | - | - |
| Change in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Add:- Shares issued during the year | 90.00 | 900.00 |
| Changes in equity share capital during the year | - | - |
| As at March 31, 2024 (Refer note 7) | 90.00 | 900.00 |

B. OTHER EQUITY
FY 2023-24

(₹ in Lakh)

| Particulars | Reserves and Surplus | |
|-------------------------------------------------------------------|----------------------|------|
| | Retained Earnings | |
| Opening balance as at April 1, 2023 | - | - |
| Changes in accounting policy/prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Transfer from/to reserve | - | 3.50 |
| Additions/(deletions) during the year | - | - |
| Total comprehensive income for the year | - | - |
| Appropriation towards dividend paid | - | - |
| Closing balance as at March 31, 2024 (Refer note 8) | - | 3.50 |

The accompanying notes forming an integral part of the financial statements

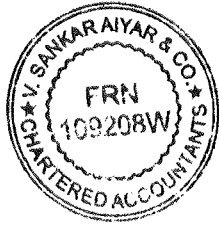
1-19

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

For and on Behalf of Board of Directors

S Nagabushan

S Nagabushanam
Partner
Membership No. : 107022



Place : Mumbai
Dated : May 15, 2024



Ujwal H Shah
Ujwal Harkisandas Shah
Director
(DIN: 10051076)

Narendra Deshmaj Jain
Director
(DIN: 01984467)

Note 1. Corporate Information:

IIFL Securities Alternate Asset Management Limited was incorporated on February 09, 2024. IIFL Securities Alternate Asset Management Limited to act as Investment Manager to Alternate Investment Funds and providing Portfolio Management Services. This being the first year of operation of the company, previous year figures are not available.

Note 2. Material Accounting Policies and Key Accounting Estimates and Judgements

2.1 Material Accounting Policies:

a) Basis of Preparation of financial statements:

These financial statements are the financial statements prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015. These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The financial statement were approved for issue by the board of directors at its meeting held on May 15, 2024

b) Financial Instruments:

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

Financial assets

Initial recognition and measurement:

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

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

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

A financial asset is measured at FVTOCI if both of the following conditions 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.

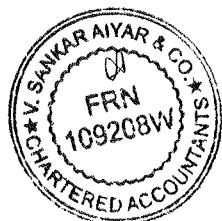
On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries 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 & Loss. The Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

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.



IIFL Securities Alternate Asset Management Limited

Notes Forming Standalone Financial Statements for the year ended March 31, 2024

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.

Derecognition:

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.

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 Material increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased Materially, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased Materially, 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 Material 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.

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.

Financial Liabilities and equity:

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:

All financial liabilities are initially recognised at fair value net of transaction cost that are attributable to the separate liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

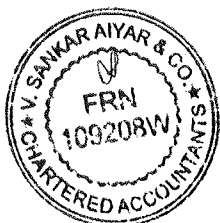
Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

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.



IIFL Securities Alternate Asset Management Limited
Notes Forming Standalone Financial Statements for the year ended March 31, 2024

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.

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

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

The fair value of an asset or 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.

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

Current tax:
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). Where there is uncertainty over income tax treatments, the Company determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing 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

Deferred tax:
Deferred tax is provided using the balancesheet method on temporary differences between the tax bases of assets & 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.

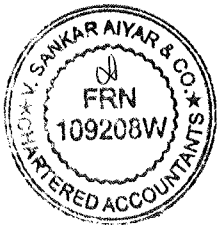
Assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities 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.



d) Provisions and Contingencies:

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

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.

e) 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.

f) Revenue Recognition

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018.

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.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

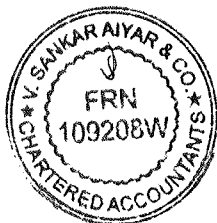
Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables.

g) Earning Per Shares:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.



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.

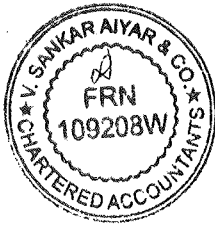
3.1 Critical accounting estimates and assumptions

3.1.1 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.

3.1.2 Income taxes

The Company tax jurisdiction is India. Material 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.



IIFL Securities Alternate Asset Management Limited
Notes Forming Financial Statements for the year ended March 31, 2024

| (₹ in Lakh) | |
|------------------------------------|----------------|
| Note 4 : Cash and cash equivalents | |
| Particulars | March 31, 2024 |
| Current | |
| Balances with banks : | |
| In current accounts | - |
| Total | - |

| (₹ in Lakh) | |
|-----------------------------------------------------------------------------------------------------|----------------|
| Note 5 : Bank Balance other than above | |
| Particulars | March 31, 2024 |
| Current | |
| (a) Fixed deposits with banks, having remaining maturity more than 3 months and less than 12 months | 900.00 |
| Total | 900.00 |

| (₹ in Lakh) | |
|----------------------------------------|----------------|
| Out of the fixed deposits shown above: | |
| Particulars | March 31, 2024 |
| (a) Lien marked | - |
| (b) Other deposits | 900.00 |
| Total | 900.00 |

| (₹ in Lakh) | |
|-----------------------------------------------|----------------|
| Note 6 :- Other Financial assets | |
| Particulars | March 31, 2024 |
| (a) Interest accrued on loans and investments | 4.39 |
| Total | 4.39 |

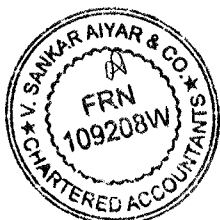
| (₹ in Lakh) | |
|-------------------------------------------------------------------------------------------------|----------------|
| Note 7 :- Equity Share Capital | |
| Particulars | March 31, 2024 |
| Authorized Share Capital | |
| At the beginning of the year | |
| Add: Increase in authorised share capital | 2,000.00 |
| 2,00,00,000 Equity Shares of ₹ 10 each | 500.00 |
| 50,00,000 Preference Shares of ₹ 10 each | |
| Issued, subscribed and paid up: | |
| 90,00,000 (Previous Year 90,00,000) Equity Shares of ₹ 10 each fully paid-up with voting rights | 900.00 |

| A. Reconciliation of shares outstanding at the beginning and at the end of the year | | |
|-------------------------------------------------------------------------------------|---------------------|---------------|
| Particulars | March 31, 2024 | |
| | No. of Shares | Amount |
| Issued, subscribed and paid up at the beginning of the year | 90,00,000.00 | 900.00 |
| Add: Issued during the Year | | |
| Less: Equity shares bought back | | |
| Issued, subscribed and paid up at the End of the year | 90,00,000.00 | 900.00 |

B. Terms/Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees

In the event of liquidation of company, the holder 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 shareholders.



C. Equity Shares held by Holding Company and its subsidiaries.

| Particulars | March 31, 2024 | |
|------------------------------------------------------------------|----------------|--------------|
| | No. of Shares | % of holding |
| Equity Shares of ₹ 10 each fully paid IIFL Securities Limited | 90,00,000.00 | 100 |

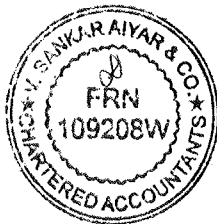
D. Details of shareholders holding more than 5% shares in the company

| Particulars | March 31, 2024 | |
|------------------------------------------------------------------|----------------|--------------|
| | No. of Shares | % of holding |
| Equity Shares of ₹ 10 each fully paid IIFL Securities Limited | 90,00,000.00 | 100 |

| | | (₹ in Lakh) |
|-----------------------------------------------------|--|----------------|
| Note 8 :- Other Equity | | March 31, 2024 |
| Particulars | | |
| Retained earnings | | - |
| Opening balance | | - |
| Changes in accounting policy or prior period errors | | 3.50 |
| Total comprehensive income for the year | | 3.50 |
| Total | | 3.50 |

| | | (₹ in Lakh) |
|---------------------------------------------------------------------------------------------------------|--|----------------|
| Note 9 :- Trade Payables | | March 31, 2024 |
| Particulars | | |
| (I) Trade Payables | | - |
| (i) total outstanding dues of micro enterprises and smal enterprises | | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | - |
| Sub Total (I) | | - |
| (II) Other Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises (refer disclosure shown as below) | | |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 0.20 |
| (a) Other Payables | | |
| (b) Accrued Salaries & Benefits | | |
| (c) Provision for expenses | | |
| Sub Total (II) | | 0.20 |
| Total (I) + (II) | | 0.20 |

| | | (₹ in Lakh) |
|-----------------------------------|--|----------------|
| Note 10:- Current tax liabilities | | March 31, 2024 |
| Particulars | | |
| Current | | 0.69 |
| Current tax Liabilities | | 0.69 |
| Total | | 0.69 |



IIFL Securities Alternate Asset Management Limited
Notes Forming Financial Statements for the year ended March 31, 2024

Note 11 : Revenue From Operation (₹ in Lakh)

| Particulars | March 31, 2024 |
|-----------------|----------------|
| Management Fees | - |
| Total | - |

Note 12 : Other Income (₹ in Lakh)

| Particulars | March 31, 2024 |
|--------------------------------------------|----------------|
| (a) Interest income from -Fixed deposit | 4.88 |
| Total | 4.88 |

Note 13:- Other Expenses (₹ in Lakh)

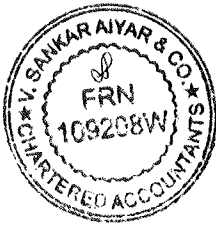
| Particulars | March 31, 2024 |
|----------------------------------------|----------------|
| (a) Remuneration to auditors : | |
| - As auditors - statutory audit | 0.20 |
| - Certification work and other matters | - |
| - Out of pocket expenses | - |
| Total | 0.20 |

Note 14 :- Income Tax Expense (₹ in Lakh)

| a) Components of income tax expenses | Mar 31, 2024 |
|--------------------------------------------|--------------|
| i) Current Tax | |
| Current Year | 1.18 |
| Changes in estimate related to prior years | - |
| Total Current Tax | 1.18 |

Note 15:- Earning Per Shares (₹ in Lakh)

| Particulars | March 31, 2024 |
|-----------------------------------------------------------------|----------------|
| Profit after tax as per Statement of Profit and Loss (₹) | 3.50 |
| Weighted average number of equity shares for basic EPS (in No.) | 90.00 |
| Face value of equity share (₹) | 10.00 |
| Basic earnings per share (₹) | 0.04 |
| Diluted earnings per share (₹) | 0.04 |



Note 16 : Related Party Transactions

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

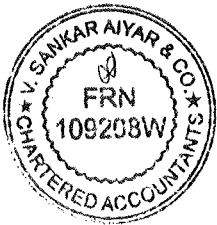
(A) List of related parties where control exists and also related parties with whom transactions have taken place and relationships :

| Nature of relationship | Name of party |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Parent Company | IIFL Securities Limited |
| Fellow Subsidiaries Companies | IIFL Commodities Limited IIFL Management Services Limited Livlong Insurance Brokers Limited (Formerly IIFL Insurance Brokers Limited) IIFL Facilities Services Limited IIFL Wealth UK Limited Meenakshi Towers LLP India Infoline Foundation (a section 8 Company) Livlong Protection & Wellness Solutions Limited (Formerly IIFL Corporate Services Limited) (Formerly IIFL Asset Reconstruction Limited) IIFL Securities Services IFSC Limited IIFL Capital Inc. Shreyans Foundation LLP |
| Other Related Parties | IIFL Finance Limited IIFL Home Finance Limited IIFL Sales Limited (Step-Down Subsidiary of IIFL Finance Limited) IIFL Private Wealth Hong Kong Limited IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Securities Pte. Limited IIFLW CSR Foundation (Incorporated w.e.f. January 20, 2020) IIFL Capital Pte. Limited 360 One Wam Limited (Formerly IIFL Wealth Management Limited) IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited) IIFL Asset Management Limited IIFL Wealth Portfolio Managers Limited (Formerly IIFL Portfolio Managers Limited) IIFL Wealth Capital Markets Limited (L&T Capital Markets Limited) (Wholly owned subsidiary of IIFL Wealth Finance Limited) IIFL Investment Adviser and Trustee Services Limited IIFL Trustee Limited IIFL Asset Management (Mauritius) Limited IIFL Wealth Prime Limited (Formerly Known as IIFL Wealth Finance Limited) IIFL Inc. IIFL Wealth Securities IFSC Limited IIFL Wealth Altire Limited (Formerly knowns as IIFL Altire Advisors Limited) (Originally Altire Advisors Private Limited) FIH Mauritius Investments Limited India Infoline Employee Trust IIFL Samasta Finance Limited (Erstwhile Samasta Microfinance Limited) Orpheous Trading Private Limited Spaisa Capital Limited Spaisa P2P Limited Spaisa Insurance Brokers Limited Spaisa Trading Limited (Incorporated w.e.f. February 27, 2020) MNJ Consultants Private Limited Ardent Impex Private Limited Mr. Nirmal Jain - Promoter Mr. Venkataraman Rajamani - Promoter Giskard Datatech Private Limited Sunder Bhawar Ventures Private Limited Kalki Family Private Trust Nirmal Madhu Family Private Trust |
| Directors | Mr. Narendra Deshmal Jain - Director Mr. Ujwal Harkisandas Shah - Director |

(B) Material Transactions with Related Parties.

(₹ In Lakh)

| Nature of transaction | As at March 31, 2024 |
|--------------------------------------------|----------------------|
| Share Capital:- IIFL Securities Limited | 900.00 |



Note 17 : Financial Risk Management**Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is approved by the board committee.

The Company's principal financial liabilities comprise debt securities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations and investment.

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

17 A. LIQUIDITY RISK

The table below analyse the company financial liability into relevant maturity compaying based on their contractual maturity. The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 1 year equals their carrying balances as the impact of discounting is not Material.

| (Amount in ₹) | | | | | |
|-----------------------------|-----------------|--------------|-----------|------------|--------------------|
| As at Mar 31, 2024 | | | | | |
| Particulars | Carrying amount | Up to 1 year | 1-5 years | 5-10 years | More than 10 years |
| Trade & other payable | 0.20 | 0.20 | - | - | - |
| Other financial liabilities | - | - | - | - | - |
| Total liabilities | 0.20 | 0.20 | - | - | - |

17 B. 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 :

| (Amount in ₹) | |
|---------------------------|----------------|
| Particulars | March 31, 2024 |
| Total debt | - |
| Cash & cash equivalent | 900 |
| Net debt | 900 |
| Total equity | 904 |
| Net debt to equity | 1.00 |

17 C. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

– Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

– Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all Material inputs are directly or indirectly observable from market data.

– Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a Material effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which Material unobservable adjustments or assumptions are required to reflect differences between the instruments.

Subjective estimate - The valuation of level 3 financial instruments held at fair value through profit or loss or through other comprehensive income may be misstated due to the application of valuation techniques which often involve the exercise of judgement and the use of assumptions and estimates. A subjective estimate exists for instruments where the valuation method uses Material unobservable inputs which is principally the case for level 3 financial instruments. The estimate measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a Material degree of non-market-based unobservable inputs.

Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

17 C. 1. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments include: cash and bank balances, trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

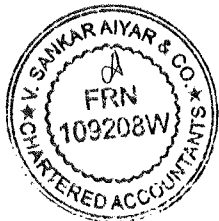
Debts Securities

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value.

| (Amount in ₹) | | | |
|--------------------------------|----------------------|-------------|----------------------|
| Particulars | As at March 31, 2024 | | |
| | Carrying Value | Fair Value | Fair Value Hierarchy |
| Assets | | | |
| Cash and cash equivalents | 900 | 900 | - |
| Security deposit with Landlord | - | - | - |
| Total Assets | 900 | 900 | - |
| Liabilities | | | |
| Other payables | 0.20 | 0.20 | - |
| Other financial liabilities | - | - | - |
| Total Liabilities | 0.20 | 0.20 | - |

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.



NOTE :- 18 RATIO ANALYSIS

This being the first year of operation of the company ratio analysis is not shown as previous year figures are not available

NOTE :- 19 Other Disclosure under schedule - III

- 1) No funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3) The company does not have any contingent liability as on March 31, 2024
- 4) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 5) The company does not have any amount which is to be transferred to investor education and protection fund
- 6) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- 7) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- 8) During the year, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 9) There are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 10) There are no charges or satisfaction yet to be registered with the registrar of companies beyond the statutory period.
- 11) The company does not have layers beyond the number prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 12) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

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

S Nagabushanam

S. Nagabushanam
Partner
Membership No.- 107022

Ujwal H Shah

Ujwal Harkisandas Shah
Director
(DIN: 10051076)

Narendra

Narendra Deshmaj Jain
Director
(DIN: 01984467)



Place : Mumbai
Dated: May 15, 2024

