

15th Annual General Meeting of IIFL Wealth Management Limited

Held on 30th September 2022 at 4:00 p.m. (IST)

Mr. Rohit Bhase – Company Secretary & Compliance Officer, IIFL Wealth Management Limited:

- Good evening, ladies and gentlemen. Dear members, it is 04:00 PM of 30th September 2022 and it is time to commence the meeting. First and foremost, I wish you good health to each of you and to your family. On behalf of the Board of directors and the management of IIFL Wealth Management Limited, I, Rohit Bhase, Company Secretary, welcome you to the 15th Annual General Meeting of IIFL Wealth Management Limited, which is being held through video conferencing and other audio visual meets. In view of the circulars issued by Ministry of Corporate Affairs and SEBI read with applicable secretarial standards, we are holding this annual general meeting through video conferencing and other audio visual means. Further, the Company has made necessary arrangements with CDSL to provide the facility for voting through remote e-voting and e-voting during the annual general meeting and also for participation in the annual general meeting through video conferencing and other audio visual means on first come, first served basis.
- All the members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbance arising from the background noise and to also ensure smooth and seamless conduct of the meeting. Once the question and answer session starts, the Chairman will one by one announce the names of the members who have registered themselves as a speaker shareholder. The speaker shareholder will thereafter be unmuted by the host and then the respective speaker shareholders are requested to click on video-on button. We request speaker shareholders to kindly limit their speech to the agenda related to the annual general meeting only. During the annual general meeting, if any member faces any technical issue, they may contact the toll free helpline number mentioned in the notice of the annual general meeting which is 1800 22 5533. I repeat, the toll free number for the helpline for resolving the technical issues is 1800 22 5533. In case a shareholder has joined from outside of India, please add 91 as prefix.
- Further, since the proceedings of the meeting are being recorded, the members are requested to avoid disclosing any sensitive personal information. All the Directors

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including the Chairman – Mr. Nilesh Vikamsey, the Chairperson of the Audit Committee and Nomination and Remuneration Committee, Ms. Geeta Mathur, the Chairman of the Stakeholder Relationship Committee, Mr. R. Venkataraman and other Directors are present through video conferencing from their respective locations except Mr. Sandeep Naik and Mr. Shantanu Rastogi who are unable to attend this meeting due to their preoccupation. Representatives of the statutory auditors, M/s Deloitte Haskins and Sells LLP, Chartered Accountants and the secretarial auditors, M/s Mehta & Mehta, Practicing Company Secretaries and the scrutinizer for the meeting, M/s Nilesh Shah & Associates are also present at the meeting through video conferencing. The requisite quorum for the meeting is present. All the requisite and relevant documents referred to in the AGM notice and the explanatory statement, including certain statutory registers were made available to the members for inspection till the date of the meeting.

- Now I request Mr. Nilesh Vikamsey, the Chairman to take forward the proceedings of the meeting.

Mr. Nilesh Vikamsey – Chairman, IIFL Wealth Management Limited:

- Thank you, Rohit. Good afternoon, ladies and gentlemen. The requisite quorum being present, I call this meeting to order. I welcome all the members to the 15th Annual General Meeting of the Company. I hope all of you are safe and in good health. Now I request Mr. Karan Bhagat, our Managing Director and Founder of the Company to introduce the Directors of your Company.
- Karan, over to you.

Mr. Karan Bhagat – Managing Director & Founder, IIFL Wealth Management Limited:

- Thank you. Mr. Vikamsey for the introduction. Good evening, ladies and gentlemen. I thank all the members for joining this meeting. I hope all of you, along with your families are absolutely safe. Before the proceedings, I would like to introduce my colleagues on the Board.
- Our Board consists of eleven directors starting with Mr. Vikamsey, our Chairman, Mrs. Geeta Mathur, Dr. Narayan and Mr. Pankaj Vaish serving as the Independent Directors of the Board. Mr. Nirmal Jain, Mr. Venkataraman, Mr. Yatin Shah and myself formed the promoter group. Mr. Sandeep Naik, Mr. Shantanu Rastogi and Mr. S. Gopalakrishnan serve as Non-Executive Directors. We also have key executives,

including Mr. Anshuman Maheshwary, who serves as the Chief Operating Officer and Mr. Sanjay Wadhwa, the Chief Financial Officer of the Company joining this meeting through video conferencing from their respective locations.

- Members are requested to note that those members who have not registered themselves as the speaker with the Company as per the details mentioned in notice and have any queries, are requested to write on the question and answer tab that is available on the screen so that all the valid queries may be addressed together after all the speaker shareholders have expressed their views. Now I would just give a small quick update about the Company and the environment we are in.
- Dear shareholders, we are living in very interesting times as the world around us changes and engenders immense opportunity for value creation. Leave aside the market movements of the last few weeks, India particularly is in a sweet spot as a host of enablers such as regulatory support, increasing digitization and most importantly, proactive policy making have come together to create a very fertile ecosystem for both existing as well as new businesses. Inevitably, this thriving ecosystem has resulted both in an increase in the number of wealthy and an increase in the overall wealth. As per the recently released IIFL Wealth and Hurun India Rich List 22, the number of individuals with wealth in excess of Rs. 1,000 crores has gone up by nearly 100 people and broken the 1100 mark to reach 1,103. This indicates an increase of 62% over the last 5 years. Furthermore, for the first time since the launch of the list, the cumulative wealth of IIFL Wealth and Hurun India Rich listers have surpassed INR 100 lakh crores, more than the combined GDP of Singapore, UAE and Saudi Arabia.
- Our confidence stems from the fact that your Company has always remained tethered to its core philosophy of putting our clients first, while we continue to optimally harness the power of digital solutions. At the same time, we have never been afraid to take bold decisions that are in the best interests of clients as well as all our stakeholders, including employees as well as shareholders. This is exemplified by a move to the annual recurring revenue model, which initially had a small impact on our revenues, but now has been widely accepted and appreciated by our clients as it reduces the volatility of the business in a substantial manner. Most importantly, the size of the market, the positioning of the platform and our current strength indicate there is an immense opportunity for us to grow and thrive in the coming decades and we are confident that IIFL Wealth is well positioned to leverage these emerging opportunities.

- The new baby we had started in 2016 in the form of the asset management business recognizes the value that alternative asset management products can add to investor portfolios, and over a period of time we've taken mark steps to create a formidable alternative investment portfolio with our asset management COO Anup Maheshwary as well as the entire alternate portfolio with compelling strategies across themes like credit, pre IPO and multi asset allocation strategies. We continue to witness a strong growth both on the asset management business as well as the wealth management business and gives us the confidence to follow a healthy dividend policy, paying out nearly three fourths of our annual profits as dividend.
- As one of India's largest wealth management firms and advisers to high net worth and ultra-high net worth individuals, we are cognizant of the positive role that we can play in driving the country's sustainability agenda as well as net zero goals. Most importantly, we realize we are in a business where we owe a fiduciary responsibility to our clients. To that extent, we've been working hard to establish the IIFLW CSR Foundation that is focused also on driving our sustainability initiatives.
- With this, I request Mr. Vikamsey, our Chairman to continue the proceedings of the meeting.

Mr. Nilesh Vikamsey – Chairman, IIFL Wealth Management Limited:

- Thank you, Karan. The notice convening the 15th annual general meeting and the annual report for the financial year 2021-2022 were already sent electronically to those members whose email IDs are registered with the Company and the RTA or the depository participants, circulated to the members and therefore I take the same as read. The statutory report on the financial statements of the Company for the financial year ended March 31, 2022, does not have any qualifications, observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company. Accordingly, auditor's report be taken as read.
- India continues to make an impressive mark on the world's wealth map despite some weakness in the economy owing to the geopolitical challenges, volatility in global financial markets and sharp spike in oil prices. The pharmaceutical, chemicals and petrochemicals, IT and financial services, amongst others, are some of the key sectors substantially contributing to the wealth creation. Needless to add, your Company services some of the large families in all these sectors. The Finance Minister recently said the government, the central bank and the regulators are all working together on a pathway which will be predictable and consistent and thereby give every stimulus required for growth of the Indian economy; predictable and consistent are terms not synonymous. Our valued shareholders will recall in 2019,

your Company decided to gradually change its revenue recognition model from the transaction driven model to a sustainable annuity distribution commissions model. We did this to ensure that the advisory being offered to clients was completely unbiased and not contingent upon any direct commercial benefits. We are pleased to share that this model has gained acceptance amongst a large number of our clients and is reflective in our numbers.

- India today is at the cusp of not only a great change, but is also uniquely positioned to both identify as well as capitalize upon the opportunities brought about by the change. We are seeing global wealth increase at an unprecedented pace and various reports show that the number of wealthy arising at a fast clip not just in the metros, but also in the Tier II and Tier III in our country. As a result, a far more diverse set of people are seeking wealth management services. Their requirements are unique and over the last 14 years IIFL Wealth and Asset management has managed to not just understand the needs of the clients, but also provide customized solutions and innovative offerings for managing wealth.
- Technology and digitization are disrupting industries and your company has been making the necessary investments to ride this wave. Innovation precipitated by technological evolution is accelerating growth while shrinking the time it takes to make tangible change. For all of us at IIFL Wealth and Asset Management, this presents a great opportunity to leverage our existing skills as well as embrace newer skills to optimally address the needs of the growing wealth management market. I truly believe that as a firm we are not only capable of adapting to change, but also well positioned to orchestrate change.
- I thank my fellow board members, our shareholders, our employees and our investors for the constant support. Let me assure you your Company's board remains committed to maintaining the highest levels of corporate governance. We will continue to capitalize upon emerging opportunities and stay committed to delivering value and sustainable growth to our clients, employees and shareholders.
- Now I request Mr. Rohit Bhave, our Company Secretary, to take the proceedings forward and brief the members of the Company on the resolutions put to vote for this meeting. The Company has taken adequate steps and efforts to enable members to participate and vote on the items being considered in the meeting.
- Over to you Rohit.

Mr. Rohit Bhave – Company Secretary & Compliance Officer, IIFL Wealth Management Limited:

- Thank you sir. Members may note that since the annual general meeting is being held through video conferencing pursuant to MCA and SEBI circulars, the facility to appoint proxy to attend and cast vote on behalf of members is not applicable and hence Register of Proxy is not required. Pursuant to the provisions of the Companies Act 2013 read with rules notified there under and SEBI Listing Obligations and Disclosure Requirement Regulations 2015, the Company is required to provide an e-voting facility to its shareholders to enable them to cast their votes electronically for all resolutions to be passed at the general meeting.
- Accordingly, the Company has provided remote e-voting facility through the platform provided by CDSL to all the members and also the facility to vote during the meeting for the members who are present at the meeting through video conferencing and have not yet cast their vote by remote e-voting. A person whose name is recorded in the Register of Members or in Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Friday, September 23rd 2022, only shall be entitled to avail the facility of e-voting. The remote e-voting period commenced on Monday, September 26, 2022 at 09:00 AM India Time, and concluded on Thursday, September 29, 2022 at 05:00 PM India Time. Since the AGM is being held through video conferencing and the resolutions mentioned in the notice have already been put to vote through e-voting, no proposing or seconding of resolutions is required.
- With this, I now move to the resolutions one by one, by calling the brief description of the resolution and take the resolutions as read. The statement annexed to the notice in connection with the Special Businesses contains the objective for which resolutions are proposed to be passed.
 - Resolution no. 1 - To consider and adopt the audited standalone and consolidated financial statements of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2022.
 - Resolution no. 2 - To appoint a Director in place of Mr. Sandeep Naik who retires by rotation and being eligible offers himself for reappointment.
 - Resolution no. 3 - To appoint a Director in place of Mr. Shantanu Rastogi who retires by rotation and being eligible offers himself for reappointment.
 - Resolution no. 4 - To approve formation of IIFL Wealth Employee Stock Option Scheme 2022 for the employees of the Company.



- And lastly, Resolution no. 5 - To approve formation of IIFL Wealth Employee Stock Option Scheme 2022 for the employees of the associate company, subsidiary company and holding company of the Company.
- Now I request Mr. Nilesh Vikamsey, our Chairman Sir to take the proceedings forward.

Mr. Nilesh Vikamsey – Chairman, IIFL Wealth Management Limited:

- Thank you, Rohit. Before proceeding with the e-voting in the annual general meeting, I would like to invite the members who have registered themselves as speaker shareholders with the Company, if they need any clarifications or any observations with respect to the aforesaid items. I request members to restrict the speech/queries only to the above listed items as this meeting is specifically meant for the same and not to raise any other matters in any other capacities. I also request other speakers to remain muted till I call out your names.
- I will start with the first speaker. The speaker no. 1 is Mr. Aspi Bhesania. Can I request the organizer to unmute him?

Moderator:

- I've unmuted him. Please proceed.

Mr. Aspi Bhesania – Shareholder:

- Chairman Sir, it's nice to see you all but I would have preferred a physical meeting. Many companies have started physical meetings, and sir please do not keep the meeting on the last day of September when there are so many other meetings. Every time I'm saying this and every time you hold the meeting in end of September only, even physical meeting used to be held only in end of September.
- Sir, I welcome our new CFO and CS, and I hope they will improve corporate governance, and I hope also that they hold the meeting early, not on end of September. Sir, I congratulate the management on excellent results for the year. Even Q1 was very good. We had the highest ever operating profit before tax of Rs. 207 crores. Sir, in Q2 can we achieve operating profit higher than Rs. 207 crores? Sir, what's the difference between wealth and asset management? Sir, reasons why revenue and profits of wealth management have reduced in Q1 – quarter-on-quarter and year-on-year?



- Sir, Q1 quarter-on-quarter our PBT was reduced from Rs. 214 crores to Rs. 201 crores. However, if we remove gain on fair value changes, our PBT has actually increased by Rs. 10 crores. I would request our Chairman who has very good rapport with CA Institute to take up this matter with CA Institute. Sir, the net gain on fair value changes should be shown after PAT and not above the PAT. Sir for my information, do we pay tax on gain on fair value changes?
- Sir, page 11 and 12, our assets under management have increased by 133% during the last 5 years whereas our net revenues have increased by only 47% and profitability has improved by only 58%. Sir why? Are we not able to tune our assets properly? Sir Bain Capital has acquired 25% of IIFL Wealth Management. If listing is the idea, I would like you to give shares free to the shareholders of our Company and list. Otherwise you can give the shares at a slight premium so that it becomes a mini bonus.
- Sir, is it possible to merge all the domestic subsidiaries into our Company because there are too many subsidiaries? And please put me on your mailing list so that I get all your analyst reports and also invite for webinars. Thank you very much and all the best for the future.

Mr. Nilesh Vikamsey – Chairman, IIFL Wealth Management Limited:

- Thank you Mr. Bhesania for being very crisp and very fast. The next speaker is Mr. Bharat Shah. We'll answer all the queries together. Thank you.

Moderator:

- Bharat Shah, you are unmuted.

Ms. Smita Shah – Shareholder:

- How are you doing Nilesh Bhai?

Mr. Nilesh Vikamsey – Chairman, IIFL Wealth Management Limited:

- Doing good, thank you. Please we'll continue with the meeting here. Thank you.

Ms. Smita Shah – Shareholder:

- Yeah. Respected Chairman Sir Nileshji and other respected Directors, I am Smita Shah. First of all, let me send you my best wishes on account of Navratri and that

may our Company reach greater heights in the future, and that may Goddess bless you all. Sir, you are working really hard to take our Company forward, I wish you all the best for that and that may Goddess bless you so that your wishes may come true. May our Company grow faster in the future, this is my prayer to the great Goddess. Sir, under your leadership the hard work of the entire team and the employees is with you. I would like to say there is no failure for those who work hard and there is no turning back for someone working with courage. So I would like to say that when all of us are together and the hands are joined together, everything will be fine. We would like to be with you, support you and as usual I support you in today's resolutions. Sir I would like to tell you that as you move forward, we will always be with you.

- I would like to thank Rohitji and the entire secretarial team, and congratulate them. They supported us and helped us to meet you. We face problems through this VC medium but the secretarial team has done a great job and connected us with you. So for their good investor service, I thank them and congratulate them, and also wish them all the best. Nilesh bhai, we would like to meet you face-to-face hence it is my request to keep a physical meeting. Since we have been meeting each other through VC medium for the last 3 years there is a disconnect between us. I would like to ask how long will this continue? I am just hoping that next year we will get to meet physically soon. Till then wishing you good health and wealth. Wishing you for the upcoming festivities – Dussehra and Diwali. Thank you so much.
- Mr. Bharat Shah will speak now. Please keep the mic on. Thank you.

Mr. Nilesh Vikamsey – Chairman, IIFL Wealth Management Limited:

- Thank you Ms. Smita.

Mr. Bharat Shah – Shareholder:

- Respected Chairman Nilesh bhai, Nirmalji, Karanji, R. Venkataramanji, this is Bharat Shah. Sir, I have been a shareholder since the issue. I don't have any query. You have been working really hard to take the Company forward, and I don't have any words to describe it. Sir, you have given a generous dividend of Rs. 55 on a Rs. 2 share. Thank you so much and I pray that our Company grows manifold. Sir, I congratulate you for all the awards and the humanitarian work you do through your CSR activities. If possible, keep the meeting sometime in the 1st week of September next year, because keeping it towards the end like this is a rush; this is my request. I thank the Company Secretary Rohit bhai, Mansi and his whole team who are very hardworking. They always respect the shareholders, solve our queries and render best investor

services. So, once again, thanks to Rohit bhai and his team. Mr. Aspi (speaker shareholder) mentioned earlier to call us for a meeting, and I reiterate the same. That would increase our knowledge about the Company. We hope to meet face to face next year, it would boost our morale. Best wishes for the coming festive season. I fully support all the resolutions and we are always with you. May God keep you in good health and may the company reach new heights. I support all the resolutions. Thank you sir. Jai Hind!

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Thank you Bharat bhai. The next speaker is Mr. Tushar Sodha.

Mr. Tushar Sodha – Shareholder:

- A very good evening. Am I audible?

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Yes, very well Tushar bhai.

Mr. Tushar Sodha – Shareholder:

- Thank you so very much for the confirmation sir. Respected Chairman sir...

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Your video is off, if you want to put your video on... but anyway, you can continue.

Mr. Tushar Sodha – Shareholder:

- Okay, thank you sir. Respected Chairman Shri. Nilesh bhai sir, eminent board of directors and my fellow shareholders, my name is Tushar Sodha, and I have joined our Company's virtual AGM from Mumbai. I thank the board of directors for the very generous dividend of Rs. 55 per share on a Rs 2 paid-up share. Kindly continue with such liberal return of capital initiatives. I am confident that 75% of profit after taxes will be distributed in future as well. I acknowledge the receipt of the Annual Report, as well as the notice for the AGM through email, and thank our very efficient Secretarial Department for timely service of the financial statements. Both, Secretarial and Finance Departments deserve appreciation for the majestic and dignified presentation of this year's financial statements. They have covered every aspect in great detail, especially the theme 'Reimaging Wealth' is catchy and generates a lot of interest. It has always been our Company's endeavour of staying ahead of times. India is expected to lead percentage growth of fortunes in terms of financial wealth in the coming year, and IIFL Wealth is well poised to seize this

exciting opportunity. Hearty congratulations to team IIFL Wealth for the highest ever consolidated assets under management of a massive 3,15,000 crores. I very well remember that assets under management were only 1,500 crores in 2010. That's a stupendous jump indeed in the last 12 years. Kindly inform what are our aspirations and targets for assets under management for the year 2025. Highest ever total revenues of 2,078 crores and highest ever net profits at 582 crores are a testimony of IIFL Wealth's dazzling and glorious financial performance. Sir, FY22 net profits of 582 crores are higher than the sum total of FY20 and FY21 profits of 575 crores, put together. I'm confident that team IIFL Wealth will continue raising the bar in the coming years. Kindly share with us our company's digitisation initiatives to drive our future growth. Also, please inform us the propositions to grow and consolidate market position via differentiated product offerings. In July 2022, IIFL Wealth has acquired 91% of Mumbai Angels – a private investment platform, MANPL at an enterprise value of 42 crores. What benefits will accrue to the Company? We take pride in being the largest alternative asset manager in India. How far are the next 3 peer companies which are behind us? There is a mention of opportunities in start-up ecosystem. I request you to kindly give some more details on the same. Please give some colour on the Environmental, Social and Governance (ESG) initiatives of our Company. Chairman sir, I refer to Consolidated Accounts on pg. 247 of the Annual Report. Other Financial Liabilities i.e. deposits from customers are at more than Rs. 900 crores which were only 55 lakhs last year. I request our Finance Department to kindly clarify this huge dump in deposits. I refer to pg. 72 of the report. During the year, a massive 905 crores have been invested to acquire 28,00,000 shares of National Stock Exchange of India Ltd. I request you to kindly share with us the rationale behind valuing each share of NSE at Rs. 3,100. What benefits would accrue to the stakeholders by investment in the unlisted entity i.e. National Stock Exchange? As per shareholding pattern, our promoters hold only 23%, while General Atlantic and FIH Mauritius Investments together hold more than 34%. Are we comfortable with this? Are there any plans of increasing the promoter shareholdings? I take this opportunity to appreciate employees at all the levels and the entire senior management team for their leadership and valuable guidance. I'm confident that IIFL management will conquer newer financial heights in the coming year by capitalising on emerging opportunities. I'm equally convinced that the 3 core principles of resilience, agility and growth will swiftly lead us to the next levels. As always, I extend my wholehearted and continuous support to group IIFL. Thank you very much sir for giving me this opportunity to put forth my queries and express my views. Thank you so very much Chairman sir.

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Thank you Tushar bhai. Thanks for your queries. All your queries will be answered collectively with all the other speakers' queries. The next speaker is Mr. Yusuf bhai Rangwala.

Mr. Yusuf Rangwala – Shareholder:

- Mr. Chairman, good evening sir. Sir, there's 'wealth' in your name itself. Sir, being with you, there's an overflow of money. You've given a very generous dividend. I appreciate the support given by share department. I am happy to be a shareholder of this company. Sir, I request you to keep a get together post Diwali. It's been 3 years since we met, and Corona created a lot of havoc. But, nothing was able to disturb the growth of the company. We have full trust in your company. Nilesh sir, you're very hardworking and are handling the company very well. Jai Hind! I pray to God for you. Best wishes for Diwali, Dusshera and all the upcoming festivals. Thank you very much sir. God be with you!

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Yusuf bhai, Karan, Yatin and the entire team is running the company, I'm a Non-Executive Chairman. But they are the ones who are handling everything. The next speaker is Mr. Dinesh bhai Bhatia.

Mr. Dinesh Bhatia – Shareholder:

- Hello. Firstly, I would like to congratulate the Chairman and the entire team for excellent work and excellent progress of the Company. You have lived up to the 'Wealth' name in IIFL Wealth. You have increased the wealth of the shareholders. We have made very good profits. On a Rs. 2 share, our earnings per share is Rs. 46.29. This is a fruit of your hard work. We are very happy to be shareholders of such a good company where our wealth is increasing and even the dividend we are receiving from you is excellent. We are so happy that our Rs. 2 share today closed at Rs. 1835 in the market. The Company is shining! Even the share market is confident that our Company is surging ahead and progressing well; and the share price manifests that. A Rs. 2 share is today Rs. 1,835, this is very good. I just have one suggestion i.e. to split the Rs. 2 share to Re. 1. That way, we will get a mini-bonus by getting 1 share for every share held, and there will be no change in our capital structure. If possible, please consider this in your next meeting. We have 10 years more to complete 25 years, and who knows what will happen then! So in the next meeting, do consider splitting the Rs. 2 share to Re. 1 shares. Your Secretarial Department's service is excellent towards the shareholders. They reminded me 2 days ago and even today, to come to this meeting. That makes us feel very nice. Today is 30th of September and there are 4 meetings going on simultaneously. But

I'm still here to see you and to appreciate your Share Department's service/welcome extended to us. I thank you and I support all your resolutions. All the best. Thank you sir.

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Thank you Dinesh bhai. Rohit, any other speakers?

Mr. Rohit Bhase - Company Secretary, IIFL Wealth Management Ltd:

- No sir.

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- I think that's it. Can I now request the Managing Director of our Company, Mr. Karan Bhagat to respond to the queries and the suggestions received from the shareholders?

Mr. Karan Bhagat - MD & CEO, IIFL Wealth Management Ltd:

- Thank you Mr. Vikamsey. First of all, let me start by thanking Mr. Aspi, Mrs. Shah, Mr. Bharat Shah. Mr. Tushar, Mr. Rangwala and Mr. Bhatia for all the questions, observations, as well as some recommendations. First of all, let me start off with the slightly more factual replies, and then I will move to some of the observations.
- So, from a perspective of recommendations, it is well noted. The Company will approach a split and a bonus as appropriate, at the right point in time. We also take the feedback of too many subsidiaries. Having said that, each subsidiary is mostly segregated separately on account of the license required. So, as we continue on the objective of having the least number of subsidiaries, different subsidiaries have different licenses from SEBI, RBI and so on and so forth, and therefore sometimes they need to be in separate entities. We also continue to work fairly hard on ensuring that both our businesses – wealth management as well as asset management business, continue to grow in spite of multiple levels of competition.
- Most importantly, on the two questions on the financial side – on both NSE, the deposits were increased on account of deposits received by clients to whom we had sold NSE shares. So, it was a temporary increase in deposits, which has since then come down. And effectively, the purchase of shares of NSE was also more a brokerage transaction, where we purchased from a large fund and sold to a certain set of clients.

- In terms of the tax on the fair value changes – while the tax is not paid, it is actually recognised in the books of accounts as a deferred tax liability. So effectively, those are the two answers to the two financial questions.
- In terms of the business itself – obviously, as rightly pointed out, Quarter 1 was an excellent quarter and we saw growth in revenues, especially the operating revenues across the board, both on the wealth management and asset management side. We were substantially happier with the quality of earnings. So now, our ARR revenue is close to about 65-70% of our overall revenues, as compared to 30-35% of our revenues way back in 2018-19. So, really as a firm, we're focused on three objectives. One, obviously, is to increase our AUM through both, increase of market share, most importantly participating in the growth of the country. And thirdly, also ensuring that we are able to kind of do justice to all asset classes – fixed income equity as well as our hybrid structures. But, it gives us a lot of satisfaction to say that on both businesses we have market leadership today, both on wealth management side, as well as on the alternate side.
- Relative to the performance between Q4 and Q1, as Q4 of last year and Q1 of this year, typically Q4 tends to be slightly heavier on transaction income, which we also saw last year. But more often than not, the larger quantum of profits in Q4 was largely more a function of the way the markets were, and therefore, there was a slight higher reported profit on the other income side, which was kind of reflected in the fair market value changes. Q1 of the current year, was from an operating perspective, slightly stronger. We saw both, the wealth and the asset management businesses grow substantially. So, from a Quarter on Quarter perspective, while the profit number was fairly similar, but Q1 saw a substantial increase on the operating profit side.
- In terms of the acquisition of Mumbai Angels itself, I think it gives us a good segway into building our CAT 1 fund management platform. The firm has successfully built the fund management platform on two licenses, which is Category 2 and Category 3. The Category 1 license is essentially for slightly smaller investments. It also helps us build a very strong start-up community with our clients, especially in the next generation. It also enables us to make a kind of an asset register for our clients for their start-up investments. And, as we expand the penetration into that segment, we will be ready at some point in time also to raise a fund around that strategy.
- From a perspective of the digital journey, I think, the firm is on a digital journey at three legs. The first leg obviously is at the back end in terms of digitising the processes, digitising the onboarding and so on and so forth. Second is, obviously improving the analytics and the digital interface to clients. And third, obviously improving the digital journey for the employees and the stakeholders who are, on a

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day-to-day basis, wanting better and better analytics, so that they can advise their clients in a more progressive manner. Across all three projects, we are working with some of the best firms across the world. And as they say, digital journeys are not something which can be completed in a day, but at the same point of time, we are doing incremental launches on a weekly basis. And we hope, over a period of close to 3-6 months, we'll be much more digitally efficient than where we are today.

- On the ESG side, we continue to work in a fairly comprehensive manner. Whether it's the environment, the social responsibilities, as well as the governance, we continue to try and work hard to improve on all aspects. Our social programs specially are focused on having an exponential impact. We are aware that, as individuals who end up interacting with the richer part of the country, we have an ability to be able to inspire them also to participate in the same programs we are doing socially. So, a lot of our programs are focused on trying to ensure that whatever we do, we are also able to get an equal participation from our clients.
- The last question, in terms of the targets for 2025, I think, we really don't, in that sense, set out 3-4 year forward targets apart from saying the following. I think, the size of the country is growing in a fairly progressive manner. We have the advantage of having a large stock of AUM. The stock of AUM itself should grow at 8-10% a year. Our ability to add AUM every year is a further 7-10%. So effectively, we believe, we should be able to add 15-20% AUM every year. And, with some bit of operating leverage and cost efficiencies, hopefully we will be able to grow a profit at a slightly higher pitch than growing the AUM at 15-20%. So ideally, we would like to grow an AUM at 15-20% and our profits at 20-25%.
- So, I think, I more or less covered all questions Rohit. With this I would like to call Mr. Nirmal Jain. Nirmal, I would like to hand it over to you.

Mr. Nirmal Jain, Founder of IIFL Group and Director of IIFL Wealth Management Ltd:

- Thanks Karan. Firstly, my apologies for being late. I take this opportunity to thank all our shareholders for their unstinted support in the last 25 years of our journey. I would also take this opportunity to wish you for Navratri and Dusshera. May God bless all the shareholders with good health and good prosperity. And above all, the Goddess Laxmi bless all our shareholders with lot of wealth, and we get an opportunity to manage the same. Thank you.

Mr. Rohit Bhase - Company Secretary, IIFL Wealth Management Ltd:

- Thank you sir. Now I request members who have not already voted by the e-voting system provided by CDSL, to cast their votes via e-voting facility. The instructions of

the same are given in the notice of the Annual General Meeting. Members are requested to note that those members who have already voted electronically through remote e-voting, are not eligible to vote at the Annual General Meeting. Members may please note that the e-voting facility during the Annual General Meeting is open for the next 15 minutes, and the members are requested to vote on the proposed resolutions numbering 1 to 5, as set out in the notice of the Annual General Meeting. The company has appointed CS Nilesh Shah, Practicing Company Secretary and partners of Nilesh Shah & Associates, Company Secretaries, as scrutinizers for the remote e-voting and also for the votes cast by members during the Annual General Meeting by the e-voting system, to scrutinize the e-voting process in a fair and transparent manner. The results of e-voting will be informed to the stock exchanges and will also be uploaded on the Company's website i.e. www.iiflwealth.com, and on the website of CDSL. Now, I request Nilesh sir to take the proceedings forward.

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Thank you Rohit. I believe that all the members attending this meeting have voted on all the resolutions, and if not, then the members are requested to vote on the same. I authorise the Company Secretary to accept, acknowledge and countersign the Scrutiniser's Report in connection with the meeting, and declare the results of the voting in accordance with the requirements prescribed in the applicable laws. With the completion of the above, I declare this meeting as concluded.

Mr. Rohit Bhase - Company Secretary, IIFL Wealth Management Ltd:

- Thank you sir. I request Mr. Tushar Sodha to grant a vote of thanks to the Chair, and I request the coordinator to kindly unmute him. Tushar sir, can you hear us?

Mr. Tushar Sodha – Shareholder:

- I thank our Chairman Shri. Nilesh bhai sir, Managing Director Shri. Karan bhai sir, and promoter Shri. Nirmal bhai sir for those wonderful speeches informing in great detail about our Company. Communications were very informative and encouraging. I take this opportunity to thank the entire Secretarial Team of IIFL Wealth Management along with team CDSL, for arranging today's seamless, virtual AGM through video conference. Audio-visual clarity was excellent, and all participants were very clearly audible and visible. I thank our registrars and transfer agents Link Intime, for providing superlative investor services at all times. I also thank and appreciate IIFL Wealth and Asset Management team for their dedicated efforts. They have taken the meaning of teamwork to a whole new level. Above all, I thank you Chairman sir, Nilesh bhai sir, along with the board of directors, for their exemplary leadership and

very valuable guidance. A hearty vote of thanks to the Chair. Thank you for this opportunity.

Mr. Nilesh Vikamsey - Chairman, IIFL Wealth Management Ltd:

- Thank you Tushar bhai. I also take this opportunity to thank all the shareholders for taking the time out to join this meeting. I thank all the board members and other invitees for attending this meeting. With this, I along with the other members of the board and key managerial personnel, would like to conclude and leave the meeting. Before that, let me wish a very happy festival season, the current Navratri, Dusshera in the coming week and then the oncoming Diwali festival. Wishing you lots of happiness, peace and prosperity in the times to come. Thank you.

Mr. Rohit Bhase - Company Secretary, IIFL Wealth Management Ltd:

- Thank you sir.
- ***END OF MEETING.***