

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IIFL WEALTH MANAGEMENT LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

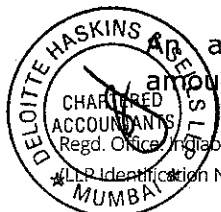
In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures

Indiabulls Finance Centre, Tower 3, 27<sup>th</sup> - 32<sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.

LLP Identification No. AAB-8737



selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

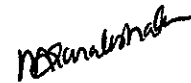


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amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



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

Place: Mumbai  
Date : 03 May 2018

**Report on Internal Financial Controls Over Financial Reporting**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

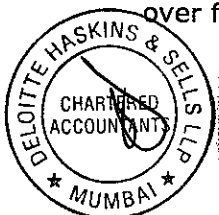
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

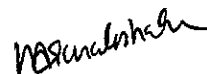
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



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

Place: Mumbai  
Date : 03 May 2018

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax,

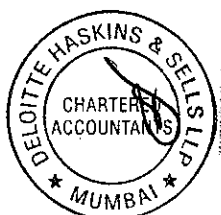


Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Excise Duty is not applicable to the Company.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (c) The details of Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Financial Year 2013-14	4,068,930

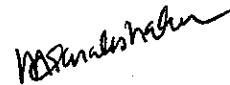
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



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

Place: Mumbai  
Date : 03 May 2018




**HFL WEALTH MANAGEMENT LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in ₹)

Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	159,506,926	155,927,528
(b) Reserves and Surplus	4	13,750,402,606	12,578,095,487
<b>Sub total</b>		<b>13,909,909,532</b>	<b>12,734,023,015</b>
<b>(3) Non Current Liabilities</b>			
(a) Long-term borrowings	5	4,548,227	11,030,111
(b) Long-term provisions		-	-
<b>Sub total</b>		<b>4,548,227</b>	<b>11,030,111</b>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	3,959,388,492	3,961,897,182
(b) Trade payables	7	-	-
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		163,640,219	102,488,767
(c) Other current liabilities	8	3,771,799,961	2,512,741,358
(d) Short-term provisions	9	729,644,010	287,775,433
<b>Sub total</b>		<b>8,624,472,682</b>	<b>6,864,902,740</b>
<b>TOTAL</b>		<b>22,538,930,441</b>	<b>19,609,955,866</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	10	250,897,874	199,553,011
(ii) Intangible assets	11	14,921,544	34,367,891
(iii) Capital work-in-progress		209,082,736	32,395,104
(iv) Intangible assets under development		1,678,760	1,678,760
<b>Sub total</b>		<b>476,580,914</b>	<b>267,994,766</b>
(b) Non-current investments	12	11,205,833,497	11,138,295,002
(c) Deferred Tax Asset (Net)	13	49,416,991	26,382,128
(d) Long-term loans & advances	14	395,037,030	322,068,422
(e) Other non-current assets	15	3,300,000	-
<b>Sub total</b>		<b>11,653,587,518</b>	<b>11,486,745,552</b>
<b>(2) Current assets</b>			
(a) Current investments	16	1,156,521,275	5,608,320
(b) Trade receivables	17	1,404,915,438	1,970,825,280
(c) Cash and Cash Equivalents	18	4,958,465,000	3,568,882,005
(d) Short-term loans & advances	19	138,272,308	108,986,255
(e) Other current assets	20	2,750,587,988	2,200,913,688
<b>Sub total</b>		<b>10,408,762,009</b>	<b>7,855,215,548</b>
<b>TOTAL</b>		<b>22,538,930,441</b>	<b>19,609,955,866</b>
See accompanying selected explanatory notes forming part of the standalone financial statements			

In terms of our report attached

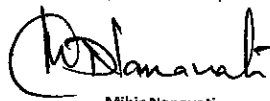
For Deloitte Haskins & Sells LLP  
Chartered Accountants


  
Pallavi A. Gorakshakar  
Partner

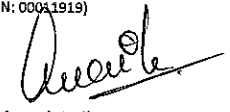
Place : Mumbai  
Date : May 03, 2018

For and on behalf of the Board of Directors

  
Karan Bhagat  
Managing Director  
(DIN: 03247753)

  
Mihir Nanavati  
Chief Financial Officer

  
R. Venkataraman  
Director  
(DIN: 00041919)

  
Ashutosh Naik  
Company Secretary

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

(Amount in ₹)

Particulars	Note No.	2017-18	2016-17
<b>A. CONTINUING OPERATIONS</b>			
<b>INCOME:</b>			
Revenue from Operations	21	5,832,716,728	4,260,382,118
Other Income	22	1,070,193,964	184,709,298
<b>Total Revenue</b>		<b>6,902,910,692</b>	<b>4,445,091,416</b>
<b>EXPENSES:</b>			
Employee Benefit Expenses	23	2,595,865,862	1,627,449,111
Other Expenses	24	1,501,382,047	1,225,352,273
Finance Charges	25	515,371,482	178,494,092
Depreciation and Amortisation	26	120,205,702	83,556,603
Provision & Write off	27	221,090,887	6,307,114
<b>Total Expenditure</b>		<b>4,953,915,980</b>	<b>3,121,159,193</b>
<b>Profit before tax from continuing operations</b>		<b>1,948,994,712</b>	<b>1,323,932,223</b>
Tax expenses :			
Current tax		504,973,934	465,920,140
Deferred tax expenses/ (Credit)		(21,753,635)	1,162,657
Short / (excess) provision for income tax		(4,622,245)	(3,968,610)
<b>Total Tax Expenses</b>		<b>478,598,054</b>	<b>463,114,187</b>
<b>Profit from continuing operations after Tax (A)</b>		<b>1,470,396,658</b>	<b>860,818,036</b>
<b>B. DISCONTINUING OPERATIONS</b>			
Profit from discontinuing operations before Tax		20,909,364	5,496,814
Current tax		6,735,613	1,930,968
<b>Profit from discontinuing operations after Tax (B)</b>		<b>14,173,751</b>	<b>3,565,846</b>
<b>C. TOTAL OPERATIONS</b>			
<b>Profit after tax for the year</b>		<b>1,484,570,409</b>	<b>864,383,882</b>
Earning Per Share- Basic	28		
- Continuing Operation		18.70	11.64
- Total Operation		18.88	11.68
Earning Per Share- Diluted	28		
- Continuing Operation		18.08	11.55
- Total Operation		18.25	11.59
Face Value Per Share		2.00	2.00
See accompanying selected explanatory notes forming part of the standalone financial statements			

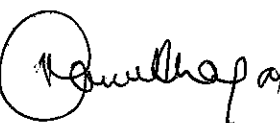
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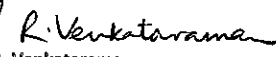
For Deloitte Haskins & Sells LLP  
Chartered Accountants

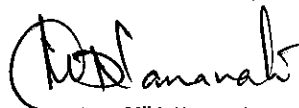
  
Pallavi A. Gorakshakar  
Partner

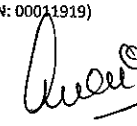
Place : Mumbai  
Date: May 03, 2018

For and on behalf of the Board of Directors

  
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Managing Director  
(DIN: 03247753)

  
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Director  
(DIN: 0001919)

  
Mihir Nanavati  
Chief Financial Officer

  
Ashutosh Naik  
Company Secretary

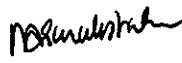
**IFL WEALTH MANAGEMENT LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in ₹)


Particulars	2017-2018	2016-2017
<b>Continuing Operation</b>		
<b>A. Cash flows from operating activities</b>		
Net profit before taxation	1,948,994,712	1,323,932,223
Adjustments for:		
Depreciation and amortisation	120,205,702	83,556,603
Provisions for Gratuity	11,995,184	25,758,098
Provisions for Compensated Absences	23,346,710	14,525,950
Provision for Doubtful debts	-	2,623,600
Provision for Diminution in Investment	221,090,130	3,750,000
Other Provision	757	(66,486)
Interest Income	(346,403,059)	(66,321,349)
Interest expenses	515,156,396	172,108,217
(Profit)/Loss on Sale of Fixed Assets	(533,028)	905,186
Dividend Income	(1,023,056,495)	(116,837)
Profit on sale of Investments	300,013,008	(213,155,042)
Loss on Sale of Subsidiary	-	95,235,049
<b>Operating profit before working capital changes</b>	<b>1,770,810,017</b>	<b>1,442,795,212</b>
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	582,259,922	(1,446,115,878)
Increase/ (Decrease) in Current/Non Current Liabilities	479,807,093	(143,788,654)
<b>Cash generated/ (used in) from operations</b>	<b>2,832,877,032</b>	<b>(147,169,319)</b>
Net income tax (paid) / refunds	(507,664,376)	(460,305,023)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>2,325,212,656</b>	<b>(607,474,342)</b>
<b>B. Cash flows from Investing activities</b>		
Purchase of Investments	(262,752,251,612)	(105,529,092,160)
Sale of Investments	261,017,741,022	306,242,570,509
Purchase of Subsidiary	(5,044,000)	-
Sale of Subsidiary	-	111,450
Interest Received	344,820,214	66,463,173
Dividend Received	1,023,056,495	116,837
Purchase of fixed assets (includes intangible assets)	(330,373,913)	(217,097,553)
Sale of fixed assets (includes intangible assets)	2,993,427	2,100,000
Fixed Deposit placed	-	-
Inter Corporate Deposit given	(153,626,440,848)	(2,819,402,062)
Inter Corporate Deposit repaid	153,614,785,936	2,819,424,519
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>(710,713,280)</b>	<b>565,194,713</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Issuance of Share Capital	3,579,398	(141,989,788)
Securities Premium on issue of shares	472,717,534	1,002,128,451
Short Term Borrowings Taken	195,278,149,508	41,030,796,981
Short Term Borrowings-Repayment	(196,581,681,293)	(40,629,286,499)
Long Term Borrowings-Repayment	(6,720,520)	(504,809,038)
Interest Paid	(510,049,784)	(236,413,749)
Dividend Paid (including Dividend Distribution Tax)	(784,980,823)	(534,089,405)
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(2,128,985,980)</b>	<b>(13,663,047)</b>
<b>D. Discontinuing Operations</b>		
Net cash from/(used in) operating activities (a)	640,390,641	(42,052,909)
Net cash from/(used in) investing activities (b)	(184,743,971)	(640,724,851)
Net cash from/(used in) financing activities (c)	1,199,988,866	2,780,778,667
<b>Net cash generated from/ (used in) discontinuing operations (D)</b>	<b>1,655,635,536</b>	<b>2,098,000,906</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>1,141,148,932</b>	<b>2,042,058,231</b>
Opening Cash and Cash Equivalents (as per Note 18)	2,918,882,005	876,823,774
<b>Closing Cash and Cash Equivalents (as per Note 18)</b>	<b>4,060,030,937</b>	<b>2,918,882,005</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	4,060,030,937	2,918,882,005
Add: In Fixed Deposits with original maturity more than 3 months		
- In Deposit account	10,000,000	10,000,000
- In Deposit account as collateral with Exchange	314,950,000	265,000,000
- In Deposit account under lien	573,484,063	375,000,000
<b>Cash and Cash Equivalents (Refer Note 18)</b>	<b>4,958,465,000</b>	<b>3,568,882,005</b>
<b>See accompanying notes forming part of the standalone financial statements</b>		

In terms of our report attached


For Deloitte Haskins & Sells LLP  
Chartered Accountants

  
Pallavi A. Gorakshakar  
Partner

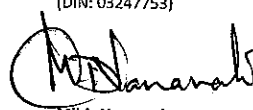
For and on behalf of the Board of Directors



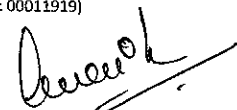
Karan Bhagat  
Managing Director  
(DIN: 03247753)



R. Venkataraman  
Director  
(DIN: 00011919)



Mihir Nanavati  
Chief Financial Officer



Ashutosh Naik  
Company Secretary

Place : Mumbai  
Date : May 03, 2018

## IIFL WEALTH MANAGEMENT LIMITED

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

### Note 1. Corporate Information:

IIFL Wealth Management Limited ("IIFLW", the "Company") is a public limited company incorporated under the Companies Act, 1956. IIFLW is registered with SEBI as Stock Broker, Depository Participant, Research Analyst, Portfolio Manager and Distributor of Financial Products. It acts as wealth managers, financial consultants, management consultants, advisors and provides counselling services, financial services and facilities of every description and to mobilize funds and assets of various companies, mutual fund, individual investors, firms, associations and other corporate bodies, private and institutional investors.

### Note 2. Significant Accounting Policies:

#### 2.1 Basis of Preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Fixed assets and Depreciation:

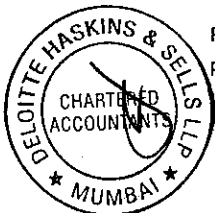
Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any thereon. Depreciation is charged using the straight line method based on the useful life of fixed assets as estimated by the management as specified below. Depreciation is charged from the month in which new assets are put to use. No depreciation is charged for the month in which assets are sold. In the case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the assets. Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Lease hold land is depreciated on a straight line basis over the lease hold period.

#### Estimated useful life of the assets is as under:

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

\* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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



## IIFL WEALTH MANAGEMENT LIMITED

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

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### 2.4 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the net Assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

### 2.5 Cash and cash equivalents:

Cash comprises cash on hand. Cash equivalents comprises demand deposits and short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.6 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### 2.7 Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent Assets are neither recognized nor disclosed in the financial statements.

### 2.8 Impairment of assets:

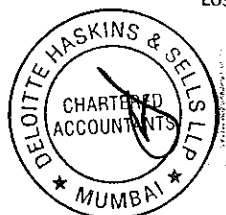
The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and
- (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.



**IIFL WEALTH MANAGEMENT LIMITED**

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

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**2.9 Taxation:**

Tax expense comprises current and deferred tax.

**Income Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

**Deferred Tax**

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

**Minimum Alternate Tax (MAT)**

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

**2.10 Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Investment/Fund Management Fees are accounted on accrual basis as follows:
  - In case of percentage based fees, in accordance with the Portfolio Management Agreement entered with the respective clients, on a quarterly basis.
- Distribution Fee/Arranger Fee/ Commission is recognized on an accrual basis in accordance with the terms agreed with the counter party.
- Commission Income is recognized on an accrual basis in accordance with the terms agreed with the respective clients based on daily trades.

**2.11 Other Income Recognition:**

- Interest Income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Capital Gain/ Loss on sale of investments is recognized on the date of trade.

**2.12 Translation of foreign currency items :**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the Balance Sheet.

**2.13 Employee Benefits:**

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

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



**IIFL WEALTH MANAGEMENT LIMITED**

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

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

**2.14 Deferred Employee Stock Compensation:**

The stock options granted by the Company are accounted for as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase) Guideline, 1999 and the guidance note on Accounting for Stock Options issued by The Institute of Chartered Accountant of India, whereby the intrinsic value of the options are recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on a straight line basis over vesting period of the options.

**2.15 Operating Leases:**

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

**2.16 Preliminary Expenses:**

Preliminary Expenses are written off in the same financial year in which they are incurred.

**2.17 Earnings per Share:**

Basic earnings per share for equity shareholders have been calculated by dividing the Net Profit after Tax or loss by the weighted average number of equity shares outstanding during the period.

The diluted earnings per share for equity shareholders have been computed by dividing the Net Profit after Tax or loss by the weighted average number of shares after giving dilutive effect of all potential Equity shares.

**2.18 Service tax/ Goods and Services Tax input credit:**

Service tax/ Goods and Services Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

**2.19 Borrowing cost:**

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**2.20 Operating Cycle:**

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



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 3. Share Capital:**

(a) The Authorised, Issued, Subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 2/- as follows:

Authorised :	As at March 31,2018	As at March 31,2017
85,000,000 Equity Shares of ₹ 2/ each with Voting Rights (Previous Year 85,000,000 Equity Shares of ₹ 2/ each)	170,000,000	170,000,000
<b>Issued, Subscribed and Paid Up:</b>		
79,753,463 (Previous Year 77,963,764 equity shares of ₹ 2/ each) Equity Shares of ₹ 2/ each fully paidup with Voting Rights	159,506,926	155,927,528

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

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	77,963,764	155,927,528	73,958,658	147,917,316
Add: Issued during the year	1,789,699	3,579,398	4,005,106	8,010,212
Less: Shares bought back	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>79,753,463</b>	<b>159,506,926</b>	<b>77,963,764</b>	<b>155,927,528</b>

(c) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2018, interim dividend of ₹ 9 (P.Y. ₹ 6) has been paid and recognised as distribution to equity shareholders.

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

(d) Details of shares held by holding company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Holdings Limited	45,000,000	56.42%	45,000,000	57.72%

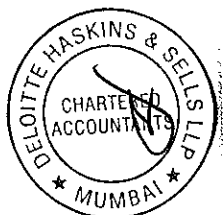
(e) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31,2018		As at March 31,2017	
	No. of shares	% holding	No. of shares	% holding
IIFL Holdings Limited	45,000,000	56.42%	45,000,000	57.72%
General Atlantic Singapore Fund Pte Ltd	18,053,050	22.64%	18,053,050	23.16%
Karan Bhagat	4,810,526	6.03%	4,810,526	6.17%

(f) Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note. 33

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





**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 4. Reserves and Surplus:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Securities Premium Account</b>		
Opening Balance	10,211,660,945	9,209,532,495
Premium on shares issued during the year	472,717,533	1,002,128,450
<b>Closing Balance</b>	<b>10,684,378,478</b>	<b>10,211,660,945</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	-	44,855,442
Addition During The Year (Refer Note 4.1)	-	17,644,558
Transferred to General Reserve	-	(62,500,000)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	2,232,934,542	1,920,284,623
Addition: Profit during the Year	1,484,570,409	864,383,882
<b>Less: Appropriations</b>		
Interim Dividend Paid	(712,910,664)	(443,751,949)
Dividend Distribution Tax	(72,070,159)	(90,337,456)
General Reserve	-	-
Debenture Redemption Reserve	-	(17,644,558)
<b>Closing Balance</b>	<b>2,932,524,128</b>	<b>2,232,934,542</b>
<b>General Reserve</b>		
Opening Balance:	133,500,000	71,000,000
Addition During The Year	-	62,500,000
Utilized During The Year	-	-
<b>Closing Balance</b>	<b>133,500,000</b>	<b>133,500,000</b>
<b>Total</b>	<b>13,750,402,606</b>	<b>12,578,095,487</b>

4.1 Pursuant to Section 71 of Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹NIL (P.Y ₹17,644,558/-) has been transferred to debenture redemption reserve account till the date of buy back of the debentures. On buy back of the debentures, balance in Debenture redemption reserve has been fully transferred to General reserve during the previous year.



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 5. Long-term borrowings:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured Loans</b>		
Vehicle Loan (Refer Note 5.1)	4,548,227	11,030,111
<b>Total</b>	<b>4,548,227</b>	<b>11,030,111</b>

5.1 The above loan is secured against hypothecation of fixed asset (Vehicles), repayable in equated monthly installments over a period of five years. The rate of interest of loan ranges from 9% to 10% and is repayable between December 2019 to March 2020.

**Note 6. Short Term borrowings:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Commercial Paper	3,500,000,000	4,000,000,000
Less: Unexpired discount (Refer Note 6.1)	(26,707,703)	(38,102,818)
Inter corporate deposits (ICD) – Related Party (Refer note 35)	486,096,195	-
<b>Total</b>	<b>3,959,388,492</b>	<b>3,961,897,182</b>

6.1 Unexpired discount on commercial paper is net of ₹ 23,058,803/- (P.Y. ₹ 17,997,181) towards discount accrued but not due.

**Note 7: Trade Payables:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises-- Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry creditors for Expenses	46,248,190	23,606,117
- Accrued Salaries and Benefits	6,444,052	1,864,665
- Provision for Expenses	110,947,977	77,017,985
<b>Total</b>	<b>163,640,219</b>	<b>102,488,767</b>

**Details under the Micro, Small and Medium Enterprises Development Act, 2006:**

	2017 - 18	2016 - 17
a) Principal amount and interest due thereon remaining unpaid to any supplier at the end year.	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Details under the Micro, Small and Medium Enterprises Development Act, 2006. (Continued)**

	2017 - 18	2016 - 17
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.

**Note: 8. Other current liabilities:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of Long term debt - Secured (Refer Note 5.1)	5,068,721	5,307,357
Payable to Holding Co / Group Companies	19,129,399	17,060,406
Statutory Liabilities Payable	225,330,350	134,315,219
Advances against expenses	-	5,000,000
Income received in advance	201,278	4,324,420
Payable to Clients for trade settlement	3,378,206,150	2,293,283,287
Payable to Exchange for trade settlement	139,926,829	47,797,715
Payable to Employees	15,932	5,209,453
Others	3,921,302	443,501
<b>Total</b>	<b>3,771,799,961</b>	<b>2,512,741,358</b>

**Note 9. Short Term Provisions:**

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Provision for employee benefits:		
- Provision for Compensated Absences	50,317,314	27,306,624
- Provision for Gratuity (Refer note 23)	14,751,135	33,108,902
- Provision for Bonus	660,824,729	222,034,217
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS - ₹ 1,050,091,776) (Previous Year- ₹1,054,614,388)	3,750,832	5,325,690
<b>Total</b>	<b>729,644,010</b>	<b>287,775,433</b>



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

Particulars	Furniture Fixture	Vehicles *	Office Equipment	Computers	Electrical Equipment	TOTAL
Gross Block as on April 01, 2017	145,546,853	29,402,721	13,673,127	99,858,258	8,891,035	297,371,994
Additions	90,803,746	5,192,828	23,593,774	26,644,539	3,364,524	149,599,411
Deductions/ Adjustments during the year	(1,797,130)	(3,861,848)	(952,000)	(4,794,717)	(1,798,610)	(13,204,305)
As at March 31, 2018	234,553,469	30,733,701	36,314,901	121,708,080	10,456,949	433,767,100
Depreciation						
Upto April 01, 2017	32,594,348	12,775,767	5,507,529	42,675,392	4,265,947	97,818,983
Depreciation for the year	49,841,808	5,988,377	3,968,581	34,377,916	1,617,468	95,794,150
Deductions/Adjustments during the year	(1,034,995)	(2,188,381)	(938,704)	(4,783,217)	(1,798,610)	(10,743,907)
Upto March 31, 2018	81,401,161	16,575,763	8,537,406	72,270,091	4,084,805	182,869,226
Net Block as at March 31, 2018	153,152,308	14,157,938	27,777,495	49,437,989	6,372,144	250,897,874
Net Block as at March 31, 2017	112,952,505	16,626,954	8,165,598	57,182,866	4,625,088	199,553,011

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

Particulars	Furniture Fixture	Vehicles *	Office Equipment	Computers	Electrical Equipment	TOTAL
Gross Block as on April 01, 2016	53,657,273	29,402,721	10,739,567	39,941,543	9,171,189	142,912,293
Additions	108,970,352	-	5,913,421	62,342,042	1,668,281	178,894,096
Deductions/ Adjustments during the year	(17,080,772)	-	(2,979,861)	(2,425,327)	(1,948,435)	(24,434,395)
As at March 31, 2017	145,546,853	29,402,721	13,673,127	99,858,258	8,891,035	297,371,994
Depreciation						
Upto April 01, 2016	20,077,343	6,895,223	6,217,281	18,582,005	4,764,374	56,536,226
Depreciation for the year	26,878,951	5,880,544	2,028,861	26,505,329	1,418,282	62,711,967
Deductions/Adjustments during the year	(14,361,946)	-	(2,738,613)	(2,411,942)	(1,916,709)	(21,429,210)
Upto March 31, 2017	32,594,348	12,775,767	5,507,529	42,675,392	4,265,947	97,818,983
Net Block as at March 31, 2017	112,952,505	16,626,954	8,165,598	57,182,866	4,625,088	199,553,011
Net Block as at March 31, 2016	33,579,930	22,507,498	4,522,286	21,359,538	4,406,815	86,376,067

\* The above fixed asset (Vehicles) are hypothecated against loans from financial institution.



**IIFL WEALTH MANAGEMENT LIMITED**

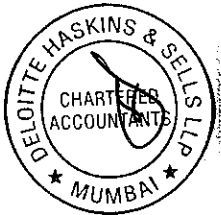
**Notes forming part of the Financial Statements for the year ended March 31, 2018**

**Note 11. Intangible Assets (other than internally generated):**

Particulars	(Amount in ₹)
	Total
Software/Intangible assets	
Gross Block as at April 01, 2017	71,586,877
Additions	7,505,587
Deductions / Adjustments during the year	-
As at March 31, 2018	79,092,464
Amortisation	
As at April 1, 2017	37,218,986
Amortisation for the year	26,951,934
Deductions / Adjustments during the year	-
Up to March 31, 2018	64,170,920
<b>Net Block as at March 31, 2018</b>	<b>14,921,544</b>
<b>Net Block as at March 31, 2017</b>	<b>34,367,891</b>

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

Particulars	(Amount in ₹)
	Total
Software/Intangible assets	
Gross Block as at April 01, 2016	47,762,594
Additions	23,824,283
Deductions / Adjustments during the year	-
As at March 31, 2017	71,586,877
Amortisation	
As at April 1, 2016	15,321,936
Amortisation for the year	21,897,050
Deductions / Adjustments during the year	-
Up to March 31, 2017	37,218,986
<b>Net Block as at March 31, 2017</b>	<b>34,367,891</b>
<b>Net Block as at March 31, 2016</b>	<b>32,440,658</b>



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 12. Non Current Investments (At cost):**

(Amount in ₹)

Particulars	As at March 31 2018			As at March 31 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Unquoted: Trade Investments:</b>						
Investment in equity shares of Group Company						
India Infoline Limited	-	-	-	₹ 10	20	1,500
<b>Sub Total</b>						<b>1,500</b>
Investment in equity shares of Subsidiary companies						
IIFL Distribution Services Ltd	₹100	5,120	153,354,384	₹100	5,120	153,354,384
IIFL Investment Advisers and Trustee Services Ltd.	₹10	35,225,000	354,000,000	₹10	35,225,000	354,000,000
IIFL Alternate Asset Advisors Ltd.	₹10	50,000	9,149,236	₹10	50,000	9,149,236
IIFL Asset Management Company Ltd.	₹10	32,100,000	525,000,000	₹10	32,100,000	525,000,000
IIFL Trustee Ltd.	₹10	500,000	5,000,000	₹10	500,000	5,000,000
IIFL Wealth Finance Limited	₹10	262,449,733	9,636,300,000	₹10	262,449,733	9,636,300,000
IIFL Private Wealth (Suisse) SA	CHK 1000	100	3,395,378	CHK 1000	100	3,395,378
IIFL Asia Pte. Ltd.	S\$ 1	14,000,000	264,500,000	S\$ 1	14,000,000	264,500,000
IIFL Private Wealth Management Dubai Ltd.	AED 3.67	918,442	42,500,000	AED 3.67	918,442	42,500,000
IIFL Private Wealth Hongkong Ltd.	HK\$ 1	6,476,324	43,800,000	HK\$ 1	6,476,324	43,800,000
IIFL Inc. (USA)	\$0.01	140	54,143,161	\$0.01	140	54,143,161
IIFL Asset Management (Mauritius) Limited	\$1.00	69,975	37,945,763	\$1.00	69,975	37,945,763
IIFL Capital (Canada) Limited	CA\$ 1	100,000	5,044,000	-	-	-
<b>Sub Total</b>			<b>11,134,131,922</b>			<b>11,129,087,922</b>
<b>Unquoted: Non Trade Investments:</b>						
Investment in equity shares						
India Alternatives Investment Advisors Pvt. Ltd.	₹10	1	8,501	₹10	1	8,501
Less: Diminution			(8,501)			(8,501)
<b>Sub Total</b>						
Investment in Alternative Investments Fund						
IIFL Real Estate Fund (Domestic) Series 1 - Class B Carry units	-	-	-	₹10	58	580
Motilal Oswal Focused Growth Opportunities Fund - Class C Carry units	₹10	20,000	200,000	₹10	20,000	200,000
Sundaram Alternative Opportunities Fund Nano Cap Series I - Class E (NAV - ₹ 114,922.7791, P.Y. ₹100,000)	₹100,000	147	16,700,000	₹100,000	25	2,505,000
Ask Select Focus Fund - Class E (NAV - ₹ 951.3506, P.Y. NIL)	₹1000	5,000	5,000,000	-	-	-
DSP BlackRock AiF Pharma Fund - Class C (NAV - ₹ 96.2200, P.Y. NIL)	₹100	100,000	10,000,000	-	-	-
White Oak India Equity Fund - Class I (NAV - ₹ 10.2555, P.Y. NIL)	₹10	1,293,393	13,000,000	-	-	-
Yournest Angel Fund - Scheme 1 (NAV - ₹ 1.0000, P.Y. NIL)	₹1	1,575	1,575	-	-	-
Motilal Oswal Focused Growth Opportunities Fund Carry Units - Class B (NAV - ₹ 14.1023, P.Y. ₹ 12.3818) (Refer Note 12.1)	₹10	862,449	10,000,000	₹10	604,802	6,500,000
Sundaram Alternative opportunities Fund Nanocap Series II - Class E (NAV - ₹ 1,06,745.5141, P.Y. NIL)	₹100000	154	16,700,000	-	-	-
Sundaram Alternative opportunities Fund Nanocap Series II - Class I (NAV - ₹ 1,08,332.6074, P.Y. NIL)	₹100000	1	100,000	-	-	-
<b>Sub Total</b>			<b>71,701,575</b>			<b>9,205,580</b>
Investments in Bonds & Debentures						
19% Debentures Of Arch Agro Industries Pvt. Ltd.				₹10,000	3,625	20,816,610
Less: Diminution						(20,816,610)
<b>Sub Total</b>						
<b>Grand Total</b>			<b>11,205,833,497</b>			<b>11,138,295,002</b>
Aggregate Value of Unquoted Investments			<b>11,205,841,998</b>			<b>11,138,303,503</b>
Aggregate Diminution in value of Investments			<b>(8,501)</b>			<b>(20,825,111)</b>

12.1 During the year, the Company has re-classified these investments from Current to Non-current based on the intent of holding them.



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 13. Deferred Tax Asset (Net):**

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' the Company has taken (credit)/ booked expenses of ₹ (23,034,862) (P.Y. ₹ 1,604,562) for continuing operations and ₹ (1,281,227) (P.Y. ₹ 441,905) for discontinuing operations in the Statement of Profit and Loss towards deferred tax asset (net) during the year on account of timing differences

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
On Depreciation	18,994,662	(592,656)
On Employee Benefits	13,705,320	10,418,516
On Provision for doubtful debts	2,674,737	2,649,018
On Long Term Capital Loss (Refer Note 13.1)	14,042,272	13,907,250
<b>Total</b>	<b>49,416,991</b>	<b>26,382,128</b>

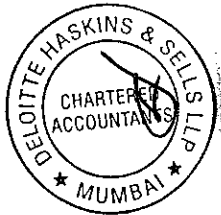
13.1 Based on the projections reviewed by the management, the company is confident in recovery of this DTA against future Tax Liability.

**Note 14. Long Term Loans and Advances:**

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, Considered good</b>		
- Deposits Paid	47,906,375	48,686,275
- Deposit with exchange	284,050,000	228,700,000
- Prepaid Expense	14,823,516	6,028,464
- Loans & advances to employees	263,758	-
<b>Sub Total</b>	<b>347,043,649</b>	<b>283,414,739</b>
Advance Income Tax (Net of provision of tax of ₹ 834,648,576/-) (Previous year ₹ 533,298,006/-)	47,993,381	38,653,683
<b>Total</b>	<b>395,037,030</b>	<b>322,068,422</b>

**Note 15. Other Non-Current Assets :**

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Deposit account (Original Maturity more than 12 Months)	3,300,000	-
<b>Total</b>	<b>3,300,000</b>	<b>-</b>



IIFL WEALTH MANAGEMENT LIMITED

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

Note 16. Current Investments (At lower of cost and market value, unless otherwise stated):

(Amount in ₹)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Face Value in ₹	Quantity	Amount	Face Value in ₹	Quantity	Amount
<b>Quoted, Non Trade Investments</b>						
<b>Investment in Mutual funds</b>						
Indiabulls Blue Chip Fund - Direct Plan - Dividend - Payout (NAV - ₹ 11.0400, P.Y. ₹ Nil)	10	63,996,492	948,428,016	-	-	-
Reliance Liquid Fund-Cash Plan-Growth Plan - Growth Option (NAV - ₹ 2,694.9173, P.Y. ₹ Nil)	1,000	167,395	450,000,000	-	-	-
Less: Provision for Diminution			(241,906,741)			-
<b>Sub Total</b>			<b>1,156,521,275</b>			-
<b>Unquoted, Non Trade Investments</b>						
<b>Investment in Equity Shares</b>						
Shankara Building Products Limited (NAV-₹ 240.7173)	-	-	-	10	12,192	5,608,320
<b>Sub Total</b>			-			<b>5,608,320</b>
<b>Grand Total</b>			<b>1,156,521,275</b>			<b>5,608,320</b>
Aggregate Value of Quoted Investments			1,398,428,016			-
Aggregate Value of Unquoted Investments			-			5,608,320
Market Value of Quoted Investments			1,157,635,854			-

**Note:**

Market Value of Investments in quoted mutual funds represents the Net Asset Value of the units issued by the mutual funds





**IIFL WEALTH MANAGEMENT LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2018**
**Note 17. Trade Receivable:**

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	36,371,335	211,479,012
- Considered doubtful	7,654,352	7,654,352
Provision for doubtful receivables	(7,654,352)	(7,654,352)
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	1,368,544,103	1,759,346,268
- Considered doubtful	-	-
- Provision for doubtful receivables	-	-
<b>Total</b>	<b>1,404,915,438</b>	<b>1,970,825,280</b>

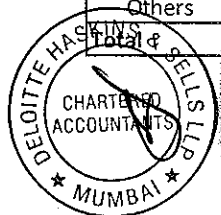
**Note 18. Cash and Cash Equivalents:**

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<b>Cash and Cash equivalents (As per AS-3 Cash Flow Statement)</b>		
Cash In Hand	516,084	624,663
Balances with Banks		
- In Current accounts	309,178,410	340,256,436
- In Client accounts	1,350,336,443	498,000,906
- In Deposit accounts (Original Maturity less than 3 months)	2,400,000,000	2,080,000,000
<b>Total Cash &amp; Cash Equivalents (a) (As per AS-3 Cash Flow Statement)</b>	<b>4,060,030,937</b>	<b>2,918,882,005</b>
<b>Other Bank Balances:</b>		
- In Deposit account (Original Maturity from 3 to 12 Months)	10,000,000	10,000,000
- In Deposit account as collateral with Exchange (Original Maturity from 3 to 12 Months)	314,950,000	265,000,000
- In Deposit account under lien (Original Maturity from 3 to 12 Months)(Refer Note 18.1)	573,484,063	375,000,000
<b>Total Other Bank Balances (b)</b>	<b>898,434,063</b>	<b>650,000,000</b>
<b>Total (a+b)</b>	<b>4,958,465,000</b>	<b>3,568,882,005</b>

18.1 Fixed deposits amounting to ₹ 573,484,063/- (P.Y ₹ 375,000,000/-) are lien marked with banks to avail Bank guarantee facilities.

**Note 19. Short Term Loans and Advances:**

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good</b>		
Inter Corporate Deposits (ICD)(Related Party) (Refer Note 35)	27,811,585	16,156,673
Other Loans and Advances		
- Advances recoverable in cash or in kind or for value to be received	17,101,292	4,210,654
- Prepaid Expenses	53,798,144	45,438,783
- Deposit	12,493,693	7,149,012
- Receivable from Holding/ Group companies (Refer Note 35)	21,860,030	19,228,968
- Goods & Service tax Input Credit	2,004,724	9,506,214
- Loans & advances to employees	2,724,876	7,189,421
- Others	477,964	106,530
<b>Total</b>	<b>138,272,308</b>	<b>108,986,255</b>



**IIFL WEALTH MANAGEMENT LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2018**
**Note 20. Other Current Assets:**

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Receivable from Exchange for trade settlement	90,416,376	795,410,218
Receivable from Clients for trade settlement	2,636,301,678	1,384,923,042
Interest accrued but not due on Fixed Deposits	23,754,371	20,543,796
Others	115,563	36,632
<b>Total</b>	<b>2,750,587,988</b>	<b>2,200,913,688</b>

**Note 21. Revenue from Operations:**

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Distribution Fees	5,711,889,026	3,853,487,636
Commission Income	103,126,192	367,653,028
Investment / Fund Management Fees	17,701,510	39,241,454
<b>Total</b>	<b>5,832,716,728</b>	<b>4,260,382,118</b>

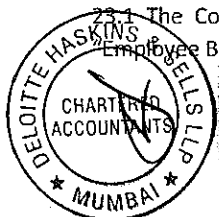
**Note 22. Other Income:**

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
<b>Profit/ (Loss) from</b>		
- Sale of Current Investments	(56,113,441)	89,704,274
- Sale of Non Current Investments	-	90,150,000
- Sale of shares of subsidiary	-	(95,235,049)
- Sale of Fixed Assets	533,028	-
- Trading Activities from Mutual fund - Current Investments	(243,899,567)	33,300,768
<b>Interest Income</b>		
- Current Investments	98,205,309	33,769,736
- Non - Current Investments	-	6,169,238
- Fixed Deposits	873,414	9,953,134
- Inter Corporate Deposits (Refer Note no 35)	247,013,056	16,422,150
- Staff loan	25,957	7,091
- Others	285,323	-
Dividend Income on Investments - Current	660,382,535	116,442
Dividend Income from Subsidiary/ Fellow Subsidiary Company	362,673,960	395
Miscellaneous income	214,390	351,119
<b>Total</b>	<b>1,070,193,964</b>	<b>184,709,298</b>

**Note 23. Employee Benefit Expenses:**

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Salaries and Bonus	2,463,127,661	1,535,424,801
Contribution to Provident Fund and Other Funds (Refer Note 23.2)	48,499,632	38,004,159
Gratuity Expense (Refer Note 23.1)	11,995,184	25,758,098
Staff Welfare Expenses	48,896,675	13,736,103
Compensated Absences	23,346,710	14,525,950
<b>Total</b>	<b>2,595,865,862</b>	<b>1,627,449,111</b>

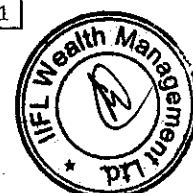
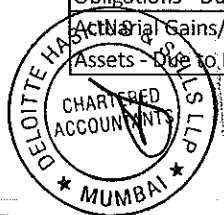
23.1 The Company is recognising and accruing the employee benefit as per Accounting Standard (AS) – 15 on "Employee Benefits" the disclosures of which are as under:



**IIFL WEALTH MANAGEMENT LIMITED**

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

Assumptions	2017-2018	2016-2017			
Discount rate	7.71%	7.27%			
Salary Escalation	7.50%	5.00%			
Attrition rate	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	For service 4 years and below 7.50% p.a. & thereafter 5% p.a.			
<b>Change in Benefit Obligation</b>	<b>2017-2018</b>	<b>2016-2017</b>			
Liability at the beginning of the year	84,091,679	56,144,939			
Interest Cost	6,113,465	4,412,992			
Current Service Cost	(9,558,597)	11,810,946			
Liability transferred in	1,463,324	3,205,326			
Liability transferred out	(2,395,639)	(1,338,777)			
Benefit paid	(308,480)	(2,872,699)			
Actuarial (gain)/ Loss on obligations	19,791,173	12,728,952			
<b>Liability at the end of the year</b>	<b>99,196,925</b>	<b>84,091,679</b>			
<b>Fair value of Plan Assets</b>	<b>2017-2018</b>	<b>2016-2017</b>			
Fair Value of Plan Assets at the beginning of the year	50,982,777	50,807,251			
Expected return on Plan Assets	3,706,448	3,993,450			
Contributions by the employer	30,000,000	-			
Benefits paid	(308,480)	(2,872,699)			
Actuarial Gain/(Loss) on Plan Assets	65,045	(945,225)			
<b>Fair Value of Plan Assets at the end of the year</b>	<b>84,445,790</b>	<b>50,982,777</b>			
<b>Amount Recognised in the Balance Sheet</b>	<b>2017-2018</b>	<b>2016-2017</b>			
Liability at the end of the year	99,196,925	84,091,679			
Fair Value of Plan Assets at the end of the year	84,445,790	50,982,777			
Differences	14,751,135	33,108,902			
<b>Amount of (liability)/ Asset Recognised in the Balance Sheet</b>	<b>14,751,135</b>	<b>33,108,902</b>			
<b>Expenses Recognised in the Statement of Profit &amp; Loss Account</b>	<b>2017-2018</b>	<b>2016-2017</b>			
Current Service cost	(9,558,597)	11,810,946			
Interest Cost (net of expected return on plan assets)	2,407,017	419,542			
Actuarial Gain or Loss	19,726,128	13,674,177			
<b>Total Expenses</b>	<b>12,574,548</b>	<b>25,904,665</b>			
Expenses for discontinuing operations	(579,364)	(146,567)			
<b>Expenses Recognised in the Statement of Profit &amp; Loss Account for continuing operations</b>	<b>11,995,184</b>	<b>25,758,098</b>			
<b>Balance Sheet Reconciliation</b>	<b>2017-2018</b>	<b>2016-2017</b>			
Opening Net liability	33,108,902	5,337,688			
Expense as above	12,574,548	25,904,665			
Net Transfer In	1,463,324	3,205,326			
Net Transfer Out	(2,395,639)	(1,338,777)			
Employers contribution	(30,000,000)	-			
<b>Liability/(Asset) Recognised in Balance sheet</b>	<b>14,751,135</b>	<b>33,108,902</b>			
<b>Experience Adjustment</b>	<b>2017-2018</b>	<b>2016-2017</b>	<b>2015-2016</b>	<b>2014-2015</b>	<b>2013-2014</b>
Present Value of the Obligation	99,196,925	84,091,679	56,144,939	36,269,744	25,008,366
Fair Value of Plan Assets	84,445,790	50,982,777	50,807,251	39,437,189	13,272,375
(Surplus) or Deficit	14,751,135	33,108,902	5,337,688	(3,167,445)	11,735,991
Actuarial (Gains)/ Losses on Obligations - Due to Experience	7,560,422	7,643,444	18,527,869	5,775,369	2,955,562
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	65,045	(945,225)	1,170,062	(24,297)	49,761



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

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

Estimated amount of payment in respect of Gratuity to the fund will be ₹ 14,751,135/- in F.Y 2018-2019  
(Previous year ₹ 33,108,902/-)

Information of major categories of plan assets of gratuity fund are not available with the Company and hence not disclosed as per the requirement of AS 15.

**23.2 Defined Contribution Plans:**

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

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Contribution to Provident Fund	48,427,906	37,981,454
Contribution to ESIC	70,883	20,781
Contribution to Labour Welfare Fund	843	1,924
<b>TOTAL</b>	<b>48,499,632</b>	<b>38,004,159</b>

**Note 24. Other Expenses:**

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
Advertisement Expenses	6,236,961	5,847,993
Exchange and Statutory Charges	787,558	939,874
Marketing and Commission Expenses	327,682,810	177,436,476
Brokerage and Other Operating Expenses	295,606,467	189,647,944
Bank Charges	595,498	242,351
Communication Expenses	19,865,211	13,953,680
Donation	2,855,000	17,198,000
Electricity Expenses	19,491,756	10,240,462
Legal and Professional Charges	115,238,731	172,526,268
Corporate social responsibility(CSR) expenses (Refer Note-38)	33,511,239	24,012,000
Office Expenses	70,378,095	63,448,470
Miscellaneous Expenses	998,098	5,134,128
Postage and Courier Expenses	4,943,521	2,338,580
Printing and Stationery	19,311,648	8,705,975
Manpower Outsource expenses	103,572,090	73,439,883
Rent Expenses (Refer Note 37)	280,418,213	188,252,005
Insurance charges	12,830,092	8,314,164
Rates and Taxes	5,499,335	38,917,196
Repairs and maintenance:		
- Computers	1,976,505	1,725,917
- Others	5,628,488	1,762,906



**IIFL WEALTH MANAGEMENT LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2018**
**Note 24. Other Expenses (continued):**

	(Amount in ₹)	
Particulars	2017-2018	2016-2017
Remuneration to Auditors		
- Statutory Audit (net of Service Tax/Goods and Services tax)	1,082,067	470,157
- Other services (net of Service Tax/Goods and Services tax)	1,800,000	1,800,000
- Swachh Bharat Cess	3,243	13,377
- Certification work and other matters (net of Service Tax/Goods and Service tax)	536,973	543,522
- Out of Pocket Expenses	28,353	168,518
Software Charges	39,529,526	32,644,358
Commission & sitting fees to non executive directors	2,561,568	2,287,925
(Profit)/Loss on Sale of Assets	-	905,186
Travelling and Conveyance	128,413,001	182,434,958
<b>Total</b>	<b>1,501,382,047</b>	<b>1,225,352,273</b>

**Note 25. Finance Cost:**

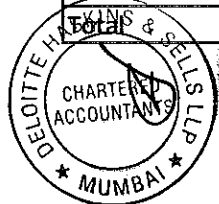
	(Amount in ₹)	
Particulars	2017-2018	2016-2017
Interest Expenses		
- Non convertible debentures	-	36,954,225
- Commercial papers	417,191,368	76,602,183
- Inter corporate deposits (Refer note 35)	96,921,837	54,351,404
- Term loan & others	1,017,591	2,093,436
- Delayed payment of taxes	215,086	8,383,189
Bank Guarantee expenses	-	-
Other borrowing cost	25,600	109,655
<b>Total</b>	<b>515,371,482</b>	<b>178,494,092</b>

**Note 26. Depreciation & Amortisation:**

	(Amount in ₹)	
Particulars	2017-2018	2016-2017
Depreciation on Tangible Assets (Refer Note 10)	95,678,963	62,711,967
Amortisation of Intangible Assets (Refer Note 11)	24,526,739	20,844,636
<b>Total</b>	<b>120,205,702</b>	<b>83,556,603</b>

**Note 27. Provisions and Write off:**

	(Amount in ₹)	
Particulars	2017-2018	2016-2017
Charge for diminution in value of investments	221,090,130	3,750,000
Provision for Doubtful Debts	-	2,623,600
Others	757	(66,486)
<b>Total</b>	<b>221,090,887</b>	<b>6,307,114</b>



**IIFL WEALTH MANAGEMENT LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2018**
**Note 28. Basic and Diluted Earnings Per Share**

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share'.

PARTICULARS		2017-2018	2016-2017
<b>BASIC</b>			
<b>Continuing Operations</b>			
Profit after tax as per Statement of Profit and Loss	A	1,470,396,658	860,818,036
Weighted Average Number of Shares Subscribed	B	78,636,546	73,980,604
Face Value of Equity Shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	18.70	11.64
<b>Total Operations</b>			
Profit after tax as per Statement of Profit and Loss	A	1,484,570,409	864,383,882
Weighted Average Number of Shares Subscribed	B	78,636,546	73,980,604
Face Value of Equity Shares (in ₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	18.88	11.68
<b>DILUTED</b>			
<b>Continuing Operations</b>			
Potential Equity Shares on account of conversion of Employee Stock Option	C	2,710,523	572,860
Weighted Average Number of Shares Outstanding	D=B+C	81,347,069	74,553,464
Diluted EPS (₹)	A/D	18.08	11.55
<b>Total Operations</b>			
Potential Equity Shares on account of conversion of Employee Stock Option	C	2,710,523	572,860
Weighted Average Number of Shares Outstanding	D=B+C	81,347,069	74,553,464
Diluted EPS (₹)	A/D	18.25	11.59

**Note 29.** The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its Holding company/ Group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for/by the group were identified and recovered from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

**Note 30. Capital and Other Commitments**

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 83,765,470/- (Previous year ₹ 89,542,493/-)

**Note 31. Contingent Liabilities at Balance Sheet date**

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantees (Refer Note 31.1)	1,100,000,000	750,000,000
Corporate Guarantee (Refer Note 31.2)	2,000,000,000	-
Disputed Income Tax Demand	4,068,930	-

31.1 Fixed deposits amounting to ₹ 573,484,063/- (P.Y. ₹ 375,000,000/-) are pledged against this.

31.2 Corporate Guarantee issued to a bank towards the provision of credit facilities to a subsidiary of the Company.

**Note 32.** There are no pending litigations by and on the Company as on the balance sheet date.



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 33.** The Company has implemented equity settled Employee Stock Options Scheme 2012 (ESOP 2012) and Employee Stock Options Scheme 2015 (ESOP 2015) and has outstanding options granted under the said schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of grants by the Nomination and Remuneration Committee and ESOP Schemes.

**(A) The details of various Employee Stock Option Schemes are as under:**

Particulars	ESOP 2012	ESOP 2015
No. of options granted	2,731,935 (A - 1,234,900; B - 758,550; C - 724,600, D - 13,885)	9,072,913 (A - 6,965,945; B - 900,000; C - 950,000; D - 121,141; E - 135,827 )
Grant Dates	A - March 28, 2012; B - August 29, 2013; C - Jun 03, 2014, D - January 28, 2018	A - July 02, 2015, B - November 10, 2016 C- July 21, 2017; D - January 13, 2018; E - January 28, 2018
Method of accounting	Intrinsic Value	Intrinsic Value
Vesting plan	Options granted would vest within a period of seven years subject to a minimum period of one year from the date of grant of such options	Options granted would vest as per the vesting schedule as determined under each series of grant approved by Nomination & Remuneration Committee subject to minimum period of
Exercise period	Seven years from the date of grant	Seven years from the date of grant
Grant Price (₹ Per Share)	A - ₹ 10.00, B - ₹ 16.00, C - ₹ 19.00, D - ₹ 417.00	A - ₹ 282.00, B - ₹ 339.00, C, D & E - ₹ 417.00
Fair Value on the date of Grant of Option (₹ Per Share)	₹ 11.80 - ₹ 417.00	₹ 274.00 - ₹ 417.00

**(B) Movement of options granted:**

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	128,510	4,310,024
Granted during the year	13,885	1,206,968
Exercised during the year	117,420	1,672,279
Lapsed during the year	-	-
Options outstanding at the end of the year	24,975	3,844,713
Exercisable at the end of the year	11,090	227,662
Weighted average exercise price for the options exercised during the year	₹ 17.32	₹ 283.60
Range of exercise price for the options outstanding at the end of the year	₹ 10.00 to ₹ 417.00	₹ 282.00 to ₹ 417.00

**Movement of options granted (Previous year):**

Particulars	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	591,580	6,965,945
Granted during the year	-	900,000
Exercised during the year	449,185	3,555,921
Lapsed during the year	13,835	-
Options outstanding at the end of the year	128,510	4,310,024
Exercisable at the end of the year	194,835	1,214,766
Weighted average exercise price for the options exercised during the year	₹ 16.41	₹ 282.00
Range of exercise price for the options outstanding at the end of the year	₹ 10.00 to ₹ 19.00	₹ 282.00



**IIFL WEALTH MANAGEMENT LIMITED****Notes forming part of the Financial Statements for the year ended March 31, 2018****Fair Value Methodology:**

The fair value of options have been estimated on the date of grant using Black Scholes model.

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	6.67%-9.09%	6.19%-7.86%
Expected average life	2-5 years	2-5 years
Expected volatility of Share Price	10.00%	10.00%
Dividend yield	17.43%-23.19%	3%
Fair value on the date of the grant	₹ 11.80-417	₹ 274-417

**Previous Year:**

Grant Date	ESOP 2012	ESOP 2015
Risk free interest rate	8.38%-9.47%	7.87%-6.39%
Expected average life	3 years	3 years
Expected volatility of Share Price	Nil	Nil
Dividend yield	0.00%-38.45%	1.25%-1.64%
Fair value on the date of the grant	₹ 11.80-18.96	₹ 274.00-319.00

Had the compensation cost for the stock options granted been determined on fair value approach, the Company's net profit and earning per share would have been as per pro-forma amounts indicated below:

**(a) Pro-forma Profit after tax**

Particulars	Current year	Previous year
Net Profit as reported	1,484,570,409	864,383,882
Less:		
Stock-based compensation expenses determined under fair value method net of tax (Pro-forma) [Gross ₹ 39,659,818/- (Previous year ₹ 64,085,705/-)]	25,934,438	41,907,534
<b>Net Profit (Pro-forma)</b>	<b>1,458,635,971</b>	<b>822,476,348</b>

**(b) Pro-forma Earnings per Share**

Particulars	Current year	Previous year
Basic earnings per share (as reported)	18.88	11.68
Basic earnings per share (pro-forma)	18.55	11.12
Diluted earnings per share (as reported)	18.25	11.59
Diluted earnings per share (pro-forma)	17.93	11.03

**Note 34. Segment Reporting:**

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

Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.





**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 35. Related Party Disclosures:**

Related party disclosures for the year ended March 31, 2018.

**a) List of Related parties:**

Nature of relationship	Name of party
<b>Holding Company</b>	IIFL Holdings Limited
<b>Subsidiary Companies</b>	IIFL Distribution Services Limited IIFL Investment Advisers and Trustee Services Limited IIFL Alternate Asset Advisors Limited IIFL Asset Management Limited IIFL Trustee Limited IIFL Wealth Finance Limited IIFL (Asia) Pte Limited IIFL Inc IIFL Private Wealth Management (Dubai) Limited IIFL Asset Management (Mauritius) Ltd IIFL Private Wealth (Suisse) SA IIFL Private Wealth Hong Kong Limited IIFL Securities Pte Limited IIFL Capital Pte Limited IIFL Capital (Canada) Limited
<b>Fellow Subsidiaries</b>	India Infoline Limited India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Facilities Services Limited Samasta Microfinance Ltd Ayusha Dairy Pvt. Ltd 5 Paisa Capital Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc Clara Developers Private Ltd India Infoline Foundation
<b>Group Company</b>	India Infoline Housing Finance Limited IIFL Asset Reconstruction Limited
<b>Key Management Personnel</b>	Karan Bhagat -Managing Director Yatin Shah-Whole Time Director
<b>Other related parties</b>	Mr. Nirmal Jain Mr. R. Venkataraman Mr. Amit Shah Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Madhu Jain Mrs. Aditi Athavankar Mrs. Dhara Shah Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017)



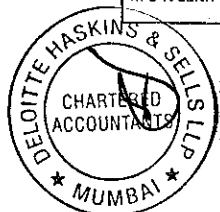
**IIFL WEALTH MANAGEMENT LIMITED**

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

**b) Significant Transactions with Related Parties**

(Amount in `)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
<b>Investment</b>						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	(620,000,000)	-	-	-	(620,000,000)
<b>Share Capital Issued:</b>						
Karan Bhagat	-	-	-	-	-	-
	-	-	-	-	(4,800,000)	(4,800,000)
Yatin Shah	-	-	-	-	-	-
	-	-	-	-	(1,800,000)	(1,800,000)
Amit Shah	-	-	-	-	1,800,000	1,800,000
	-	-	-	-	-	-
<b>Securities Premium Received:</b>						
Amit Shah	-	-	-	-	252,000,000	252,000,000
	-	-	-	-	-	-
<b>Purchase of inventories/Investment (Net)</b>						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	(2,750,000,000)	-	-	-	(2,750,000,000)
<b>Sale of inventories (Net)</b>						
IIFL Holdings Limited	1,500	-	-	-	-	1,500
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	185,341	-	-	-	185,341
	-	-	-	-	-	-
<b>Dividend Income</b>						
IIFL Private Wealth (Mauritius) Ltd	-	362,673,500	-	-	-	362,673,500
	-	-	-	-	-	-
India Infoline Limited	-	-	460	-	-	460
	-	-	(395)	-	-	(395)
<b>Arranger Fees Income/ Marketing Support Income/ Referral Fee/ Brokerage - Authorised Person</b>						
India Infoline Limited	-	-	109,623,506	-	-	109,623,506
	-	-	(367,653,027)	-	-	(367,653,027)
India Infoline Finance Limited	-	-	12,271,124	-	-	12,271,124
	-	-	(52,120,960)	-	-	(52,120,960)
IIFL Asset Management Limited	-	10,699,162	-	-	-	10,699,162
	-	(143,566,342)	-	-	-	(143,566,342)
India Alternatives Investment Advisors Pvt Limited	-	-	-	-	-	-
	-	(14,000,000)	-	-	-	(14,000,000)
<b>Brokerage on Security Trading</b>						
IIFL Asset Management Limited	-	1,007,283	-	-	-	1,007,283
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	97,550	-	-	-	97,550
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	40	-	-	-	40
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	1,304,844	-	-	-	1,304,844
	-	-	-	-	-	-
<b>Interest Income on Inter Corporate Deposits</b>						
IIFL Alternate Asset Advisors Limited	-	4,880,396	-	-	-	4,880,396
	-	(756,399)	-	-	-	(756,399)
IIFL Investment Adviser and Trustee Services Limited	-	6,433,861	-	-	-	6,433,861
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	186,357	-	-	-	186,357
	-	-	-	-	-	-
IIFL Asset Management Limited	-	4,087,678	-	-	-	4,087,678
	-	(3,994,896)	-	-	-	(3,994,896)
IIFL Wealth Finance Limited	-	230,933,736	-	-	-	230,933,736
	-	(7,684,932)	-	-	-	(7,684,932)



**IIFL WEALTH MANAGEMENT LIMITED**

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

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
<b>Interest Income on Investment</b>						
IIFL Wealth Finance Limited	-	1,188,236	-	-	-	1,188,236
	-	-	-	-	-	-
<b>Interest Expenses on NCD</b>						
IIFL Wealth Finance Limited	-	-	-	-	-	-
	-	(2,613,878)	-	-	-	(2,613,878)
<b>Interest Expense on Inter Corporate Deposits</b>						
IIFL Distribution Services Limited	-	1,379,318	-	-	-	1,379,318
	-	(1,730,877)	-	-	-	(1,730,877)
IIFL Asset Management Limited	-	59,116,279	-	-	-	59,116,279
	-	(10,032,212)	-	-	-	(10,032,212)
IIFL Investment Adviser and Trustee Services Limited	-	20,559,287	-	-	-	20,559,287
	-	(8,824,937)	-	-	-	(8,824,937)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(472,603)	-	-	(472,603)
IIFL Wealth Finance Limited	-	25,732,577	-	-	-	25,732,577
	-	(34,705,227)	-	-	-	(34,705,227)
IIFL Alternate Asset Advisors Limited	-	6,967,169	-	-	-	6,967,169
	-	(6,475,890)	-	-	-	(6,475,890)
IIFL Holding Limited	-	-	-	-	-	-
	(5,660,137)	-	-	-	-	(5,660,137)
<b>Manpower Outsourcing Expenses</b>						
IIFL Distribution Services Limited	-	93,840,040	-	-	-	93,840,040
	-	(67,238,654)	-	-	-	(67,238,654)
<b>Advisory Fee Expense</b>						
IIFL Investment Adviser and Trustee Services Limited	-	24,000,000	-	-	-	24,000,000
	-	(24,000,000)	-	-	-	(24,000,000)
<b>Referral Fees - Expenses</b>						
India Infoline Finance Limited	-	-	6,867,918	-	-	6,867,918
	-	-	(10,253,269)	-	-	(10,253,269)
<b>Research Fees - Expenses</b>						
India Infoline Limited	-	-	22,500,000	-	-	22,500,000
	-	-	-	-	-	-
<b>Guest House - Expenses</b>						
IIFL Properties Private Limited	-	-	-	-	-	-
	-	-	(290,000)	-	-	(290,000)
<b>Corporate Social Responsibility Expenses (CSR)</b>						
India Infoline Foundation	-	-	-	32,841,239	-	32,841,239
	-	-	-	(7,262,000)	-	(7,262,000)
<b>Rent Expenses</b>						
IIFL Facilities Services Limited	-	-	217,913,135	-	-	217,913,135
	-	-	(135,730,251)	-	-	(135,730,251)
<b>Remuneration</b>						
Karan Bhagat	-	-	-	-	44,153,034	44,153,034
	-	-	-	-	(40,128,096)	(40,128,096)
Yatin Shah	-	-	-	-	34,780,422	34,780,422
	-	-	-	-	(31,531,068)	(31,531,068)
<b>Dividend Paid</b>						
IIFL Holdings Limited	405,000,000	-	-	-	-	405,000,000
	(270,000,000)	-	-	-	-	(270,000,000)
Karan Bhagat	-	-	-	-	43,294,734	43,294,734
	-	-	-	-	(14,463,156)	(14,463,156)
Yatin Shah	-	-	-	-	29,794,734	29,794,734
	-	-	-	-	(14,463,156)	(14,463,156)
Amit Shah	-	-	-	-	20,415,789	20,415,789
	-	-	-	-	(10,910,526)	(10,910,526)



**IIFL WEALTH MANAGEMENT LIMITED**

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

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
<b>Other funds received</b>						
India Infoline Limited	-	-	-	-	-	-
			(4,190,967)			(4,190,967)
IIFL Trustee Limited	-	276,188	-	-	-	276,188
IIFL Investment Adviser and Trustee Services Limited	-	6,720,906	-	-	-	6,720,906
	-	(2,422,429)	-	-	-	(2,422,429)
IIFL Alternate Asset Advisors Limited	-	762,242	-	-	-	762,242
	-	(346,216)	-	-	-	(346,216)
IIFL Distribution Services Limited	-	8,927,692	-	-	-	8,927,692
	-	(5,442,513)	-	-	-	(5,442,513)
India Alternatives Investment Advisors Pvt Ltd	-	-	-	-	-	-
	-	(823,669)	-	-	-	(823,669)
IIFL Asset Management Limited	-	6,886,722	-	-	-	6,886,722
	-	(403,988)	-	-	-	(403,988)
IIFL Wealth Finance Limited	-	7,841,960	-	-	-	7,841,960
	-	(2,221,942)	-	-	-	(2,221,942)
IIFL Management Services Limited	-	-	-	9,141	-	9,141
	-	-	-	-	-	-
<b>Other funds paid</b>						
India Infoline Limited	-	-	136,486	-	-	136,486
	-	-	(41,437)	-	-	(41,437)
IIFL Alternate Asset Advisors Limited	-	8,932	-	-	-	8,932
	-	-	-	-	-	-
IIFL Asset Management Limited	-	221,832	-	-	-	221,832
	-	(1,586,967)	-	-	-	(1,586,967)
IIFL Distribution Services Limited	-	359,501	-	-	-	359,501
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	19,521	-	-	-	19,521
	-	(225,753)	-	-	-	(225,753)
IIFL Investment Adviser and Trustee Services Limited	-	3,543,900	-	-	-	3,543,900
	-	(16,604)	-	-	-	(16,604)
<b>Inter Corporate Deposit given</b>						
IIFL Investment Adviser and Trustee Services Limited	-	6,567,000,000	-	-	-	6,567,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	3,721,000,000	-	-	-	3,721,000,000
	-	(572,100,000)	-	-	-	(572,100,000)
IIFL Distribution Services Limited	-	68,500,000	-	-	-	68,500,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,474,138,000	-	-	-	2,474,138,000
	-	(457,116,307)	-	-	-	(457,116,307)
IIFL Wealth Finance Limited	-	140,795,000,000	-	-	-	140,795,000,000
	-	(1,750,000,000)	-	-	-	(1,750,000,000)
<b>Inter Corporate Deposit received back</b>						
IIFL Investment Adviser and Trustee Services Limited	-	6,567,000,000	-	-	-	6,567,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	3,721,000,000	-	-	-	3,721,000,000
	-	(572,100,000)	-	-	-	(572,100,000)
IIFL Distribution Services Limited	-	68,500,000	-	-	-	68,500,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	2,449,138,000	-	-	-	2,449,138,000
	-	(457,116,307)	-	-	-	(457,116,307)
IIFL Wealth Finance Limited	-	140,795,000,000	-	-	-	140,795,000,000
	-	(1,750,000,000)	-	-	-	(1,750,000,000)



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

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
<b>Inter Corporate Deposit taken</b>						
IIFL Distribution Services Limited	-	85,000,000	-	-	-	85,000,000
	-	(119,500,000)	-	-	-	(119,500,000)
IIFL Asset Management Limited	-	6,624,500,000	-	-	-	6,624,500,000
	-	(2,545,000,000)	-	-	-	(2,545,000,000)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(250,000,000)	-	-	(250,000,000)
IIFL Alternate Asset Advisors Limited	-	1,124,500,000	-	-	-	1,124,500,000
	-	(635,000,000)	-	-	-	(635,000,000)
IIFL Wealth Finance Limited	-	12,338,330,000	-	-	-	12,338,330,000
	-	(9,612,500,000)	-	-	-	(9,612,500,000)
IIFL Investment Adviser and Trustee Services Limited	-	2,721,000,000	-	-	-	2,721,000,000
	-	(332,000,000)	-	-	-	(332,000,000)
IIFL Holdings Limited	-	-	-	-	-	-
	(330,000,000)	-	-	-	-	(330,000,000)
<b>Inter Corporate Deposit repaid</b>						
IIFL Distribution Services Limited	-	37,745,000	-	-	-	37,745,000
	-	(119,500,000)	-	-	-	(119,500,000)
IIFL Asset Management Limited	-	6,624,500,000	-	-	-	6,624,500,000
	-	(2,545,000,000)	-	-	-	(2,545,000,000)
IIFL Holdings Limited	-	-	-	-	-	-
	(330,000,000)	-	-	-	-	(330,000,000)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(250,000,000)	-	-	(250,000,000)
IIFL Alternate Asset Advisors Limited	-	1,124,500,000	-	-	-	1,124,500,000
	-	(635,000,000)	-	-	-	(635,000,000)
IIFL Wealth Finance Limited	-	12,049,488,805	-	-	-	12,049,488,805
	-	(9,612,500,000)	-	-	-	(9,612,500,000)
IIFL Investment Adviser and Trustee Services Limited	-	2,571,000,000	-	-	-	2,571,000,000
	-	(332,000,000)	-	-	-	(332,000,000)
<b>Allocation / Reimbursement of expenses Paid</b>						
India Infoline Limited	-	-	48,576,953	-	-	48,576,953
	-	-	(77,556,355)	-	-	(77,556,355)
IIFL Holdings Limited	32,319,360	-	-	-	-	32,319,360
	(21,068,067)	-	-	-	-	(21,068,067)
India Alternatives Investment Advisors Private Ltd	-	(68,800,000)	-	-	-	(68,800,000)
S Paisa Capital Limited	-	-	-	(49,714)	-	(49,714)
IIFL Distribution Services Limited	-	960,993	-	-	-	960,993
	-	(1,008,045)	-	-	-	(1,008,045)
IIFL Facilities Services Limited	-	-	538,690	-	-	538,690
	-	-	(10,187)	-	-	(10,187)
<b>Allocation / Reimbursement of expenses Received</b>						
IIFL Asset Management Limited	-	19,876,314	-	-	-	19,876,314
	-	(31,277,959)	-	-	-	(31,277,959)
IIFL Investment Adviser and Trustee Services Limited	-	21,279,123	-	-	-	21,279,123
	-	(11,536,758)	-	-	-	(11,536,758)
IIFL Alternate Asset Advisors Limited	-	2,395,295	-	-	-	2,395,295
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	1,674,635	-	-	-	1,674,635
	-	(6,255,592)	-	-	-	(6,255,592)
IIFL Wealth Finance Limited	-	21,774,058	-	-	-	21,774,058
	-	(24,758,528)	-	-	-	(24,758,528)
India Alternatives Investment Advisors Pvt Ltd	-	-	-	-	-	-
	-	(4,779,266)	-	-	-	(4,779,266)



**IIFL WEALTH MANAGEMENT LIMITED**

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

**c) Amount due to / from related parties (Closing Balance)**

(Amount in `)

Nature of Transaction	Holding Company	Subsidiary	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Total
<b>Sundry payables:</b>						
IIFL Distribution Services Limited	-	11,712,040	-	-	-	11,712,040
	-	(8,327,760)	-	-	-	(8,327,760)
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-	-
	-	(1,300,560)	-	-	-	(1,300,560)
India Infoline Finance Limited	-	-	7,417,352	-	-	7,417,352
	-	-	-	-	-	-
India Infoline Limited	-	-	(7,432,085)	-	-	(7,432,085)
	-	-	-	-	-	-
<b>Sundry receivables:</b>						
IIFL Alternate Asset Advisors Limited	-	1,443,325	-	-	-	1,443,325
	-	(42,011)	-	-	-	(42,011)
IIFL Wealth Finance Limited	-	9,492,796	-	-	-	9,492,796
	-	(10,483,229)	-	-	-	(10,483,229)
IIFL Investment Adviser and Trustee Services Limited	-	4,613,142	-	-	-	4,613,142
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,310,766	-	-	-	6,310,766
	-	(8,703,726)	-	-	-	(8,703,726)
<b>Inter Corporate Deposit Taken</b>						
IIFL Distribution Services Limited	-	47,255,000	-	-	-	47,255,000
	-	-	-	-	-	-
IIFL Investment Adviser and Trustee Services Limited	-	150,000,000	-	-	-	150,000,000
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	288,841,195	-	-	-	288,841,195
	-	-	-	-	-	-
<b>Inter Corporate Deposit Given</b>						
IIFL Asset Management Limited	-	25,000,000	-	-	-	25,000,000
	-	-	-	-	-	-
<b>Trade receivables</b>						
IIFL Asset Management Limited	-	-	-	-	-	-
	-	(38,998,746)	-	-	-	(38,998,746)
India Infoline Limited	-	-	-	-	-	-
	-	-	(15,694,772)	-	-	(15,694,772)
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(1,883,129)	-	-	(1,883,129)

**Note:**

I) Figures in bracket represents previous year figures.

II) Related parties are identified and certified by the management, which has been relied upon by the auditors.



**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 36. Earnings and Expenses in Foreign Currency (on accrual basis):**

Particulars	(Amount in ₹)	
	2017-2018	2016-2017
<b>Earnings in Foreign Currency</b>		
Arranger Fees	3,032,187	-
Dividend income	362,673,500	-
<b>Sub Total</b>	<b>362,673,500</b>	<b>-</b>
<b>Expenses in Foreign Currency</b>		
Travelling and Conveyance Expense	777,729	1,308,826
Advertisement Expense	65,013	1,328,060
Legal and professional Charges	4,176,446	6,406,199
Marketing and commission Expense	37,721,963	12,549,302
Office Expense	6,488,657	2,382,194
Software Charges / Technology Cost	3,256,100	-
Staff welfare Expense	1,071,077	-
<b>Sub Total</b>	<b>53,556,984</b>	<b>23,974,581</b>

**Note 37. Lease Arrangements:**

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same amounting to ₹ 292,774,365/- (P.Y. ₹ 190,887,493/-) out of this ₹ 281,340,105/- (P.Y. ₹ 188,251,949/-) from continuing operations and ₹ 11,434,260/- (P.Y. ₹ 2,635,544/-) from discontinuing operations, has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also

Minimum Lease Rentals	(Amount in ₹)	
	As At March 31, 2018	As At March 31, 2017
Up to one year	261,745,722	274,618,072
One to five years	99,648,271	266,720,146
Over five years	-	-

**Note 38. Corporate Social Responsibility**

During the financial year 2017-18, the Company has spent ₹ 33,511,239/- (P.Y. ₹ 24,012,000/-) as against ₹ 28,259,848/- (P.Y. ₹ 23,508,541/-) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing long term high impact projects approved by the CSR Committee. IIFL Group is committed to supporting development of the country by contributing to achieving the sustainable development goals and all its activities are directed towards this. Going forward these projects will be consolidated and scaled to achieve a larger and deeper impact. The key focus areas includes maintenance of environmental sustainability, education and health areas.



## IIFL WEALTH MANAGEMENT LIMITED

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

### Note 39. Discontinuing Operations:

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

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

The Appointed Date for the above transactions is opening hours of 1 April 2018. The Scheme will be given effect to upon receipt of requisite approvals of NCLT and other authorities.

#### a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations:

Particulars	As at March 31, 2018	As at March 31, 2017
Revenue	362,444,232	79,618,397
Expenses	341,534,868	74,121,583
<b>Profit/ Loss Before Tax</b>	<b>20,909,364</b>	<b>5,496,814</b>
Tax Expenses	6,735,613	1,930,968
<b>Profit/ Loss After Tax</b>	<b>14,173,751</b>	<b>3,565,846</b>

#### b. The carrying amounts as at March 31, 2018 of the total assets and liabilities to be transferred are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Total Assets	7,746,148,996	5,187,758,284
Total Liabilities	7,583,930,147	5,034,192,438





**IIFL WEALTH MANAGEMENT LIMITED**

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

**Note 40. Details of Inter Corporate Deposits**

During the year, the Company has placed Inter Corporate Deposits, the details of which are mentioned in Note No. 34 and in the table below.

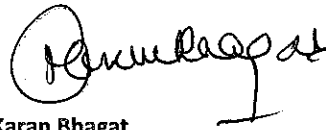
Particulars	ICD given	ICD received back	ICD Outstanding
Fineworthy Software Solutions Ltd	-	10,637,810	-
	(1,449,543)	(3,300,000)	(14,328,673)
IIFL Wealth Employee Benefit Trust	802,848	-	2,630,848
	(38,736,212)	(36,908,212)	(1,828,000)
IIFL Special Opportunities Fund	800,000,000	800,000,000	-
	-	-	-

Figures in bracket represents previous year figures.

The period of ICD is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.25% to 9.50% p.a.), for the purpose of meeting working capital and business requirements.

**Note 41.** Previous year figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors



**Karan Bhagat**  
Managing Director  
(DIN: 03247753)



**R. Venkataraman**  
Director  
(DIN: 00011919)



**Mihir Nanavati**  
Chief Financial Office



**Ashutosh Naik**  
Company Secretary

Place : Mumbai  
Dated : May 03, 2018

