



**SIVASUBRAMANIAN & RAO**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF IIFL WEALTH ADVISORS (INDIA) LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of IIFL Wealth Advisors (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

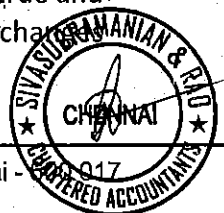
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements*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

**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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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



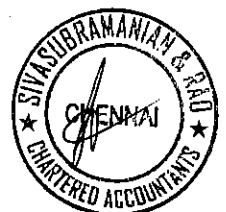
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

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



i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

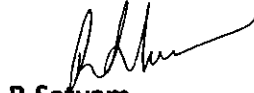
iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For SIVASUBRAMANIAN & RAO**

Chartered Accountants

Firm's Registration No.003904S

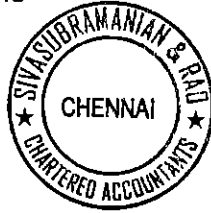


**R.Satyam**

Partner

Membership No.210147

Date :3<sup>rd</sup> May 2019



## **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 to the Members of IIFL Wealth Advisors (India) Limited 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 Advisors (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

### **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.

### **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.

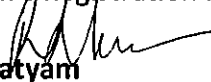
### **Opinion**

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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For SIVASUBRAMANIAN & RAO**

Chartered Accountants

Firm's Registration No.003904S

  
R. Satyam

Partner

Membership No.210147

Date :3<sup>rd</sup> May 2019



**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 to the Members of IIFL Wealth Advisors (India) Limited of even date)**

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year through a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company does not hold any immovable properties, the requirements under paragraph 1(c) of the Order about title deeds of immovable properties are not applicable to the Company.

ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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 Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.





vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	74,369	Assessment Year 2010-11	ITAT, Chennai
Income Tax Act, 1961	Income Tax and Interest	53,07,920	Assessment Year 2013-14	CIT (Appeals)

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

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 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or 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 Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.



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 standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

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 persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SIVASUBRAMANIAN & RAO**

Chartered Accountants

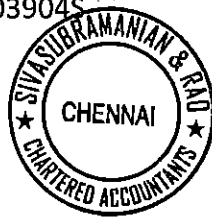
Firm's Registration No.003904S

  
**R.Satyam**

Partner

Membership No.210147

Date :3<sup>rd</sup> May 2019



**IIFL Wealth Advisors (India) Limited**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amount in ₹)

SR. No.	Particulars	Note No.	March 31, 2019	March 31, 2018	April 1, 2017
<b>ASSETS</b>					
<b>1</b>	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	4	12,80,348	75,30,311	47,70,705
(b)	Bank balance other than (a) above	5	15,000	15,000	15,000
(c)	Receivables				
	(I) Trade receivables	6	4,94,36,789	4,32,37,879	3,04,68,808
	(II) Other receivables		-	-	-
(d)	Investments	7	23,17,91,299	19,19,11,784	12,21,09,736
(e)	Other financial assets	8	62,79,456	52,32,271	48,64,460
<b>2</b>	<b>Non-financial Assets:</b>				
(a)	Current tax assets (Net)		46,53,694	41,55,445	41,55,445
(b)	Deferred tax Assets (Net)	9	13,63,700	-	-
(c)	Property, plant and equipment	10	41,56,764	84,37,969	69,97,634
(d)	Other intangible assets	11	90,58,759	66,87,006	97,30,429
(e)	Other non-financial assets	12	13,07,619	36,13,378	34,28,138
<b>Total Assets</b>			<b>30,93,43,428</b>	<b>27,08,21,043</b>	<b>18,65,40,355</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>1</b>	<b>Financial Liabilities</b>				
(a)	Payables		-	-	-
	(I) Trade payables		-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	3,90,19,471	5,93,85,705	4,67,45,626
	(II) Other Payables		-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	-	-	-
(b)	Borrowings (Other than Debt Securities)	14	-	7,37,916	11,52,034
(c)	Other financial liabilities	15	18,71,920	-	-
<b>2</b>	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities (Net)		96,94,333	63,79,936	55,84,165
(b)	Provisions	16	12,54,586	39,80,843	13,09,241
(c)	Deferred tax liabilities (Net)	9	-	6,40,300	14,28,000
(d)	Other non-financial liabilities	17	1,33,96,138	1,18,69,833	59,86,393
<b>3</b>	<b>EQUITY</b>				
(a)	Equity share capital	18	5,34,83,822	5,34,83,822	5,34,83,822
(b)	Other equity	18A	19,06,23,158	13,43,42,688	7,08,51,074
<b>Total Liabilities and Equity</b>			<b>30,93,43,428</b>	<b>27,08,21,043</b>	<b>18,65,40,355</b>

See accompanying Notes to the Financial Statements

In terms of our report attached

For Sivasubramanian & Rao  
Chartered Accountants  
FRN: 0039045

Satyam  
Partner  
M.No: 210147



Place : Chennai  
Dated: May 3, 2019

For and on behalf of the Board of Directors

*Yatin Shah*  
Yatin Shah  
Director  
(DIN: 03231090)



*Sandeep Jethwani*  
Sandeep Jethwani  
Director  
(DIN: 07984864)

*Ashutosh Naik*  
Ashutosh Naik  
Company Secretary

IIFL Wealth Advisors (India) Limited  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

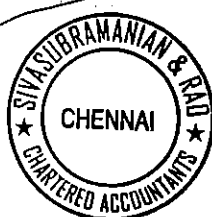
SR.No.	Particulars	Note No.	FY 2018-19	FY 2017-18
	<b>Revenue from operations</b>			
(i)	Fees and commission Income	19	31,02,78,206	29,93,41,541
(II)	<b>Total Revenue from operations</b>		<b>31,02,78,206</b>	<b>29,93,41,541</b>
(III)	<b>Other Income</b>	20	<b>2,30,32,384</b>	<b>95,20,365</b>
(III)	<b>Total Income (I+II)</b>		<b>33,33,10,590</b>	<b>30,88,61,906</b>
	<b>Expenses</b>			
(i)	Finance Costs	21	30,874	99,962
(ii)	Fees and commission expense		5,31,034	4,19,733
(iii)	Impairment on financial instruments	22	15,214	5,335
(iv)	Employee Benefits Expenses	23	14,44,70,730	14,78,15,086
(v)	Depreciation, amortization and Impairment	10,11	1,01,96,608	58,15,325
(vi)	Other expenses	24	6,81,18,116	6,33,29,326
(IV)	<b>Total Expenses (IV)</b>		<b>22,33,62,576</b>	<b>21,74,84,767</b>
(V)	<b>Profit before exceptional Items and tax (III-IV)</b>		<b>10,99,48,014</b>	<b>9,13,77,139</b>
(VI)	<b>Exceptional Items</b>		-	-
(VII)	<b>Profit before tax (V-VI)</b>		<b>10,99,48,014</b>	<b>9,13,77,139</b>
(VIII)	<b>Tax Expense:</b>			
	(1) Current Tax	25	2,92,64,000	2,49,52,600
	(2) Deferred Tax	25	(20,73,600)	60,100
	<b>Total Tax Expense</b>		<b>2,71,90,400</b>	<b>2,50,12,700</b>
(IX)	<b>Profit for the year from continuing operations(VII-VIII)</b>		<b>8,27,57,614</b>	<b>6,63,64,439</b>
(X)	<b>Profit from discontinued operations</b>		-	-
(XI)	<b>Tax Expense of discontinued operations</b>		-	-
(XII)	<b>Profit from discontinued operations(After tax) (X-XI)</b>		-	-
(XIII)	<b>Profit for the year (IX+XII)</b>			
(XIV)	<b>Other Comprehensive Income</b>			
	(A) (i) Items that will not be reclassified to profit or loss		2,50,287	(30,77,044)
	(ii) Deferred tax relating to items that will not be reclassified to profit or loss		(69,600)	8,47,800
	<b>Subtotal (A)</b>		<b>1,80,687</b>	<b>(22,29,244)</b>
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
	<b>Other Comprehensive Income (A + B)</b>		<b>1,80,687</b>	<b>(22,29,244)</b>
(XV)	<b>Total Comprehensive Income for the year (XIII+XIV)</b> <b>(Comprising Profit (Loss) and other Comprehensive Income for the year)</b>		<b>8,29,38,301</b>	<b>6,41,35,195</b>
(XVI)	<b>Earnings per equity share (for continuing operations)</b>			
	Basic (Rs.)	26	1.55	1.24
	Diluted (Rs.)	26	1.55	1.24
(XVII)	<b>Earnings per equity share (for discontinuing operations)</b>			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
(XVIII)	<b>Earnings per equity share (for continuing and discontinuing operations)</b>			
	Basic (Rs.)		1.55	1.24
	Diluted (Rs.)		1.55	1.24

See accompanying Notes to the Financial Statements

In terms of our report attached

For Sivasubramanian & Rao  
Chartered Accountants  
FRN: 009904S

Satyam  
Partner  
M.No: 210147



Place : Chennai  
Date: May 3, 2019

For and on behalf of the Board of Directors

Yatin Shah  
Director  
(DIN: 03291090)



Sandeep Jethwani  
Director  
(DIN: 07984864)

Ashutosh Naik  
Company Secretary

STATEMENT OF CHANGES IN OTHER EQUITY  
For the year ended March 31, 2019

(Amount in ₹)

Particulars	Equity attributable to Owners of the Company					Total
	Equity share capital	Share forfeiture account	Other Equity			
			General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of Defined Benefit Plans	
Balance at the beginning of the reporting period	5,34,33,822	50,000	33,83,100	13,09,59,587	-	18,78,26,509
Additions during the year	-	-	-	8,27,57,614	-	8,27,57,614
Total Comprehensive Income for the year	-	-	-	-	1,80,687	1,80,687
Dividends	-	-	-	(2,66,57,830)	-	(2,66,57,830)
Balance at the end of the reporting period	5,34,33,822	50,000	33,83,100	18,70,59,371	1,80,687	24,41,06,980

For the year ended March 31, 2018

(Amount in ₹)

Particulars	Equity attributable to Owners of the Company					Total
	Equity share capital	Share forfeiture account	Other Equity			
			General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of Defined Benefit Plans	
Balance at the beginning of the reporting period	5,34,33,822	50,000	33,83,100	6,74,67,512	-	12,43,34,434
Additions during the year	-	-	-	6,63,64,439	-	6,63,64,439
Total Comprehensive Income for the year	-	-	-	-	(22,29,244)	(22,29,244)
Dividends	-	-	-	(6,43,119)	-	(6,43,119)
Balance at the end of the reporting period	5,34,33,822	50,000	33,83,100	13,31,88,832	(22,29,244)	18,78,26,510

1 General Reserve: General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified subsequently to statement of profit or loss.

2 Retained Earnings: The balance in retained earnings primarily represents surplus after payment of dividend and dividend distribution tax thereon.

See accompanying Notes to the Financial Statements

In terms of our report attached

For Sivasubramanian & Rao  
Chartered Accountants  
FRN: 0039049

Satyam  
Partner  
M.No: 210147



Place : Chennai  
Dated: May 3, 2019

For and on behalf of the Board of Directors

Yatin Shah  
Director  
(DIN: 03231090)



Sandeep Jethwani  
Director  
(DIN: 07984864)

Ashutosh Naik  
Company Secretary

IIFL WEALTH ADVISORS (INDIA) LTD  
Cash flow statement for the year ended

(Amount in ₹)

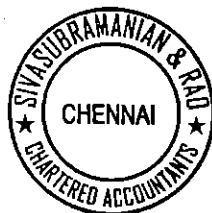
SR. No.	Particulars	March 31, 2019	March 31, 2018
<b>1</b>	<b>Cash flows from operating activities</b>		
(i)	Net profit before taxation, and extraordinary item	10,99,48,014	9,13,77,139
(ii)	Depreciation and amortisation	1,01,96,608	58,15,325
(iii)	Net gain on sale of property, plant and equipment	(5,21,339)	(1,604)
(iv)	Net changes in Fair value through Profit and loss of Investments	1,13,12,480	(95,17,281)
(v)	Capital gain on sale of equity shares of subsidiary	(4,85,084)	-
(vi)	Interest expense	30,874	99,962
(vii)	Bad debts written off	1,21,779	5,335
(viii)	Dividend income	(98,90,163)	-
	<b>Operating profit before working capital changes</b>	<b>12,07,13,169</b>	<b>8,77,78,876</b>
	<b>Changes in working capital:</b>		
	(Increase) / decrease in Financial / Non financial assets	(49,31,621)	(1,33,27,958)
	Increase / (decrease) in Financial / Non financial liabilities	(1,67,58,325)	1,89,13,889
	<b>Cash generated from operations</b>	<b>9,90,23,223</b>	<b>9,33,64,807</b>
	Cash flow before extraordinary item	9,90,23,223	9,33,64,807
	Net income tax (paid) / refunds	(2,92,64,000)	(2,49,52,600)
	<b>Net cash generated from operating activities (A)</b>	<b>6,97,59,223</b>	<b>6,84,12,207</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
(i)	Purchase of fixed assets	(97,32,312)	(43,25,881)
(ii)	Proceeds from sale of equipment	19,66,495	1,15,246
(iii)	Purchase of investments	(71,79,52,599)	(25,72,14,767)
(iv)	Sale of investments	66,64,60,614	19,69,30,000
(v)	Proceeds from sale of equity shares in subsidiary	7,85,073	-
(vi)	Dividend income	98,90,163	-
	<b>Net cash used in investing activities (B)</b>	<b>(4,85,82,566)</b>	<b>(6,44,95,402)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
(i)	Borrowings repaid	(7,37,916)	(4,14,118)
(ii)	Interest paid	(30,874)	(99,962)
(iii)	Dividends paid (including Dividend Distribution Tax)	(2,66,57,830)	(6,43,119)
	<b>Net cash used in financing activities</b>	<b>(2,74,26,620)</b>	<b>(11,57,199)</b>
<b>4</b>	<b>Net increase in cash and cash equivalents</b>	<b>(62,49,963)</b>	<b>27,59,606</b>
<b>5</b>	<b>Opening Cash and cash equivalents</b>	<b>75,30,311</b>	<b>47,70,705</b>
<b>6</b>	<b>Closing Cash and cash equivalents</b>	<b>12,80,348</b>	<b>75,30,311</b>

See accompanying Notes to the Financial Statements

In terms of our report attached

For Sivasubramanian & Rao  
Chartered Accountants  
FRN: 003901S

Satyam  
Partner  
M.No: 210147



Place : Chennai  
Dated: May 3, 2019

For and on behalf of the Board of Directors

Yatin Shah  
Director  
(DIN: 03231090)

Sandeep Jethwani  
Director  
(DIN: 07984864)



Ashutosh Naik  
Company Secretary

**Financial Statements of IIFL Wealth Advisors (India) Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Note 1. Corporate Information:**

IIFL Wealth Advisors (India) Ltd (the "Company" formerly known as Wealth Advisors (India) Pvt Ltd until 15.02.2019), a Limited Company domiciled in India and incorporated under the provisions of the Companies Act 1956 (CIN: U74140TN2004PLC53285) was founded in 2004 and is headquartered in Chennai. The Company mainly acts as wealth manager and mainly provides services relating to financial products distribution, advisory, portfolio management services by mobilizing funds and assets of various classes of investors including High Networth Individuals.

**1.1 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**Critical accounting estimates and assumptions**

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

**a. Property, Plant and Equipment**

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

**b. Defined Benefit Obligation**

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

**c. Fair value measurement of Financial Instruments**

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

**d. Expected Credit Loss**

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

**Note 2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of Compliance:**

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

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of Indian GAAP (IGAAP), as per standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017. Refer note 3 for the details of first-time adoption exemptions availed by the

b) These financials statements have been approved by the Board of Directors of the Company at their meeting held on May 3, 2019.

**c) Revenue Recognition**

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

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

- Fees and commission relating to Distribution Services: Fees on distribution services are recognized at a point in time when the service obligations are completed and when the terms of contracts are fulfilled.
- Portfolio Management fees: The fees are a series of a similar services and a single performance obligation satisfied over a period of time. These are billed on a monthly / quarterly basis.

- Others: Revenue is recognised over time when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction.
- Lending / Investments related Income
- Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding and the effective interest rate including interest on investments that may be classified as fair value through profit or loss or fair value through other comprehensive income.
- Dividend income is accounted in the period in which the right to receive the same is established.

**d) Property, plant and equipment:**

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

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

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

**Capital work in progress and Capital advances:**

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

**Depreciation**

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life. Individual assets / group of similar assets costing up to Rs.5,000 has been depreciated in full in the year of purchase.

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

Class of assets	useful life in years
Furniture and Fittings*	5
Vehicles *	5
Electrical equipments*	5
Office Equipment	5
Computers	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.

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

**Derecognition:**

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

**e) Intangible assets:**

**Measurement at recognition:**

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



**Amortization:**

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

**Estimated useful economic life of the assets is as under:**

Class of assets	Useful life in years
Software	3

**Derecognition:**

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

**f) Financial Instruments:**

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

**Financial assets****Initial recognition and measurement:**

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

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

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

**Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

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

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

**i. Financial assets measured at amortized cost:**

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

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

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

**ii. Financial assets measured at FVTOCI:**

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

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

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

**iii. Financial assets measured at FVTPL:**

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

**Derecognition:**

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

- i. The contractual rights to cash flows from the financial asset expires;

- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
  - iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
  - iv. The Company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.
- On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

#### **Impairment of financial assets:**

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

• Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

• The Company measures the loss allowance on financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent cash shortfalls that will result if default occurs within the 12 months weighted by the probability of default after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

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

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

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

#### **Financial Liabilities:**

##### **Initial recognition and measurement:**

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

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

##### **Subsequent measurement:**

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

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

#### **g) Derivative financial instruments**

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

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

#### **h) Fair Value:**

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

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

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

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

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

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

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

#### **i) Measurement of foreign currency items at reporting date**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

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

#### **j) Income Taxes:**

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

##### **Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

##### **Deferred tax:**

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

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

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

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

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

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

**Presentation of current and deferred tax:**

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

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

**k) Provisions and Contingencies:**

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

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

**l) Cash and Cash Equivalents :**

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

**m) Employee Benefits**

**Short Term Employee Benefits:**

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

**Post-Employment Benefits:**

**I. Defined contribution plans:**

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

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

**II. Defined benefit plans:**

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

**Recognition and measurement of defined benefit plans:**

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

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

**n) Borrowing Cost**

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

**o) Segment Reporting :**

The Company's business is into distribution of financial products. As such there are no reportable segments.

**p) Earnings Per Share:**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

**q) Recent Accounting pronouncements**

The Ministry of Corporate Affairs has notified the Indian Accounting Standard (Ind AS) - 116, Leases effective April 1, 2019. The Company is in the process of studying the impact on the financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit /loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments that the companies have to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit / tax loss, tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating impact of the above amendment.

Amendment of Ind AS 12 – Income taxes in connection with accounting of dividend distribution - The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensives income or equity according to where the entity originally recognized those past transactions or events. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the above.

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019  
Note 3. First time adoption of Ind AS

The company has prepared opening balance sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company are as follows:

- (i) The company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant and equipment as deemed cost of such assets at the transition date.
- (ii) The company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, as permitted by Ind AS 101, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.
- (iii) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the I-GAAP.

Particulars	Note	As at 31st March 2018	As at 1st April 2017
Networth As per IGAAP		18,51,46,530	12,41,41,825
Fair value of investments	A	36,02,774	2,88,271
ECL Provision	C	(5,794)	-
Tax adjustments	D	(9,17,000)	(95,200)
Networth as per Ind AS		18,78,26,510	12,43,34,896

Particulars	Note	As at 31st March 2018
Profit After Tax as per IGAAP		6,16,47,830
Fair value of investments	A	33,14,500
Decrease in gratuity expense and reinstatement	B	30,77,044
ECL Provision	C	(5,335)
Tax adjustments	D	(16,69,600)
Profit after tax as per Ind AS		6,63,64,439
Add: Comprehensive income (net of tax)	D	(22,29,244)
Total comprehensive income as per Ind AS		6,41,35,195

S.No	Particulars	Note	IGAAP	Ind AS adjustments	Ind AS
	<b>ASSETS</b>				
1	<b>Financial assets</b>				
(a)	Cash and cash equivalents		75,30,311		75,30,311
(b)	Bank Balance other than (a) above		15,000		15,000
(c)	Trade Receivables	C	4,32,43,675	(5,795)	4,32,37,880
(d)	Investments	A	18,83,09,010	36,02,774	19,19,11,784
(e)	Other Financial assets		52,32,271		52,32,271
	<b>Non-financial Assets</b>				
(a)	Property, Plant and Equipment		84,37,970		84,37,970
(b)	Other Intangible assets		66,87,006		66,87,006
(c)	Other non-financial assets		36,13,376		36,13,376
	<b>Total assets</b>		<b>26,30,68,619</b>	<b>35,96,979</b>	<b>26,66,65,598</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>LIABILITIES</b>				
	<b>Financial Liabilities</b>				
(a)	Trade Payables		5,93,85,705		5,93,85,705
(b)	Borrowings		7,37,916		7,37,916
	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities	D	10,09,791	12,14,700	22,24,491
(b)	Provisions		39,80,843		39,80,843
(c)	Deferred tax liabilities	D	9,38,000	(2,97,700)	6,40,300
(d)	Other non-financial liabilities		1,18,69,833		1,18,69,833
	<b>EQUITY</b>				
(a)	Share capital		5,34,83,822		5,34,83,822
(b)	Other Equity	A,D	13,16,62,709	26,79,979	13,43,42,688
	<b>Total Liabilities and Equity</b>		<b>26,30,68,619</b>	<b>35,96,979</b>	<b>26,66,65,598</b>

## Effect of Ind AS adoption on Balance Sheet as at April 1, 2017

(Amount in ₹)

S.No	Particulars	Note	IGAAP	Ind AS adjustments	Ind AS
	<b>ASSETS</b>				
<b>1</b>	<b>Financial assets</b>				
(a)	Cash and cash equivalents		47,70,705		47,70,705
(b)	Bank Balance other than (a) above		15,000		15,000
(c)	Trade Receivables		3,04,68,808		3,04,68,808
(d)	Investments	A	12,18,21,461	2,88,275	12,21,09,736
(e)	Other Financial assets		48,64,460		48,64,460
	<b>Non-financial Assets</b>				
(a)	Property, Plant and Equipment		69,97,634		69,97,634
(b)	Other Intangible assets		97,30,429		97,30,429
(c)	Other non-financial assets		34,28,138		34,28,138
	<b>Total assets</b>		<b>18,20,96,635</b>	<b>2,88,275</b>	<b>18,23,84,910</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>LIABILITIES</b>				
	<b>Financial Liabilities</b>				
(a)	Trade Payables		4,67,45,626		4,67,45,626
(b)	Borrowings		11,52,034		11,52,034
	<b>Non-Financial Liabilities</b>				
(a)	Current tax liabilities	D	14,31,520	(2,800)	14,28,720
(b)	Provisions		13,09,241		13,09,241
(c)	Deferred tax liabilities	D	13,30,000	98,000	14,28,000
(d)	Other non-financial liabilities		59,86,393		59,86,393
	<b>EQUITY</b>				
(a)	Share capital		5,34,83,822		5,34,83,822
(b)	Other Equity	A,D	7,06,57,999	1,93,075	7,08,51,074
	<b>Total liabilities and equity</b>		<b>18,20,96,635</b>	<b>2,88,275</b>	<b>18,23,84,910</b>

**Notes:**

- A All Investments except investments in group companies have been fair valued in accordance with Ind AS 109. Investments in debt securities are fair valued through OCI and reclassified to profit or loss on their sale. Other investments are fair valued through profit or loss. Under I-GAAP the current investments were carried at cost net of diminution in their value as at the Balance Sheet date. The long term investments were carried at cost net of permanent diminution, if any.
- B Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss.
- C The provision is made against trade receivables based on "expected credit loss" model as per Ind AS 109. Under I-GAAP the provision was made when the receivable turned doubtful based on the assessment on case to case basis.
- D Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities. Under I-GAAP the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period.
- E The previous year I-GAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

(Amount in ₹)

**Note 4. Cash and Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>Cash and Cash Equivalents (As per Ind AS 7 Statement of cash flows)</b>			
Cash in hand	14,064	20,686	15,289
Balance with Banks			
-In current accounts	12,66,284	75,09,625	47,55,416
<b>Cash and cash equivalents (As per Ind AS-7 Statement of cash flows) (A)</b>	<b>12,80,348</b>	<b>75,30,311</b>	<b>47,70,705</b>

**Note 5. Bank Balance other than 4 above:**

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>Bank Balances other than cash and cash equivalents</b>			
In Deposit Account (with original maturity of three months or more)	15,000	15,000	15,000
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>



Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 6. Receivables

(Amount in ₹)

Receivables	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>(i) Trade Receivables</b>			
Receivables considered good - Unsecured	4,94,57,799	4,32,43,214	3,04,68,808
<b>Total (i)- Gross</b>	<b>4,94,57,799</b>	<b>4,32,43,214</b>	<b>3,04,68,808</b>
Less: Impairment loss allowance	21,010	5,335	-
<b>Total (i)- Net</b>	<b>4,94,36,789</b>	<b>4,32,37,879</b>	<b>3,04,68,808</b>

- No trade or other receivables are due from officers of the Company either severally or jointly with any other person
- (a) nor any trade or other receivables are due from firms or private companies respectively, in which any director is a partner, director or member as at 31st March 2019, 31st March 2018, 1st April 2017.
- (b) There are no trade receivables with significant increase in credit risk (SICR) as at 31st March 2019, 31st March 2018, 1st April 2017.
- (c) There are no credit impaired receivables as at 31st March 2019, 31st March 2018, 1st April 2017.

Financial Statements of IFA Wealth Advisors (India) Limited  
 Known forming part of Financial Statements for the year ended March 31, 2019

Note 7. Investments

(Amount in ₹)

Particulars	March 31, 2019				March 31, 2018				April 1, 2017			
	At Fair Value		Designated at fair value through profit or loss	Total	At Fair Value		Designated at fair value through profit or loss	Total	At Fair Value		Designated at fair value through profit or loss	Total
	Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss		
Mutual Funds												
Investment in equity of subsidiary company												
Total - Gross (Cost+)												
(B)												
Less: Allowance for Impairment												
Loss												
Total - Net (E) = C-D												
(f) Investments outside India												
Total (F)												
(G)												
Less: Allowance for Impairment												
Loss												
Total - Net (H) = C-G												

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Amount	No of Units	Amount	No of Units	Amount	No of Units
Name of the Investment						
Aditya Birla Sun Life Liquid	239,008	5,57,60,894	278,234	6,64,24,105	760,513	4,14,93,837
Axi Liquid	2,045,000	11,34,49,707	-	-	-	-
CGCI Pru. Liquid	275,413	1,17,02,148	255,388	72,38,635	740,157	14,74,046
IDFC Cash Regular	2,257,447	5,08,68,850	1,001,648	5,35,67,556	13,930	4,73,80,532
DHFL Pramerica India Cash	-	-	224,994	7,65,48,011	19,709	3,05,11,331
DSP Low Duration Regular	-	-	12,616	80,39,487	-	-
Financial Advisors (India) P. Ltd	-	-	29,595	39,19,11,784	29,899	2,99,990
Total						

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 8. Other financial assets

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Other Deposits	61,49,002	52,32,271	48,64,460
Receivable from group company	1,30,454	-	-
<b>Total</b>	<b>62,79,456</b>	<b>52,32,271</b>	<b>48,64,460</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 9. Deferred Taxes

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in Income Tax expenses for the year ended March 31, 2019 are as follows: (Amount in ₹)

	Opening balance	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Unabsorbed depreciation		6,92,400			6,92,400
Impairment of financial assets	1,500	2,700			4,200
Retirement benefits of employees	8,47,800			(69,600)	7,78,200
Unrealised profit on investments					-
<b>Total deferred tax assets</b>	<b>8,49,300</b>	<b>6,95,100</b>	<b>-</b>	<b>(69,600)</b>	<b>14,74,800</b>
<b>Deferred tax liabilities:</b>					
Property, plant and equipment					-
Unabsorbed depreciation	5,76,400	(5,76,400)			-
Unrealised profit on investments	9,13,200	(8,02,100)			1,11,100
Retirement benefits of employees					-
<b>Total deferred tax liabilities</b>	<b>14,89,600</b>	<b>(13,78,500)</b>	<b>-</b>	<b>-</b>	<b>1,11,100</b>
<b>Deferred tax assets</b>	<b>(6,40,300)</b>	<b>20,73,600</b>	<b>-</b>	<b>(69,600)</b>	<b>13,63,700</b>

Significant components of deferred tax assets and liabilities recorded in the Balance Sheet and changes recorded in Income Tax expenses for the year ended March 31, 2018 are as follows: (Amount in ₹)

	Opening balance	Recognised in profit or loss	MAT Credit utilised	Recognised in/reclassified from OCI	Closing balance
<b>Deferred tax assets:</b>					
Unabsorbed depreciation					-
Impairment of financial assets		1,500			1,500
Retirement benefits of employees				8,47,800	8,47,800
<b>Total deferred tax assets</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>8,47,800</b>	<b>8,49,300</b>
<b>Deferred tax liabilities:</b>					
Unabsorbed depreciation	13,33,000	(7,56,600)			5,76,400
Unrealised profit on investments	95,000	8,18,200			9,13,200
<b>Total deferred tax liabilities</b>	<b>14,28,000</b>	<b>61,600</b>	<b>-</b>	<b>-</b>	<b>14,89,600</b>
<b>Deferred tax liability</b>	<b>14,28,000</b>	<b>60,100</b>	<b>-</b>	<b>(8,47,800)</b>	<b>6,40,300</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 10. Property, plant and equipment  
As at March 31, 2019

(Amount in ₹)

Particulars	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
Cost as at April 1, 2018	64,18,193	43,03,694	12,95,429	94,72,510	38,70,219	2,53,60,045
Additions	52,754	4,05,635		10,70,223		15,28,612
Deductions/Adjustments	(1,75,150)	(17,72,290)		(41,95,639)	(38,70,219)	(1,00,13,298)
As at March 31, 2019	62,95,797	29,37,039	12,95,429	63,47,094	-	1,68,75,359
<b>Depreciation</b>						
As at April 1, 2018	47,45,289	32,41,527	9,28,846	60,55,377	19,51,035	1,69,22,074
Depreciation for the year	7,15,354	4,34,566	3,66,583	20,79,059	7,69,102	43,64,664
Deductions/Adjustments	(1,75,150)	(15,11,404)		(41,61,452)	(27,20,137)	(85,68,143)
Up to March 31, 2019	52,85,493	21,64,689	12,95,429	39,72,984	-	1,27,18,595
Net Block as at March 31, 2019	10,10,304	7,72,350	-	23,74,110	-	41,56,764

As at March 31, 2018

Particulars	Furniture & Fixture	Office Equipment	Electrical Equipment	Computers	Vehicles	Total
Cost as at April 1, 2017	51,16,301	39,94,296	13,31,185	1,33,86,362	38,70,219	2,76,98,363
Additions	13,08,092	4,02,083		23,55,706		40,65,881
Deductions/Adjustments	(6,200)	(92,685)	(35,757)	(62,69,559)		(64,04,201)
As at March 31, 2018	64,18,193	43,03,694	12,95,428	94,72,509	38,70,219	2,53,60,043
<b>Depreciation</b>						
As at April 1, 2017	45,60,889	29,88,693	9,30,947	1,07,36,947	14,83,249	2,07,00,725
Depreciation for the year	1,90,600	3,42,842	31,923	14,78,755	4,67,786	25,11,906
Deductions/Adjustments	(6,200)	(90,008)	(34,024)	(61,60,325)		(62,90,557)
Up to March 31, 2018	47,45,289	32,41,527	9,28,846	60,55,377	19,51,035	1,69,22,074
Net Block as at March 31, 2018	16,72,904	10,62,167	3,66,582	34,17,132	19,19,184	84,37,969

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 11. Other Intangible Assets

(Amount in ₹)

As at March 31, 2019

Particulars	Software
Cost or Valuation as at April 1, 2018	2,56,91,680
Additions	82,03,700
Additions due to acquisition of Subsidiary	
Deductions /Adjustments during the year	(12,47,119)
<b>As at March 31, 2019</b>	<b>3,26,48,261</b>
<b>Depreciation</b>	
<b>As at April 1, 2018</b>	<b>1,90,04,674</b>
Additions due to acquisition of Subsidiary	
Amortisation For the year(Continuing operations)	58,31,947
Amortisation For the year(Discontinuing operations)	
Reclassification	
Deductions/Adjustments during the year	(12,47,119)
<b>Up to March 31, 2019</b>	<b>2,35,89,502</b>
<b>Net Block as at March 31, 2019</b>	<b>90,58,759</b>

As at March 31, 2018

Particulars	Software
Cost or Valuation as at April 1, 2017	2,54,31,680
Additions	2,60,000
Additions due to acquisition of Subsidiary	
Deductions /Adjustments during the year	
<b>As at March 31, 2018</b>	<b>2,56,91,680</b>
<b>Depreciation</b>	
<b>As at April 1, 2017</b>	<b>1,57,01,255</b>
Additions due to acquisition of Subsidiary	
Amortisation For the year(Continuing operations)	33,03,419
Amortisation For the year(Discontinuing operations)	
Reclassification	
Deductions/Adjustments during the year	
<b>Up to March 31, 2018</b>	<b>1,90,04,674</b>
<b>Net Block as at March 31, 2018</b>	<b>66,87,006</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 12. Other Non Financial Assets

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee Advance against expenses	2,07,753	7,03,403	8,73,827
Prepaid expenses	10,99,072	22,59,975	25,13,095
Advances recoverable in cash or in kind or for value to be received – Unsecured	794	6,50,000	41,216
<b>Total</b>	<b>13,07,619</b>	<b>36,13,378</b>	<b>34,28,138</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 13. Trade Payable

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>(1) Trade Payable</b>			
-(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 13.1)	-	-	-
-(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
-Sundry creditors for expenses	15,31,606	13,76,586	12,05,761
-Accrued Salaries and Benefits	3,72,08,733	5,66,94,366	4,46,67,305
-Provision for expenses	2,79,132	13,14,753	8,72,560
<b>Total</b>	<b>3,90,19,471</b>	<b>5,93,85,705</b>	<b>4,67,45,626</b>
<b>(2) Other Payable</b>			
-(i) Total outstanding dues of micro enterprises and small enterprises (Refer note 13.1)	-	-	-
-(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

Particulars	2018-2019	2017-2018	2016-2017
(a) Principal amount remaining unpaid to any supplier at the year end	-	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-	-



Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019  
Note 14. Borrowings (other than Debt securities)

(Amount in ₹)

Particulars	As at Mar 31, 2019				As at Mar 31, 2018				As at Apr 01, 2017			
	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or loss	Designated at fair value through profit or loss	Total
	1	2	3	4=1+2+3	1	2	3	4=1+2+3	1	2	3	4=1+2+3
(a)Term loans												
-from banks	-	-	-	-	7,37,916	-	-	7,37,916	11,52,034	-	-	11,52,034
<b>Total</b>	-	-	-	-	<b>7,37,916</b>	-	-	<b>7,37,916</b>	<b>11,52,034</b>	-	-	<b>11,52,034</b>

Residual maturity	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
At Amortised cost						
Above 5 years	-	-	-	Nil	-	Nil
1-5 years	-	-	7,37,916	10.35%	11,52,034	10.35%
Less than 1 year				Nil		Nil

Loans from banks are secured against hypothecation of vehicles.

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 15. Other Financial Liabilities

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Payable to Holding company	18,71,920	-	-
<b>Total</b>	<b>18,71,920</b>	<b>-</b>	<b>-</b>

Note 16. Provisions:

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Provision for employee benefits	12,54,586	39,80,843	13,09,241
<b>Total</b>	<b>12,54,586</b>	<b>39,80,843</b>	<b>13,09,241</b>

Note 17. Other Non Financial Liabilities:

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Statutory Remittances	1,33,96,138	1,18,69,833	59,86,393
<b>Total</b>	<b>1,33,96,138</b>	<b>1,18,69,833</b>	<b>59,86,393</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

**18. Share Capital**

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of Re 1/- as follows:

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
1	<b>AUTHORISED CAPITAL</b>			
	6,00,00,000 Equity Shares of Re.1/-each	6,00,00,000	6,00,00,000	6,00,00,000
	3,00,000 Zero % Convertible Preference Shares of Re 1/each	3,00,000	3,00,000	3,00,000
	50,000 Zero % Fully Convertible Preference Shares of Rs.100/- each	50,00,000	50,00,000	50,00,000
		<b>6,53,00,000</b>	<b>6,53,00,000</b>	<b>6,53,00,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>			
	5,34,33,822 Equity shares of Re.1/-each	5,34,33,822	5,34,33,822	5,34,33,822
3	Shares Forfeiture Account	50,000	50,000	50,000
	<b>Total</b>	<b>5,34,83,822</b>	<b>5,34,83,822</b>	<b>5,34,83,822</b>

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

	Equity Shares	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Shares at the beginning of the year	5,34,33,822	5,34,33,822	5,34,33,822
	Add: Shares issued during the year	-	-	-
	<b>Shares outstanding at the end of the year</b>	<b>5,34,33,822</b>	<b>5,34,33,822</b>	<b>5,34,33,822</b>

Note : Each holder of the equity share is entitled to one vote per share

(c) Details of Equity Shareholders holding more than 5% shares in the Company

Name	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No of shares Held	%	No of shares Held	%	No of shares Held	%
IIFL Wealth Management Ltd and its nominees	5,34,33,822	100%	-	-	-	-
Mr Pramod Kumar	-	-	95,00,394	17.78%	95,00,394	17.78%
Mr Mahadevan	-	-	83,11,504	15.55%	83,11,504	15.55%
Acsys Investments Pvt Ltd	-	-	56,92,839	10.65%	56,92,839	10.65%
Mr. Abhay Amrite	-	-	37,41,968	7.00%	37,41,968	7.00%
Mr Ved Prakash Chathurvedi	-	-	48,09,044	9.00%	48,09,044	9.00%
Mecheri Smart Capital Pvt Ltd	-	-	40,07,537	7.50%	40,07,537	7.50%
Mr Kenneth Andrade	-	-	53,43,382	10.00%	53,43,382	10.00%

(d) 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.

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019  
(Amount in ₹)

**Note 18A. Other Equity:**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018	As at April 1, 2017
General reserve	33,83,100	33,83,100	33,83,100
Retained earnings	18,72,40,058	13,09,59,588	6,74,67,974
<b>Total</b>	<b>19,06,23,158</b>	<b>13,43,42,688</b>	<b>7,08,51,074</b>

**Financial Statements of IIFL Wealth Advisors (India) Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Note 19. Fee and Commission Income**  
 Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of Ind AS 115 is disaggregated by major type of services.

(Amount in ₹)

Particulars	Financial Product distribution	
	FY 2018-19	FY 2017-18
Distribution fee	5,87,45,656	5,07,25,441
Commission income	19,20,57,953	19,18,74,037
Advisory fee income	77,55,730	1,12,61,829
Portfolio management service fee	5,17,18,868	4,54,80,234
<b>Total fee and commission income</b>	<b>31,02,78,206</b>	<b>29,93,41,541</b>

**Note 20. Other Income**

(Amount in ₹)

Particulars	FY 2018-19	FY 2017-18
Interest Income	1,062	1,079
Change in fair value of investments	1,26,19,478	95,17,282
Dividend Income	98,90,163	-
Profit/(Loss) on sale of property, plant and equipment	5,21,339	1,604
Miscellaneous Income	342	400
<b>Total</b>	<b>2,30,32,384</b>	<b>95,20,365</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 21. Finance Cost

(Amount in ₹)

Particulars	FY 2018-19		FY 2017-18	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Borrowings		30,874		99,962
<b>Total</b>	-	30,874	-	99,962

Note 22. Impairment On Financial Instruments

(Amount in ₹)

Particulars	FY 2018-19		FY 2017-18	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
On Trade receivables	-	15,214	-	5,335
<b>Total</b>	-	15,214	-	5,335

Note 23. Employee Benefit Expenses

(Amount in ₹)

Particulars	FY 2018-19	FY 2017-18
Salaries and wages	12,94,30,329	13,47,72,459
Contribution to provident and other funds	68,66,995	64,34,491
Gratuity expense	13,17,593	9,03,799
Share based payments to employees	9,76,295	-
Staff welfare expenses	58,79,518	57,04,337
<b>Total</b>	14,44,70,730	14,78,15,086

23.1 Gratuity Abridged Disclosure Statement as Per Indian Accounting Standard 19 (Ind AS 19) For The Year 01/04/2018 - 31/03/2019

Assumptions	FY 2018-19	FY 2017-18
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting	Indian Accounting
Funding Status	Funded	Funded
Starting Period	01-Apr-18	01-Apr-17
Date of Reporting	31-Mar-19	31-Mar-18
Period of Reporting	12 Months	12 Months
<b>Assumptions (Previous Period)</b>		
Expected Return on Plan Assets	7.78%	8.00%
Rate of Discounting	7.78%	8.00%
Rate of Salary Increase	7.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives	Indian Assured Lives
Mortality Rate After Employment	N.A.	N.A.
<b>Assumptions (Current Period)</b>		
Expected Return on Plan Assets	7.64%	7.78%
Rate of Discounting	7.64%	7.78%
Rate of Salary Increase	7.50%	7.00%
Rate of Employee Turnover	For service 4 years and below 15% p.a. & thereafter 7.50% p.a.	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
	<b>FY 2018-19</b>	<b>FY 2017-18</b>
<b>Table Showing Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the Period	1,34,45,544	90,72,828
Interest Cost	10,46,063	7,25,826
Current Service Cost	10,07,884	7,99,060
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	1,87,280	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	(9,72,115)	(1,72,500)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	6,16,153	-
Actuarial (Gains)/Losses on Obligations - Due to Change in	4,70,393	18,89,535
Actuarial (Gains)/Losses on Obligations - Due to Experience	(14,49,242)	11,30,795
Present Value of Benefit Obligation at the End of the Period	1,43,51,960	1,34,45,544
<b>Table Showing Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Period	94,64,701	77,63,587
Interest Income	7,36,354	6,21,087
Contributions by the Employer	39,80,843	13,09,241
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	(9,72,115)	(1,72,500)
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(1,12,409)	(56,714)
Fair Value of Plan Assets at the End of the Period	1,30,97,374	94,64,701

	FY 2018-19	FY 2017-18
<b>Amount Recognized in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(1,43,51,960)	(1,34,45,544)
Fair Value of Plan Assets at the end of the Period	1,30,97,374	94,64,701
Funded Status (Surplus/ (Deficit))	(12,54,586)	(39,80,843)
Net (Liability)/Asset Recognized in the Balance Sheet	(12,54,586)	(39,80,843)
<b>Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the Beginning of the Period	1,34,45,544	90,72,828
(Fair Value of Plan Assets at the Beginning of the Period)	(94,64,701)	(77,63,587)
Net Liability/(Asset) at the Beginning	39,80,843	13,09,241
Interest Cost	10,46,063	7,25,826
(Interest Income)	(7,36,354)	(6,21,087)
Net Interest Cost for Current Period	3,09,709	1,04,739
<b>Expenses Recognized in the Statement of Profit or Loss for Current Period</b>		
Current Service Cost	10,07,884	7,99,060
Net Interest Cost	3,09,709	1,04,739
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	13,17,593	9,03,799
<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(3,62,696)	30,20,330
Return on Plan Assets, Excluding Interest Income	1,12,409	56,714
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(2,50,287)	30,77,044
	FY 2018-19	FY 2017-18
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	39,80,843	13,09,241
Expenses Recognized in Statement of Profit or Loss	13,17,593	9,03,799
Expenses Recognized in OCI	(2,50,287)	30,77,044
Net Liability/(Asset) Transfer In	1,87,280	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(39,80,843)	(13,09,241)
Net Liability/(Asset) Recognized in the Balance Sheet	12,54,586	39,80,843
<b>Category of Assets</b>		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	1,30,97,374	94,64,701
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	1,30,97,374	94,64,701
<b>Other Details</b>		
No of Active Members	67	74
Per Month Salary For Active Members	33,06,839	34,21,038
Weighted Average Duration of the Projected Benefit Obligation	8	10
Average Expected Future Service	8	15
Projected Benefit Obligation (PBO)	1,43,51,960	1,34,45,544
Prescribed Contribution For Next Year (12 Months)	24,52,440	34,21,038
	FY 2018-19	FY 2017-18
<b>Net Interest Cost for Next Year</b>		
Present Value of Benefit Obligation at the End of the Period	1,43,51,960	1,34,45,544
(Fair Value of Plan Assets at the End of the Period)	(1,30,97,374)	(94,64,701)
Net Liability/(Asset) at the End of the Period	12,54,586	39,80,843



Interest Cost	10,96,490	10,46,063
(Interest Income)	(10,00,639)	(7,36,354)
Net Interest Cost for Next Year	95,851	3,09,709
<b>Expenses Recognized in the Statement of Profit or Loss for Next Year</b>		
Current Service Cost	11,97,854	10,07,884
Net Interest Cost	95,851	3,09,709
(Expected Contributions by the Employees)	-	-
Expenses Recognized	12,93,705	13,17,593
<b>Maturity Analysis of the Benefit Payments: From the Fund</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	26,59,685	38,08,682
2nd Following Year	10,37,076	2,69,985
3rd Following Year	10,70,859	2,91,667
4th Following Year	14,59,380	3,13,960
5th Following Year	10,58,964	7,41,102
Sum of Years 6 To 10	57,90,468	25,53,011
Sum of Years 11 and above	1,35,98,139	2,51,94,518
	<b>FY 2018-19</b>	<b>FY 2017-18</b>
<b>Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	1,43,51,960	1,34,45,544
Delta Effect of +1% Change in Rate of Discounting	(8,51,359)	(10,74,983)
Delta Effect of -1% Change in Rate of Discounting	9,65,295	12,66,687
Delta Effect of +1% Change in Rate of Salary Increase	7,04,860	9,77,486
Delta Effect of -1% Change in Rate of Salary Increase	(6,86,984)	(8,85,423)
Delta Effect of +1% Change in Rate of Employee Turnover	71,463	1,44,505
Delta Effect of -1% Change in Rate of Employee Turnover	(79,382)	(1,62,805)

**Financial Statements of IIFL Wealth Advisors (India) Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

**23.2 Defined Contribution Plans:**

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

(Amount in ₹)

<b>Particulars</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
Contribution to Provident fund	54,73,856	51,42,829
Contribution to ESIC	56,985	70,627
Company contribution to NPS	13,36,154	12,21,035
<b>Total</b>	<b>68,66,995</b>	<b>64,34,491</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 24. Other Expenses:-

(Amount in ₹)

Particulars	FY 2018-19	FY 2017-18
Operations and fund management expenses	1,00,800	95,280
Marketing, advertisement and business promotion expenses	95,99,106	1,19,61,655
Bank Charges	49,806	18,711
Communication	14,28,066	16,66,293
Donation	1,45,000	2,50,000
Electricity	10,42,437	11,48,938
Legal & Professional Fees	79,60,415	60,66,439
Miscellaneous Expenses	8,64,575	12,13,478
Office & other expenses	77,13,683	80,26,291
Postage & Courier	3,82,856	3,92,078
Printing & Stationary	7,86,449	14,67,714
Manpower Outsource expenses	39,23,566	35,17,083
Rent	85,40,421	71,79,124
Insurance	4,64,100	10,50,588
Rates and Taxes	1,20,534	14,190
Repairs & Maintenance		
- Computer	8,54,720	8,77,937
- Others	3,93,442	66,971
Remuneration to Auditors :		
Audit Fees	1,25,000	1,35,000
Software Charges / Technology Cost	56,33,722	41,57,042
Travelling & Conveyance	1,70,82,853	1,40,24,514
Corporate Social Responsibility Expenses	8,00,000	-
Bad debts written off	1,06,565	-
<b>Total</b>	<b>6,81,18,116</b>	<b>6,33,29,326</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 25. Income taxes

(Amount in ₹)

Disclosure pursuant to Ind AS 12 "Income Taxes"

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

Sr. No.	Particulars	FY 2018-19
	Statement of Profit and Loss:	
(a)	Profit and Loss section:	
	(i) Current Income tax :	
	Current income tax expense	2,92,64,000
		2,92,64,000
	(ii) Deferred Tax:	
	Tax expense on origination and reversal of temporary differences	(20,73,600)
		(20,73,600)
	<b>Income tax expense reported in the statement of profit or loss [(i)+(ii)]</b>	<b>2,71,90,400</b>
(b)	Other Comprehensive Income (OCI) Section:	
	(i) Items not to be reclassified to profit or loss in subsequent periods:	
	(A) Current tax expense/(income):	-
	On re-measurement of defined benefit plans	-
	(B) Deferred tax expense/(income):	(69,600)
	On re-measurement of defined benefit plans	(69,600)
	<b>Income tax expense reported in the other comprehensive income [(i)+(ii)]</b>	<b>(69,600)</b>

Effective tax reconciliation

S.No		FY 2018-19	FY 2017-18
(a)	Profit before tax	10,99,48,014	9,13,77,139
(b)	Income tax expense at tax rates applicable to entity	3,05,87,500	2,51,76,700
(c)	Tax on income subject to lower tax rate		
	(A) Gains on investments (including fair valuation)	(27,000)	(9,13,200)
(d)	Reduction in tax rates		
(e)	(ii) Tax on Income exempt from Tax		
	(A) Income from Investments	(27,51,400)	
	(iii) Tax on expense not tax deductible		
	(A) Corporate Social Responsibility (CSR) expenses & Donation		
	(B) Expenses not allowable as tax deductible as per tax laws	2,87,900	1,87,600
	(iv) Effect on deferred tax due to change in Income tax	5,600	
	(v) Tax effect on various other items	(9,12,200)	5,61,600
(e)	<b>Tax expense recognised during the year</b>	<b>2,71,90,400</b>	<b>2,50,12,700</b>

Financial Statements of IIFL Wealth Advisors (India) Limited  
Notes forming part of Financial Statements for the year ended March 31, 2019

Note 26. Earnings Per Share:

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

Particulars		FY 2018-19	FY 2017-18
Face value of equity shares in ₹ 1 fully paid up			
<b>BASIC</b>			
Profit after tax as per Statement of Profit and Loss	A	8,27,57,614	6,63,64,439
Weighted Average Number of Equity Shares subscribed	B	5,34,33,822	5,34,33,822
<b>Basic EPS (In ₹)</b>	<b>A/B</b>	<b>1.55</b>	<b>1.24</b>
<b>DILUTED</b>			
Weighted Average Number of Equity Shares for computation of basic EPS		5,34,33,822	5,34,33,822
Weighted Average Number of Equity shares outstanding		-	-
<b>Diluted EPS (In ₹)</b>	<b>C</b>	<b>5,34,33,822</b>	<b>5,34,33,822</b>
	<b>A/C</b>	<b>1.55</b>	<b>1.24</b>

**Note 27. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"**

**Financial Risk Management**

**27A.1. Credit Risk**

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

**1) Trade and other receivables**

The Company's trade receivables primarily include receivables from mutual funds, alternative investment funds, portfolio management schemes/ similar entities. The Company has detailed review mechanism for reviewing trade receivables periodically. Based on the historical experience in collection of receivables, the Company considers credit risk arising from trade receivables to be insignificant.

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

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018	Year Ended 1st April 2017
Balance at the beginning of the year	5,796	461	-
Movement in expected credit loss allowances on trade receivable	15,214	5,335	-
Balance at the end of the year	21,010	5,796	461

**2) Others**

In addition to the above, balances and deposits with banks and in units of funds and other financial assets also have exposure to credit risk. Credit risk on balances and deposits with banks is limited as these balances are generally held with banks and financial institutions with high credit ratings and/or with capital adequacy ratio above the prescribed regulatory limits.

**27B. Liquidity Risk**

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) Framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

The following table shows the maturity profile of Financial liabilities:

Financial liabilities	As at 31st March 2019					
	Total	Less than 1 month	1 month to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	3,90,19,471	22,60,471	3,67,59,000	-	-	-
Borrowings (Other than Debt Securities)	-	-	-	-	-	-
Other financial liabilities	18,71,920	18,71,920	-	-	-	-
<b>Total</b>	<b>4,08,91,391</b>	<b>41,32,391</b>	<b>3,67,59,000</b>	-	-	-

Financial liabilities	As at 31st March 2018					
	Total	Less than 1 month	1 month to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	5,93,85,705	32,85,705	5,61,00,000	-	-	-
Borrowings (Other than Debt Securities)	7,37,916	-	-	-	7,37,916	-
<b>Total</b>	<b>6,01,23,621</b>	<b>32,85,705</b>	<b>5,61,00,000</b>	-	<b>7,37,916</b>	-

Financial liabilities	As at 01st April 2017					
	Total	Less than 1 month	1 month to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	4,67,45,626	35,35,726	4,32,09,900	-	-	-
Borrowings (Other than Debt Securities)	11,52,034	-	-	-	11,52,034	-
<b>Total</b>	<b>4,78,97,660</b>	<b>35,35,726</b>	<b>4,32,09,900</b>	-	<b>11,52,034</b>	-

**27C. Market Risk**

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

**27C.1 Other price risk**

Other price risk is related to the change in market reference price of the derivative financial instruments, investments and debt securities which are fair valued and exposes the Company to price risks.

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

Particulars	As at 31st March 2019	As at 31st March 2018	As at 01st April 2017
<b>Financial Assets</b>			
Investments	23,17,91,299	19,19,11,784	12,21,09,736
	23,17,91,299	19,19,11,784	12,21,09,736
<b>Financial Liabilities</b>			
	-	-	-

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

Investments in AIFs / MFs / others	1% change in the NAV/price

Below is the sensitivity analysis for the year :

	FY 2018-19	FY 2017-18	FY 2016-17
<b>Increase</b>			
Impact on Profit and Loss after tax	16,73,070	13,85,219	8,81,388
Impact on Equity	16,73,070	13,85,219	8,81,388
<b>Decrease</b>			
Impact on Profit and Loss after tax	(16,73,070)	(13,85,219)	(8,81,388)
Impact on Equity	(16,73,070)	(13,85,219)	(8,81,388)

27D. Capital Management

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

27E. Category Wise Classification for applicable Financial Assets and Liabilities

Sr No.	Particulars	As at 31st March 2019			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive Income (OCI)	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	12,80,348	-	-	12,80,348
(b)	Bank balance other than (a) above	15,000	-	-	15,000
(c)	Receivables				
	(I) Trade receivables	4,94,36,789	-	-	4,94,36,789
	(II) Other receivables				
(d)	Investments	-	23,17,91,299	-	23,17,91,299
(e)	Other financial assets	62,79,456	-	-	62,79,456
	<b>Total</b>	<b>5,70,11,593</b>	<b>23,17,91,299</b>	<b>-</b>	<b>28,88,02,892</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,90,19,471	-	-	3,90,19,471
(b)	Borrowings (other than debt securities)				
(c)	Other financial liabilities	18,71,920	-	-	18,71,920
	<b>Total</b>	<b>4,08,91,391</b>	<b>-</b>	<b>-</b>	<b>4,08,91,391</b>

Sr No.	Particulars	As at 31st March 2018			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive Income (OCI)	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	75,30,311	-	-	75,30,311
(b)	Bank balance other than (a) above	15,000	-	-	15,000
(c)	Receivables				
	(I) Trade receivables	4,32,37,879	-	-	4,32,37,879
	(II) Other receivables				
(d)	Investments	2,99,990	19,16,11,794	-	19,19,11,784
(e)	Other financial assets	52,32,271	-	-	52,32,271
	<b>Total</b>	<b>5,63,15,451</b>	<b>19,16,11,794</b>	<b>-</b>	<b>24,79,27,245</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,93,85,705	-	-	5,93,85,705
(b)	Borrowings (other than debt securities)	7,37,916	-	-	7,37,916
(c)	Other financial liabilities				
	<b>Total</b>	<b>6,01,23,621</b>	<b>-</b>	<b>-</b>	<b>6,01,23,621</b>

Sr No.	Particulars	As at 31st March 2017			Total
		Measure at amortised cost	Measured at fair value through profit or loss(P/L)	Measured at fair value through other comprehensive Income (OCI)	
	<b>Financial Assets</b>				
(a)	Cash and cash equivalents	47,70,705	-	-	47,70,705
(b)	Bank balance other than (a) above	15,000	-	-	15,000
(c)	Receivables				
	(I) Trade receivables	3,04,68,808	-	-	3,04,68,808
	(II) Other receivables				
(d)	Investments	2,99,990	12,18,09,746	-	12,21,09,736
(e)	Other financial assets	48,64,460	-	-	48,64,460
	<b>Total</b>	<b>4,04,18,963</b>	<b>12,18,09,746</b>	<b>-</b>	<b>16,22,28,709</b>
	<b>Financial Liabilities</b>				
(a)	Payables				
	(I)Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,67,45,626	-	-	4,67,45,626
(b)	Borrowings (other than debt securities)	11,52,034	-	-	11,52,034
(c)	Other financial liabilities				
	<b>Total</b>	<b>4,78,97,660</b>	<b>-</b>	<b>-</b>	<b>4,78,97,660</b>

## 27E.1. Fair values of financial instruments

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

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

– Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

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

The Company uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as Interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps.

### 27E. 1a. Financial instruments measured at fair value – Fair value hierarchy

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

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

Financial Instruments measured at fair value	Recurring fair value measurements at 31st March 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds	23,17,91,299	-	-	23,17,91,299
<b>Total Assets</b>	<b>23,17,91,299</b>	<b>-</b>	<b>-</b>	<b>23,17,91,299</b>
Financial Liabilities				
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial Instruments measured at fair value	Recurring fair value measurements at 31st March 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds	19,16,11,794	-	-	19,16,11,794
<b>Total Assets</b>	<b>19,16,11,794</b>	<b>-</b>	<b>-</b>	<b>19,16,11,794</b>
Financial Liabilities				
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial Instruments measured at fair value	Recurring fair value measurements at 1st April 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds	12,18,09,746	-	-	12,18,09,746
<b>Total Assets</b>	<b>12,18,09,746</b>	<b>-</b>	<b>-</b>	<b>12,18,09,746</b>
Financial Liabilities				
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### 27E. 1b Fair value of financial assets and financial liabilities measured at amortised cost

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2019		As at 31st March 2018		As at 31st March 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
Cash and cash equivalents	12,80,348	12,80,348	75,30,311	75,30,311	47,70,705	47,70,705
Bank balance other than above	15,000	15,000	15,000	15,000	15,000	15,000
Receivables						
(i) Trade receivables	4,94,36,789	4,94,36,789	4,32,37,879	4,32,37,879	3,04,68,808	3,04,68,808
Other financial assets	62,79,456	62,79,456	52,32,271	52,32,271	48,64,460	48,64,460
Financial Liabilities						
(i) Trade payables						
(ii) total outstanding dues of micro enterprises and small enterprises						
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,90,19,471	3,90,19,471	5,93,85,705	5,93,85,705	4,67,45,626	4,67,45,626
Borrowings (other than debt securities)	-	-	7,37,916	7,37,916	11,52,034	11,52,034
Other financial liabilities	18,71,920	18,71,920	-	-	-	-

#### Financial assets measured at amortised cost:

The carrying amounts of trade receivables, loans, advances and cash and other bank balances are considered to be the same as their fair values due to their short term nature.

#### Financial liabilities measured at amortised cost:

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.



**Financial Statements of IIFL Wealth Advisors (India) Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**

**Note 28. Capital, Other Commitments and Contingent Liabilities at Balance Sheet date:**

**Capital and Other Commitments**

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Commitments to contribute funds for the acquisition of property, plant and equipment and intangible assets	8,15,200	-	-
<b>Total</b>	<b>8,15,200</b>	<b>-</b>	<b>-</b>

**Contingent Liabilities**

There are no claims against the company acknowledged as debt. As of March 31, 2019, the Company and its subsidiaries had certain contingent liabilities not provided for, including the following:

(Amount in ₹)

Sr. No.	Name of the Statute	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i)	Disputed Income Tax demand	53,82,289	53,82,289	53,82,289
<b>Total</b>		<b>53,82,289</b>	<b>53,82,289</b>	<b>53,82,289</b>

**Notes:**

Rs. 5,00,000 was paid under protest with respect to income tax demand totalling to Rs. 53,82,289

Apart from the above, company is not subject to any legal proceedings and claims which have arisen in the ordinary course of the business.

**Note 29. Related Party Disclosures:**  
Related party disclosures for the year ended March 31, 2019

a) List of Related parties:

Nature of relationship	Name of party
Director / Key Management Personnel	Mr. A. Pramod Kumar, Director
	Mr. Sandeep Jethwani, Director (w.e.f November 22,2018)
	Mr. Yatin Shah, Director (w.e.f November 22,2018)
	Mr. V. Mahadevan (resigned w.e.f November 22,2018)
	Mr. Chandu Nair (resigned w.e.f November 22,2018)
Holding Company	IIFL Wealth Management Limited
Other Related Parties * (Ultimate Holding Company upto April 01, 2018)	IIFL Holdings Limited
Fellow Subsidiaries	IIFL Asset Management Limited
	IIFL Trustee Limited
	IIFL Wealth Finance Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Distribution Services Limited
	IIFL Wealth Securities IFSC Limited (w.e.f June 22, 2018)
	IIFL Altiore Advisors Private Limited (w.e.f November 05, 2018)
	IIFL Wealth Employee Benefit Trust (upto March 31, 2018)
	IIFL Wealth Employee Benefit Trust (w.e.f August 01, 2018)
	IIFL Private Wealth Management (Dubai) Limited
	IIFL (Asia) Pte. Limited
	IIFL Inc.
	IIFL Private Wealth Hong Kong Limited
	IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd)
	IIFL Private Wealth (Suisse) SA (upto Feb 28, 2019)
	IIFL Securities Pte. Limited
IIFL Capital (Canada) Limited	
IIFL Capital Pte. Limited	
Other Related Parties * (Group Companies upto April 01, 2018)	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities Limited)
	India Infoline Finance Limited
	IIFL Home Finance Limited
	IIFL Insurance Brokers Limited (Formerly known as India Infoline Insurance Brokers Limited)
	IIFL Management Services Limited (Formerly India Infoline Insurance Services Limited)
	IIFL Wealth (UK) Limited
	IIFL Capital Inc.
	IIFL Facilities Services Limited (Formerly known as IIFL Real Estate Limited)
	Clara Developers Private Limited
	Samasta Microfinance Limited (w.e.f March 01, 2017)
	IIFL Asset Reconstruction Limited (w.e.f May 09, 2017)
Other related parties	Mr. Karan Bhagat
	Mr. Amit Shah (resigned w.e.f. January 24, 2019)
	Mr. Nirmal Jain
	Mr. Venkataraman Rajamani
	General Atlantic Singapore Fund Pte Limited
	Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah)
	India Infoline Foundation
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	India Alternatives Investment Advisors Private Limited (Fellow Subsidiary Upto March 31, 2017)
	Yatin Investment
	Orpheous Trading Private Limited
	Ardent Impex Private Limited
	Spaisa Capital Limited
	Spaisa P2P Limited
	Spaisa Insurance Brokers Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Sunder Bhanwar Holiday Home Private Limited ( Upto Mar 04, 2018)
	Khlmi Kunverji & Co (Chartered Accountant Firm of Mr. Nilesh Vikamsey)
	Yatin Prakash Shah (HUF)
	Nirmal Madhu Family Private Trust
	Kalki Family Private Trust
	Kush Family Private Trust
	Kyra Family Private Trust
	Bhagat Family Private Trust
	Kyrush Family Private Trust
	Naykia Family Private Trust
Prakash Shah Family Private Trust	
Naysa Shah Family Private Trust	
Kiaah Shah Family Private Trust	

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

b) Significant Transactions with related parties

(Amount in ₹)

Nature of Transaction		Holding Company	Fellow Subsidiaries	Group Companies	Other Related Parties	Key Managerial Personnel	Total
<b>Remuneration</b>							
Mr Pramod Kumar	2018-19		-			1,20,53,000	1,20,53,000
	2017-18					1,00,70,985	1,00,70,985
Mr Mahadevan	2018-19		-			92,40,000	92,40,000
	2017-18					77,21,361	77,21,361
<b>Dividend Paid</b>							
Mr Pramod Kumar	2018-19					41,96,018	41,96,018
	2017-18					95,004	95,004
Mr Mahadevan	2018-19					36,70,924	36,70,924
	2017-18					83,115	83,115
Mr Chandu Nair	2018-19					11,80,000	11,80,000
	2017-18					26,717	26,717
<b>PMS fee Income</b>							
Mr Pramod Kumar	2018-19					76,309	76,309
	2017-18					71,667	71,667
Mr K R Anandakumaran Nair	2018-19					4,94,608	4,94,608
	2017-18					4,96,195	4,96,195
Mr Chandu Nair	2018-19					4,58,088	4,58,088
	2017-18					6,61,487	6,61,487
<b>Proceeds from sale of fixed assets</b>							
Mr Pramod Kumar	2018-19					5,50,000	5,50,000
	2017-18					-	-
Mr Mahadevan	2018-19					13,04,690	13,04,690
	2017-18					-	-
<b>Allocation / Reimbursement of expenses Paid</b>							
IIFL Alternate Assets Advisors Ltd	2018-19		1,30,454			-	1,30,454
	2017-18		-			-	-
<b>Allocation / Reimbursement of expenses Received</b>							
IIFL Wealth Management Ltd	2018-19	18,71,920				-	18,71,920
	2017-18	-				-	-

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

Nature of Transaction		Holding Company	Fellow Subsidiaries	Group Companies	Other Related Parties	Key Management Personnel	Total
<b>Sundry payables:</b>							
IIFL Wealth Management Ltd	2018-19	18,71,920					18,71,920
<b>Sundry receivables:</b>							
IIFL Alternate Assets Advisors Ltd	2018-19		1,30,454				1,30,454

**Financial Statements of IIFL Wealth Advisors (India) Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2019**


**Note 30. Corporate Social Responsibility**

For the first time, the Company is required to spend Rs.7,59,000 as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company has contributed Rs 8 lakhs towards support of the differently abled. The Company is focused on implementing long term high impact projects approved by the CSR Committee. The Company 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 scaled to achieve a larger and deeper impact.

**See accompanying Notes to the Financial Statements**

In terms of our report attached

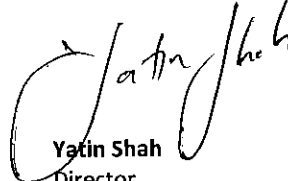
**For Sivasubramanian & Rao**  
Chartered Accountants  
FRN: 003964S

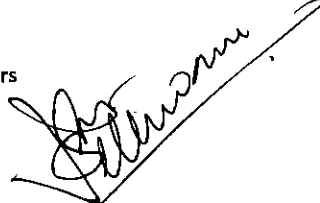
  
Satyam  
Partner  
M.No: 210147



Place : Chennai  
Dated: May 3, 2019

For and on behalf of the Board of Directors

  
Yatin Shah  
Director  
(DIN: 03231090)



Sandeep Jethwani  
Director  
(DIN: 07984864)



  
Ashutosh Naik  
Company Secretary