

INDEPENDENT AUDITOR’S REPORT

To The Members of IIFL Wealth Securities IFSC Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IIFL Wealth Securities IFSC Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act 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 31st March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Material uncertainty related to Going Concern

We draw attention to Note 21 to the financial statements, which indicates that the Company has incurred a net loss of Rs. 983.85 thousands during the year ended 31st March, 2020 and there is a significant erosion of the Company’s net worth as of that date. These events or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. However, the financial statements of the Company have been prepared on a



going concern basis for the reasons stated in the said Note. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' Report (but does not include the financial statements and our auditor's report thereon). The Directors' report including Annexures to Directors' Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report including Annexures to Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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



Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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Materiality is the magnitude of misstatements in the 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.

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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- g) 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.



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- h) 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, the Company has not paid remuneration to its directors during the year, hence reporting as per the provisions of section 197 of the Act is not applicable.
- i) 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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.

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For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar
(Partner)
(Membership No.105035)
UDIN: 20105035AAAADM9075

Place: Mumbai
Date: 11 June 2020

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

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

We have audited the internal financial controls over financial reporting of IIFL Wealth Securities IFSC Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations companies incorporated in India (retain as applicable) 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 Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



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

Place: Mumbai

Date: 11 June 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and securities to which provision of section 185 and 186 of the Companies Act, 2013 apply and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, Provident Fund, Custom Duty and Employees' State Insurance dues are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable. Employees' State Insurance, Custom Duty, Value Added Tax is not applicable to the Company.
 - (c) There are no dues of Income-tax, Service Tax, Goods and Service Tax and Value Added Tax as on 31st March 2020 on account of disputes.
- (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 (viii) of CARO 2016 is not applicable to the Company.



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- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration. Hence reporting under clause (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable 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 directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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


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

Place: Mumbai
Date: 11 June 2020

IIFL Wealth Securities IFSC Limited
BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Thousands)

SR. No.	Particulars	Note No.	As at Mar 31, 2020	As at Mar 31, 2019
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	3	0.16	144.32
(b)	Other financial assets	4	514.65	248.82
2	Non-Financial Assets			
(a)	Right to Use Asset	17	3,101.66	-
(b)	Other non-financial assets	5	29.88	-
	Total Assets		3,646.35	393.14
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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	6	205.91	150.00
(b)	Finance Lease Obligation	17	3,251.68	-
(c)	Borrowings (other than debt securities)	7	550.00	500.00
(d)	Other financial liabilities	8	881.76	2.52
2	Non-Financial Liabilities			
(a)	Other non-financial liabilities	9	5.40	5.17
3	EQUITY			
(a)	Equity share capital	10	1,000.00	1,000.00
(b)	Other equity	11	(2,248.40)	(1,264.55)
	Total Liabilities and Equity		3,646.35	393.14

See accompanying Notes to the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner

Anu Jain
Director
(DIN: 01001502)

Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: June 11, 2020

IIFL Wealth Securities IFSC Limited
PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Thousands)

SR. No.	Particulars	Note No.	2019-20	2018-19
1	Revenue from operations		-	-
2	Other income		-	-
3	Total income (1+2)		-	-
	Expenses			
(a)	Finance costs	12	321.09	6.79
(b)	Depreciation, amortization and impairment	17	366.76	-
(c)	Others expenses	13	296.00	1,257.76
4	Total expenses		983.85	1,264.55
5	Profit/(Loss) before tax (3-4)		(983.85)	(1,264.55)
	Tax expense:			
(a)	Current tax		-	-
(b)	Deferred tax		-	-
7	Profit/(Loss) for the year (5-6)		(983.85)	(1,264.55)
	Other comprehensive income			
(a)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of Employee Benefits		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (a)		-	-
(b)	(i) Items that will be reclassified to profit or loss			
	- Foreign currency translation reserve		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (b)		-	-
	Other comprehensive income (a+b)		-	-
9	Total comprehensive income for the period (7+8) (Comprising profit/(loss) and other comprehensive income for the year)		(983.85)	(1,264.55)
10	Earnings per equity share			
	Basic (Rs.)	14	(9.84)	(20.24)
	Diluted (Rs.)	14	(9.84)	(20.24)

See accompanying Notes to the Financial Statements

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner

Anu Jain
Director
(DIN: 01001502)

Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: June 11, 2020

IIFL Wealth Securities IFSC Limited
CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Thousands)

Particulars	2019-20	2018-19
A. Cash flows from operating activities		
Net profit/(loss) before taxation and extraordinary item	(983.85)	(1,264.55)
Adjustments for:		
Interest expenses	320.36	6.79
Operating profit/(loss) before working capital changes	(663.49)	(1,257.76)
Changes in working Capital :		
(Increase)/ Decrease in Financial/Non-financial Assets	(295.71)	(248.82)
Increase/ (Decrease) in Financial/Non-financial Liabilities	1,037.25	155.17
Cash generated from/(used in) operating activities	78.05	(1,351.41)
Net income tax(paid) / refunds	-	-
Net cash generated from/(used in) operating activities (A)	78.05	(1,351.41)
B. Cash flows from investing activities		
Net cash generated from/(used in) investing activities (B)	-	-
C. Cash flows from financing activities		
Issuance of share capital	-	1,000.00
Inter Corporate Deposits - taken	50.00	500.00
Interest paid	(272.21)	(4.27)
Net cash (used in)/generated from financing activities (C)	(222.21)	1,495.73
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(144.16)	144.32
Opening Cash & cash equivalents	144.32	-
Closing Cash & cash equivalents	0.16	144.32
See accompanying Notes to the Financial Statements		

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner

Anu Jain
Director
(DIN: 01001502)

Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai
Dated: June 11, 2020

IIFL Wealth Securities IFSC Limited
STATEMENT OF CHANGES IN EQUITY

FY 2019-20

(₹ in Thousands)

Particulars	Equity attributable to owners of the Company			Total
	Equity Share Capital	Other Equity		
		Retained Earnings	Total Other Equity	
Balance at the beginning of the reporting period	1,000.00	(1,264.55)	(1,264.55)	(264.55)
Shares issued during the year	-	-	-	-
Profit/(loss) for the year	-	(983.85)	(983.85)	(983.85)
Balance at the end of the reporting period	1,000.00	(2,248.40)	(2,248.40)	(1,248.40)

FY 2018-19

(₹ in Thousands)

Particulars	Equity attributable to owners of the Company			Total
	Equity Share Capital	Other Equity		
		Retained Earnings	Total Other Equity	
Balance at the beginning of the reporting period	-	-	-	-
Shares issued during the year	1,000.00	-	-	1,000.00
Profit/(loss) for the year	-	(1,264.55)	(1,264.55)	(1,264.55)
Balance at the end of the reporting period	1,000.00	(1,264.55)	(1,264.55)	(264.55)

Retained Earnings

The balance in Retained Earnings primarily represents losses carried forward and incurred during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Pallavi A. Gorakshakar
Partner

For and on behalf of the Board of Directors

Anu Jain
Director
(DIN: 01001502)

Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai

Dated: June 11, 2020

Financial Statements Of IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the period ended March 31, 2020

Note 1. Corporate Information:

IIFL Wealth Securities IFSC Limited (“IFSC”, the “Company”) is a public limited company incorporated under the Companies Act, 2013. The Company will be trading in equity shares of companies incorporated outside of India, depository receipts, debt securities of eligible issuers, currency, index, interest rate and non-agriculture commodity derivatives and all categories of exchange traded products that are available for trading in stock exchanges in FATF/IOSCO complaint jurisdiction. The Company is under process for taking membership of NSE IFSC Limited, and INDIA INTERNATIONAL EXCHANGE (IFSC) LTD.

Having It’s registered office address at Unit No. 412, Building No. 13-B, Block No.-13, Zone-1, Road 1C,GIFT SEZ,GIFT City, GIFT SEZ Gandhinagar GJ 382355 IN

Note 2 – Summary Statement of 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.

b) These financials statements have been approved for issuance by the Board of Directors on June 11, 2020

c) 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 recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised 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 assets. 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)



A handwritten signature in blue ink that reads "Anu Jain".

Financial Statements Of IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the period ended March 31, 2020

i. Financial assets measured at amortized cost:

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

- The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- 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:

- 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
- 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 recognised in the Statement of profit and loss and changes in fair value (other than on account of above income or expense) are recognised 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 mentioned 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 recognised 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 derecognised (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- The contractual rights to cash flows from the financial asset expires;
- 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;
- 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);
- 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 recognised in the Statement of Profit and Loss.



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Financial Statements Of IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the period ended March 31, 2020

Impairment of financial assets:

The Company recognises 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.

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 recognises 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:

- recognised at amortised costs
- recognised at fair value through profit and loss (FVTPL) including the embedded derivative component if any, which is not separated.
- 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 categorized at fair value are subsequently measured at fair value through profit and loss statement.



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Financial Statements Of IIFL Wealth Securities IFSC Limited
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(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 derecognised when the obligation under the liability is discharged or cancelled or expires.

d) 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 financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:

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

e) Foreign Currency Translation

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

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

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. Nonmonetary 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 recognised in the Statement of Profit and Loss.

f) 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.



Financial Statements Of IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the period ended March 31, 2020

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 or substantively enacted by the end of reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961. Deferred tax liabilities are generally recognised for all taxable temporary differences. 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 recognised. Also, for temporary differences that arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognised 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 recognised.

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.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Company 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 recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised 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 recognised 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.



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g) Provisions and Contingencies

The Company recognises 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.

h) 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.

i) Lease accounting

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Where appropriate, the right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price



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under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognizes income on operating leases based on the contractual arrangements.

Critical accounting estimate and judgement

1. Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

2. Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Changes in accounting policies / Transition note:

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.



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Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, wherein Right-of-use ('ROU') asset is recognised at an amount equal to the lease liability. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

Refer note 2.i) – Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

The Company as a lessee

As a lessee, the Company leases assets which includes office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for these leases.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Following is the summary of practical expedients elected on initial application:

- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor,. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application i.e. from April 1, 2019.

j) 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.



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Financial Statements Of IIFL Wealth Securities IFSC Limited
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k) 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:

- 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.



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FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
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Note 3. Cash and Cash Equivalents

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Cash and Cash Equivalents (As per Ind AS 7 Statement of Cashflows)		
Balance with banks		
- Others	0.16	144.32
Cash and cash equivalents (As per Ind AS 7 Statement of Cashflows)	0.16	144.32

Note 4. Other financial assets

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Other deposits	487.64	248.82
GST input	27.01	-
Total	514.65	248.82

Note 5. Other Non Financial Assets

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Prepaid expenses	29.88	-
Total	29.88	-

Note 6. Payables

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
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	205.91	150.00
Total	205.91	150.00

6.1. 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	2019-20	For the period June 22, 2018 to March 31, 2019
(a) Principal amount remaining unpaid to any supplier at the year end	-	-
(b) Interest due thereon remaining unpaid to any supplier at the year end	-	-
(c) Amount of interest paid and payments made to the supplier beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(e) Amount of interest accrued and remaining unpaid at the year end	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act	-	-



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Notes forming part of Financial Statements for the year ended March 31, 2020

Note 7. Borrowings (other than Debt securities)

(₹ in Thousands)

Particulars	As at Mar 31, 2020				As at Mar 31, 2019			
	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
(a)Loans from related parties (unsecured)	550.00	-	-	550.00	500.00	-	-	500.00
Total	550.00	-	-	550.00	500.00	-	-	500.00
Borrowings in India	550.00	-	-	550.00	500.00	-	-	500.00
Borrowings outside India	-	-	-	-	-	-	-	-
Total	550.00	-	-	550.00	500.00	-	-	500.00

Residual maturity	As at March 31, 2020		As at March 31, 2019	
	Balance outstanding	Interest rate % (p.a)	Balance outstanding	Interest rate % (p.a)
At Amortised cost				
Less than 1 year	550.00	9.10%-10.12%	500.00	8.00% - 10.40%
1-5 years	-	-	-	-
Above 5 years	-	-	-	-



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FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
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Note 8. Other Financial Liabilities

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Payable to holding co / group companies	831.09	-
Interest payable on Inter corporate deposits	50.67	2.52
Total	881.76	2.52

Note 9. Other Non Financial Liabilities:

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Statutory remittances	5.40	5.17
Total	5.40	5.17

Note 10. Share Capital:

(a) The authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- as follows:

(₹ in Thousands)

Authorised :	As at Mar 31, 2020	As at Mar 31, 2019
2,000,000 Equity shares of ₹ 10/- each with voting rights	20,000.00	20,000.00
Issued, Subscribed and Paid Up:		
100,000 Equity shares of ₹ 10/- each fully paidup with voting rights	1,000.00	1,000.00
Total	1,000.00	1,000.00

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

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No. of shares	₹ in Thousands	No. of shares	₹ in Thousands
At the beginning of the year	100,000	1,000.00	-	-
Add: Issued during the year	-	-	100,000	1,000.00
Outstanding at the end of the year	100,000	1,000	100,000	1,000

(c) Terms/rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

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

(d) Details of shares held by Holding Company:

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	100,000	100.0%	100,000	100.0%

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

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No. of shares	% holding	No. of shares	% holding
IIFL Wealth Management Limited & its nominees	100,000	100.0%	100,000	100.0%

(f) 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.



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FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 11. Other Equity:

(₹ in Thousands)

Particulars	As at Mar 31, 2020	As at Mar 31, 2019
Retained earnings (Refer Statement of Changes in Equity)	(2,248.40)	(1,264.55)
Total	(2,248.40)	(1,264.55)

Note 12. Finance Cost

(₹ in Thousands)

Particulars	2019-20			For the period June 22, 2018 to March 31, 2019		
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on borrowings	-	54.22	54.22	-	6.79	6.79
Other interest expense	-	266.87	266.87	-	-	-
Total	-	321.09	321.09	-	6.79	6.79

Note 13. Other Expenses:-

(₹ in Thousands)

Particulars	2019-20	For the period June 22, 2018 to March 31, 2019
Rent and energy cost	8.58	147.16
Legal & professional fees	57.30	543.48
Office & other expenses	30.12	417.12
Remuneration to Auditors : Audit fees (net of GST input credit)	200.00	150.00
Total	296.00	1,257.76

Note 14. Earnings Per Share:

Basic and diluted earnings per share ["EPS"] computed in accordance with INDAS 33 'Earnings per share'.

Particulars		2019-20	For the period June 22, 2018 to March 31, 2019
Face value of equity shares in ₹ fully paid up		10.00	10.00
BASIC			
Loss after tax as per statement of profit and loss (₹ in Thousands)	A	(983.85)	(1,264.55)
Weighted average number of shares sub	B	100,000	62,466
Face value of equity shares (in ₹) fully paid		10.00	10.00
Basic EPS (₹)	A/B	(9.84)	(20.24)
DILUTED			
Loss after tax as per statement of profit and loss (₹ in Thousands)	A	(983.85)	(1,264.55)
Weighted number of shares subscribed	B	100,000	62,466
Add: Potential equity shares on account of conversion of employee stock option	C	-	-
Weighted average number of shares outstanding	D=B+C	100,000	62,466
Diluted EPS (₹)	A/D	(9.84)	(20.24)



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Note 15. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures"
Financial Risk Management

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

The Company's principal financial liabilities comprise trade and other payables and other financial liabilities. The Company's principal financial assets include cash and cash equivalents and other financial assets that derive directly from its operations.

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

15A.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) Others

Credit Risk on Other Financial assets is considered insignificant considering the nature of such assets and absence of counterparty risk.

15B. 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

The following table shows the maturity profile of Financial liabilities:

(₹ in Thousands)

Financial liabilities	As at 31st March 2020					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	205.91	205.91	-	-	-	-
Borrowings (Other than Debt Securities)	550.00	-	-	550.00	-	-
Other financial liabilities	881.76	-	-	881.76	-	-
Total	1,637.67	205.91	-	1,431.76	-	-

For Finance Lease Obligation maturity refer note 17

Financial liabilities	As at 31st March 2019					
	Total	Less than 1 months	1 months to 6 months	6 months to 1 year	Between 1 to 5 years	5 years and above
Trade Payables	150.00	150.00	-	-	-	-
Borrowings (Other than Debt Securities)	500.00	-	-	-	-	-
Other financial liabilities	2.52	2.52	-	-	-	-
Total	652.52	652.52	-	-	-	-

15C. 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. The Company has no exposure to any such risk.

15C.1 Currency Risk

The Company does not run a proprietary trading position in foreign currencies and foreign currency denominated instruments. The Company also has no exposure to foreign currencies on account of business operations or by maintaining cash and cash equivalents and deposits with banks in currencies other than reporting/functional currencies. There are no Financial assets and liabilities subject to foreign exchange risk

15C.2 Interest rate risk

The Company has measured interest rate risk sensitivity on financial assets and liabilities on financial instruments accounted for on amortised cost basis. However the Company does not have exposure to interest rate risk.

Since the borrowings/loans outstanding as at March 31, 2020 are at fixed interest rate, hence no interest rate risk analysis has been performed by the Management.

15C.3. 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 Company has no exposure to any such risk

15D. 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 Group and regulatory capital requirements of its businesses and constituent entities.

15E. Category Wise Classification for applicable Financial Assets and Liabilities

(₹ in Thousands)

Sr No.	Particulars	As at 31st March 2020			
		Measure at Amortised Cost	Measured At Fair Value through Profit or Loss (P/L)	Measured At Fair Value through Other Comprehensive Income (OCI)	Total
	Financial Assets				
(a)	Cash and cash equivalents	0.16	-	-	0.16
(b)	Other financial assets	514.65	-	-	514.65
	Total	514.81	-	-	514.81
	Financial Liabilities				
(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	205.91	-	-	205.91
(b)	Finance Lease Obligation	3,251.68			3,251.68
(c)	Borrowings (other than debt securities)	550.00	-	-	550.00
(d)	Other financial liabilities	881.76	-	-	881.76
	Total	4,889.35	-	-	4,889.35



Anu Jain

Note 15. Disclosure Pursuant to Ind AS 107 "Financial Instruments: Disclosures" (continued)

(₹ in Thousands)

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)	
	Financial Assets				
(a)	Cash and cash equivalents	144.32	-	-	144.32
(b)	Other financial assets	248.82	-	-	248.82
	Total	393.14	-	-	393.14
	Financial Liabilities				
(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	150.00	-	-	150.00
(b)	Borrowings (other than debt securities)	500.00	-	-	500.00
(c)	Other financial liabilities	2.52	-	-	2.52
	Total	652.52	-	-	652.52

15E.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. This include NAVs of the schemes of mutual funds.
- 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 methods to determine the fair value of common and simple financial instruments, such as interest rate swaps, options, which use only observable market data as far as practicable. 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.

15E. 1a Fair value of financial assets and financial liabilities measured at amortised cost

(₹ in Thousands)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2020	
	Carrying Value	Fair Value
Financial Assets		
Cash and cash equivalents	0.16	0.16
Other financial assets	514.65	514.65
Financial Liabilities		
(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	205.91	205.91
Finance Lease Obligation	3,251.68	3,251.68
Borrowings (other than debt securities)	550.00	550.00
Other financial liabilities	881.76	881.76

(₹ in Thousands)

Financial Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at 31st March 2019	
	Carrying Value	Fair Value
Financial Assets		
Cash and cash equivalents	144.32	144.32
Other financial assets	248.82	248.82
Financial Liabilities		
(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	150.00	150.00
Borrowings (other than debt securities)	500.00	500.00
Other financial liabilities	2.52	2.52

Financial assets measured at amortised cost:

The carrying amounts of cash and cash equivalents and other bank balances, trade and other receivables, loans and other financial assets 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 payables and other financial liabilities 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.



Anu Jain

FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 16. Related Party Disclosures:
Related party disclosures for the year ended 31st March, 2020

a) List of Related Parties:

Nature of relationship	Name of party
Director/ Key Managerial Personnel	Anu Jain, Director
	Yatin Shah, Director
	Pankaj Fitkariwala, Director (upto May 29, 2020)
	Mr. Umang Papneja, Director (appointed w.e.f. May 26, 2020)
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Wealth Finance Limited
	IIFL Asset Management Limited
	IIFL Investment Adviser and Trustee Services Limited
	IIFL Trustee Limited
	IIFL Wealth Portfolio Managers Limited (Formerly IIFL Alternate Asset Advisors Limited)
	IIFL Wealth Distribution Services Limited (Formerly IIFL Distribution Services Limited)
	IIFL Wealth Advisors (India) Limited (amalgamated with IIFL Wealth Management Ltd w.e.f December 27, 2019)
	IIFL Altiore Advisors Limited (w.e.f November 05, 2018)
	IIFL Wealth Employee Welfare 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
	IIFLW CSR Foundation (w.e.f Jan 20, 2020)
Other Related Parties	IIFL Finance Limited (Formerly known as IIFL Holdings Limited)
	IIFL Securities Limited (Formerly known as India Infoline Limited)
	IIFL Commodities Limited (Formerly known as India Infoline Commodities 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)
	IIFL Securities Services IFSC Limited
	IIFL Asset Reconstruction Limited
	India Infoline Finance Limited
	IIFL Home Finance Limited
	Clara Developers Private Limited
	Samasta Microfinance Limited
	Meenakshi Tower LLP (Joint Venture of IIFL Management Services Limited)
	Ayusha Dairy Private Limited
	Geocentric Solutions Private Limited
	Shreyans Foundation LLP
	General Atlantic Singapore Fund Pte Limited
	FIH Mauritius Investment Limited
	Ms. Shilpa Bhagat (Spouse of Mr. Karan Bhagat)
	Ms. Ami Shah (Spouse of Mr. Yatin Shah)
	Ms. Madhu Jain (Spouse of Mr. Nirmal Jain)
	Ms. Aditi Athavankar (Spouse of Mr. Venkataraman Rajamani)
	Mr. Prakashchandra Shah (Relative of Mr. Yatin Shah)
	India Infoline Foundation
	Kyrush Investments
	Kyrush Realty Private Limited
	Naykia Realty Private Limited
	Kyrush Trading & Investments Private Limited
	Yatin Investments
	CDE Real Estate Private Limited
	Financial advisors (India)Private Limited
	Orpheus Trading Private Limited
	Ardent Impex Private Limited
	Spaisa Capital Limited
	Spaisa P2P Limited
	Spaisa Insurance Brokers Limited
	Spaisa Trading Limited
	MNJ Consultants Private Limited
	Sunder Bhawar Ventures Private Limited
	Khimji 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	
Kiaan Shah Family Private Trust	



Anu Jain

Note 16. Related Party Disclosures: (continued)

b) Significant Transactions with Related Parties (₹ in Thousands)

Nature of Transaction	Holding Company/ Ultimate Holding Co.	Fellow Subsidiaries	Key Managerial Person	Other Related Parties	Total
Share Capital					
IIFL Wealth Management Limited	-	-	-	-	-
	(1,000.00)	-	-	-	(1,000.00)
ICD Taken					
IIFL Wealth Management Limited	50.00	-	-	-	50.00
	(500.00)	-	-	-	(500.00)
ICD Repaid					
IIFL Wealth Management Limited	-	-	-	-	-
Interest Expense on ICD					
IIFL Wealth Management Limited	53.49	-	-	-	53.49
	(6.78)	-	-	-	(6.78)
Other funds Paid					
IIFL Wealth Management Limited	592.28	-	-	-	592.28
	(470.31)	-	-	-	(470.31)
IIFL Wealth Finance Limited	-	238.82	-	-	238.82
	-	-	-	-	-

(c) Amount due to / from related parties (Closing Balances): (₹ in Thousands)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Other Related Parties	Total
ICD Taken					
IIFL Wealth Management Limited	550.00	-	-	-	550.00
	(500.00)	-	-	-	(500.00)
Sundry Payables					
IIFL Wealth Management Limited	642.94	-	-	-	642.94
	(2.52)	-	-	-	(2.52)
IIFL Wealth Finance Limited	-	238.82	-	-	238.82
	-	-	-	-	-

Note:

Amounts in brackets represents previous year's figures



Sanjiv Saini

FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
Notes forming part of Consolidated Financial Statements for the Period ended March 31, 2020

Note 17. Disclosure Pursuant to Ind AS 116 "Leases"

(₹ in Thousands)

Change in Accounting Policy

The Company has adopted Ind AS 116 — "Leases" with effect from April 01, 2019 and applied the standard to its leases retrospectively. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 amounting to ₹ 3,005.36 lakhs has been recognized and "Right to use assets" has been recognized at an amount equal to the "Lease liability" as at that date. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right to use lease assets" and interest accrued on "Lease liability".

Particular	Premises
Lease commitments as at 31 March 2019	-
Add/(less): contracts reassessed as lease contracts	3,005.36
Add/(less): adjustments on account of extension/termination	-
Lease liabilities as on 1 April 2019	3,005.36

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2020:

Particulars	Premises
Balance as at 01 April, 2019	3,005.36
Additions during the year	463.06
Depreciation charge for the year	(366.76)
Deletions during the year	-
Balance as at March 31, 2020	3,101.66

Following is the break up value of the Current and Non - Current Lease Liabilities for the period ended March 31, 2020:

Particulars	As at March 31, 2020
Current lease liabilities	248.02
Non-current lease liabilities	3,003.66
Total	3,251.68

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Premises
Balance as at 01 April, 2019	3,005.36
Additions	463.06
Deletion	-
Finance cost accrued during the period	266.87
Payment of lease liabilities	(483.61)
Balance as at March 31, 2020	3,251.68

Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2020
Less than one year	509.87
One to five years	2,958.25
More than five years	1,083.55
Total undiscounted lease liabilities at 31 March 2020	4,551.67
Lease liabilities included in the statement of financial position at 31 March 2020	3,251.68

Amounts recognised in profit or loss

Particulars	As at March 31, 2020
Interest on lease liabilities	266.87
Expenses relating to short-term leases	-
Depreciation relating to leases	366.76
Total	633.63

Amounts recognised in the statement of cash flows

Particulars	As at March 31, 2020
Total cash outflow for leases	483.61



Sanjay Jain

FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
Notes forming part of Consolidated Financial Statements for the Period ended March 31, 2020

Note 18.1. Maturity analysis of assets and liabilities as at March 31, 2020

(₹ in Thousands)

SR. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	0.16	-	0.16
(b)	Other financial assets	-	514.65	514.65
2	Non-Financial Assets			
(a)	Right to Use Asset	-	3,101.66	3,101.66
(b)	Other non-financial assets	29.88	-	29.88
	Total Assets	30.04	3,616.31	3,646.35
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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	205.91	-	205.91
(b)	Finance Lease Obligation	248.02	3,003.66	3,251.68
(c)	Borrowings (other than debt securities)	550.00	-	550.00
(d)	Other financial liabilities	881.76	-	881.76
2	Non-Financial Liabilities			
(a)	Other non-financial liabilities	5.40	-	5.40
3	EQUITY			
(a)	Equity share capital	-	1,000.00	1,000.00
(b)	Other equity	-	(2,248.40)	(2,248.40)
	Total Liabilities and Equity	1,891.09	1,755.26	3,646.35



Anu Jain

FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
Notes forming part of Consolidated Financial Statements for the Period ended March 31, 2020

Note 18.2. Maturity analysis of assets and liabilities as at March 31, 2019

(₹ in Thousands)

SR. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
1	Financial Assets			
(a)	Cash and cash equivalents	144.32	-	144.32
(b)	Other financial assets	-	248.82	248.82
2	Non-Financial Assets			
(a)	Right to Use Asset	-	-	-
(b)	Other non-financial assets	-	-	-
	Total Assets	144.32	248.82	393.14
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
(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	150.00	-	150.00
(b)	Finance Lease Obligation	-	-	-
(c)	Borrowings (other than debt securities)	500.00	-	500.00
(d)	Other financial liabilities	2.52	-	2.52
2	Non-Financial Liabilities			
(a)	Other non-financial liabilities	5.17	-	5.17
3	EQUITY			
(a)	Equity share capital	-	1,000.00	1,000.00
(b)	Other equity	-	(1,264.55)	(1,264.55)
	Total Liabilities and Equity	657.69	(264.55)	393.14



Amu Jain

FINANCIAL STATEMENTS OF IIFL Wealth Securities IFSC Limited
Notes forming part of Financial Statements for the year ended March 31, 2020

Note 19. Segment Reporting

In the opinion of the management, there is only one reportable business segment as envisaged by Ind AS 108 'Operating Segments', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 20. IIFL Wealth Management Limited (the "Parent Company") had infused equity share capital of amount ₹ 1,000.00 thousands in its wholly owned subsidiary, IIFL Wealth Securities (IFSC) Limited, on August 6, 2018 and subsequently issued loans to such subsidiary on January 1, 2019, February 6, 2019, March 29, 2019 and April 30, 2019 of ₹ 200.00 thousands, ₹ 100.00 thousands, ₹ 200.00 thousands and ₹ 50.00 thousands respectively. Such remittances were not in line with Para vi (3) of the Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time (Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004) (the 'Regulation').

Based on discussion with the the Reserve Bank of India (the "RBI") on January 9, 2020, the Parent Company has decided to submit ODI – Part I form under approval route for the transactions mentioned above.

Note 21. Going concern

The Company has reported loss of ₹ 983.85 thousands for the year ended March 31, 2020. The Company also has outstanding payable of ₹ 642.94 thousands to Parent Company as on March 31, 2020. There is significant erosion of Net Worth. However, in view of financial support available from the IIFL Wealth Management Limited (the Parent Company), there is no material uncertainty as to the ability of the Company to continue as a going concern and hence, the financial statements have been prepared on a going concern basis. The Company is assured of continuing operational and financial support from the Parent Company for the period of 12 months from June 11, 2020.

Note 22. Events after reporting period

There were no subsequent events from the date of financial statements till the date of adoption of accounts.

Note 23. The spread of COVID-19 across the globe and India contributed to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The full impact on the business due to a COVID-19 related economic slowdown, changes in client sentiment and investment behaviour are as yet unknown. The Company has continued to engage with clients and employees through extensive business continuity planning and robust technology platform with minimal disruption on any business activity during the lockdown phase. Further, the Company has assessed that it would be able to navigate currently prevailing uncertain economic conditions based on its business model, profile of assets and liabilities, availability of liquidity and capital at its disposal. The extent to which the COVID-19 pandemic will impact the Company's operations and results will depend on future developments.

Note 24. Approval of Financial Statements

The financial statements were approved for issuance by the Board of Directors on June 11, 2020

Note 25. Previous year figures are regrouped/reclassified/rearranged where ever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors



Anu Jain
Director
(DIN: 01001502)



Umang Papneja
Director
(DIN: 07357053)

Place : Mumbai

Dated: June 11, 2020