

THE SUN IS SHINING ON US.

# ANNUAL REPORT

2016-17











# CREATING OUR OWN SUNSHINE

WHEN THE SUN IS SHINING I CAN DO ANYTHING;  
NO MOUNTAIN IS TOO HIGH, NO TROUBLE TOO  
DIFFICULT TO OVERCOME. – WILMA RUDOLPH

If there's one country that best epitomizes eternal sunshine, it's India...

A sunshine of equal opportunity and democratic values, a sunshine of exemplary enterprise and enduring rewards, a sunshine of infinite possibilities and ultimate breakthroughs.

No wonder, India has produced one new billionaire every month in the last seven years, to amass around 2.5 lakh millionaires in dollar terms. This number is estimated to jump up to half-a-million mark in less than a decade.

By 2020, almost two-third Indians would belong to the industrious 14 to 64 age group.

By 2025, one in every five working people in the world would be an Indian.

By 2030, India's workforce would exceed 250 million.

This demographic dividend of overflowing energy and prodigious enterprise would pump up India's GDP by at least two percentage points every year for the coming two decades. The multilateral global financial behemoth – International Monetary Fund - pegs India's growth around 7.2% in 2017-18

and 7.7% in 2018-19. With right economic policies in place, India is well poised to take the big leap of becoming the world's third largest economy from its current position of ranking sixth.

If Indian economy has to grow, financial services including investment management would have to grow even faster. The financial services industry in India is at the cusp of rapid growth, supported by accelerating economic prosperity and transformational reforms. The global environment, which is characterised by tightening compliance standards, works as an advantage for leading investment management companies.

Having begun its professional tryst in 2008-09, with seven employees, IIFL Investment Managers has achieved sterling breakthroughs and scaled new heights in a fashion befitting India's sunshine story. Today as one of India's leading investment managers, IIFL Investment Managers brings glorious sunshine to more than 10,000 esteemed clients, handling AUM worth more than ₹1200 billion.

Surging ahead in the guiding light of India's sunlit value proposition, IIFL Investment Managers is now all set to capture a larger share of wallet through its diverse and distinct offerings and have its rightful place under the sun.



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# FROM THE CEO'S DESK



**KARAN BHAGAT**

Founder, MD and CEO

Dear Shareholder,

The fiscal year 2016-17 saw the sun shine brighter for our firm, our clients, employees and shareholders. IIFL Investment Managers once again recorded a stellar year and we grew across all our asset classes – Advisory & Wealth Management, Financial Product Distribution, Asset Management, Estate and Succession Planning Services, Credit Solutions and Corporate Finance. It has again been one of the best years ever, and we achieved all targeted goalposts. Over the last five years, our assets clocked Compound Annual Growth Rate (CAGR) of 40% from April 1, 2012 while revenue CAGR was at 49% in the same period.

Buoyant markets, bullish sentiment, pragmatic policy scenario and right interventions have only added to this forward march, helping our revenue grow 46% yoy to ₹8.34 billion and Profit After Tax (PAT) jump 48% yoy to ₹2.50 billion. The year also saw us offer innovative products much ahead of competition, forge new partnerships and strengthen our market share substantially by

not just retaining all our esteemed clients but winning over new clients.

Strong tailwinds continued to propel the economy in general and financial services into higher orbit. The bold demonetization move by the government has expanded the formal financial sector, which will result in higher Gross Domestic Product (GDP) growth and better tax compliance. The movement from the unorganized to the organized sector is witnessing greater digitization of the economy and financial savings as a percentage of household savings are increasing healthily. Total household savings have grown at a CAGR of 12% over the last decade to ₹25,660 billion, which is close to 20% of GDP. The reformist Goods and Services Tax (GST) has successfully created a 'One India One Market' and will help improve tax compliance and governance besides boosting investment and growth.

Our Wealth Management business saw 56% yoy growth in total Assets Under Management (AUM) of investment products distributed.



Our Asset Management business continues to make deep inroads with its Uniquely Indian and undeniably global asset management approach and is one of the largest Alternative Investment Funds (AIF) platforms in the country.

Our Credit Solutions business, in its first full year of operations funded 17 Initial Public Offerings (IPO).

Our Estate Planning business, which facilitates generational planning and asset transfer for clients, saw the total number of family trusts under our corporate trusteeship rise to more than 200.

Our Corporate Finance team closed 5 transactions during the year including a cross-border Mergers & Acquisitions (M&A) transaction and we have a healthy pipeline of deals under pursuit.

## INDIA – THE NEW SUN IN THE WORLD'S UNIVERSE

India was one of the poorest nations in the world, the year it won its independence. India today has over 2.5 lakh millionaires or HNIs with assets of US\$ 1 million or more and ranks third in number of individual billionaires who have assets of US\$ 1 billion or more. In fact, India is said to have added a new billionaire every month since 2010 and majority of them are self-made. And we are proud to have some of them as our esteemed clients. Fuelling this growth is the demographic dividend that India owns.

By 2020, the median age of the Indian population is expected to be 28 years; significantly younger than countries like US, China or Japan where the median age would be in the range between 38 and 48. This age segment will add tremendous growth and wealth in the coming decades. The wealth in Tier II and Tier III cities is also showing rapid growth and we have positioned ourselves to tap this immense potential.

## THE RISING SUN – INVESTMENT MANAGEMENT

India has one of the fastest growing investment management markets in the world. The High Net-Worth Individual (HNI) population in India is young and therefore, more receptive towards sophisticated financial products. India has over 286,000 households with net worth of more than US\$ 1 million with assets close to US\$ 584 billion, says IBEF. Total wealth holding by HNIs in India is estimated to be US\$ 2 trillion and expected to reach US\$ 3 trillion by FY20. We strongly believe that this opportunity would continue to enrich our growth and help us emerge as the one-stop shop for the investment needs of Ultra High Net Worth Individuals (UHNI) and HNIs.

Our top performing team ensured that we specifically meet the varying needs and risk appetite of each client by helping them walk through the maze of investment avenues with focus on providing the best risk-adjusted returns. During the year, we strengthened the senior management team at key support functions and with realignment of the organizational structure, all key businesses are now strategically aligned for future growth.

We remain grateful to our board of directors for their insightful guidance, our shareholders for their continued confidence in our company and our employees for their unwavering commitment to remain aligned to the needs of our clients.

Our innovation, be it in structuring and churning out innovative products ahead of the competition or fee structures, will continue to give us the edge in providing investment avenues for our clients. Our owner-mindset driven team, unique platform, superior technology, unmatched proposition and strong principles will help us shine bright and execute our business plans in sync with the changing economic landscape, which is indeed changing for good. *May the Sun continue to shine on us!*

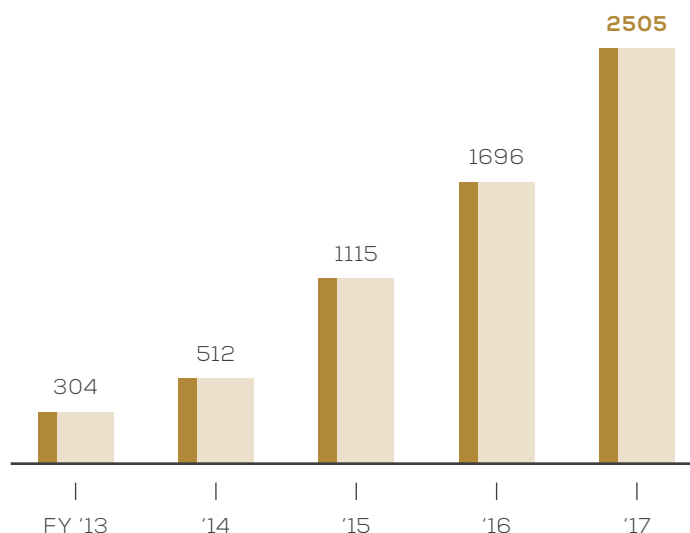
# FINANCIAL HIGHLIGHTS

## THE PICTURE GETS BRIGHTER

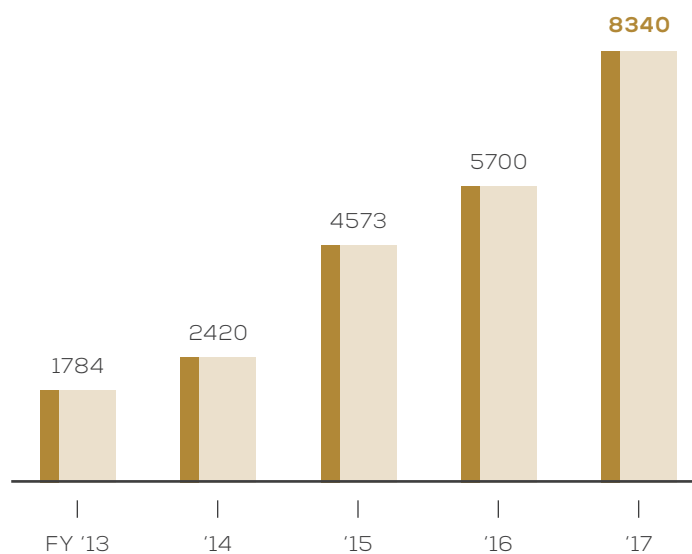
Our journey began in 2008-09 amidst one of the worst economic turmoil the world has ever seen. The scenario was gloomy world over following the economic meltdown across asset classes. Our turnaround stemmed from the belief that at times you just have to create your own sunshine. Beginning with seven employees, we as an organization, consciously encouraged calculated risk-taking and empowerment. And this has helped IIFL Investment Managers emerge as one of India's

leading investment management companies, which is making its mark on the global arena. Today, more than 10,900 prestigious clients trust us with their wealth. Our assets under management, advice and distribution stands at ₹1,201,010 million. Our revenue has jumped 46% yoy to ₹8,340 million; PAT has risen 48% to ₹2,505 million over the previous year and bankers working with us have increased from 195 in FY16 to 226 in FY17.

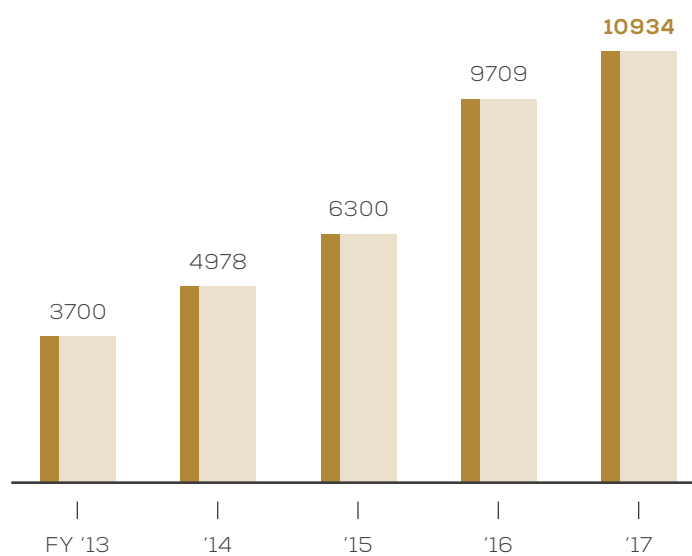
### PROFIT AFTER TAX (₹ IN MILLION)



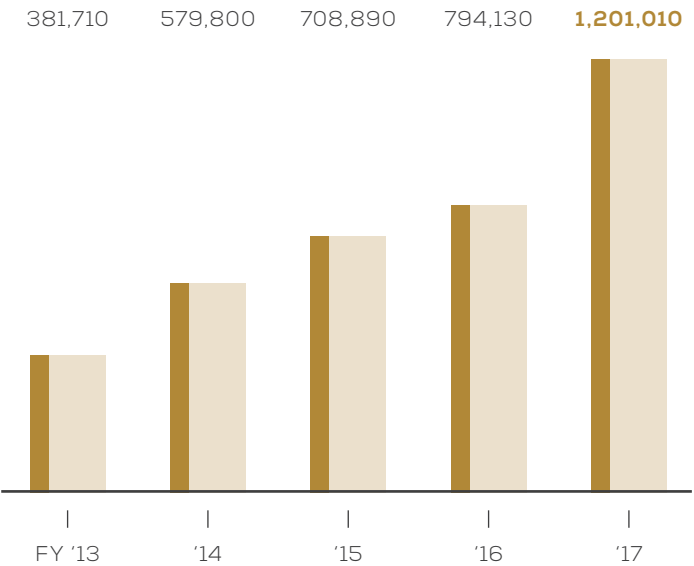
## REVENUE (₹ IN MILLION)



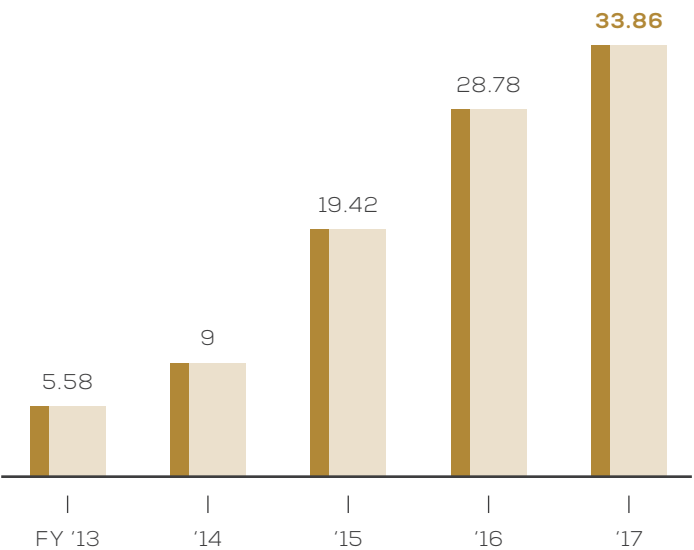
## NO. OF FAMILIES



ASSETS (₹ IN MILLION)

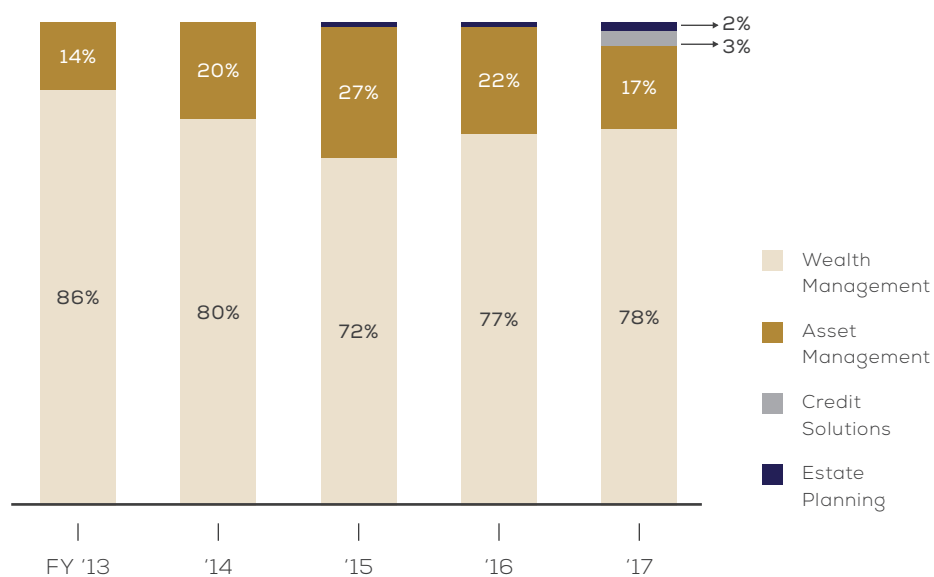


EARNINGS PER SHARE (₹)

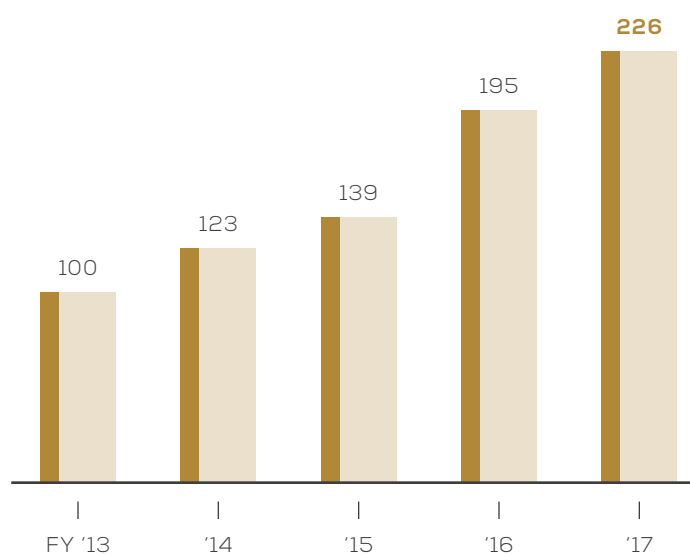




## BREAK-UP OF WEALTH ASSETS (%)



## NO. OF BANKERS



# KEY HEADLINES

All wealth is the product of labor. At IIFL Investment Managers, a holistic approach towards managing our client's portfolio, has been part of our DNA. We achieve this by not only advising our clients on financial investments but also on the overall structuring of investment entities, succession planning through use of Wills and Trusts and wealth administration keeping in mind the specific needs and objectives of each client.

We don't just follow dreams. We hunt goals. Driven by innovation, ownership-mindset and alignment of interest, IIFL Investment Managers today, has 22 offices and presence across major Indian cities and countries. Our assets under Advice, Distribution and Management rose from ₹795,180 million last fiscal to ₹1,201,010 million in FY17.

## KEY HIGHLIGHTS OF 2016-17

- Rebranding to **IIFL Investment Managers** in line with the growth in business and strategic initiatives saw distinctive identities for each business viz- Wealth Management, Asset Management, Credit Solutions, Estate Planning and Corporate Finance.
- The **Wealth Management** business saw Total Assets Under Management (AUM) of the wealth products distributed grow 53% y-o-y to reach ₹723,000 million as on March 31, 2017.
- Commenced broking and depositary activities under own newly acquired license during the year in both the cash & Futures & Options segments.
- The **Asset Management** business began distribution of niche products, especially Alternate Investment Funds (AIF), to third party distributors.
- Total AUM of the Asset Management business comprising Mutual Funds, AIFs, Portfolio Management Services and offshore funds increased to ₹87,000 million as on March 31, 2017 from ₹53,000 million as on March 31, 2016.
- **IIFL Special Opportunities Fund**, a unique offering focusing on Pre-IPO and IPO space, which has been introduced in India for the first time, raised approximately US\$ 250 million. The fund is a close ended scheme under Category II Alternative Investment Fund.
- **Credit Solutions** business, in its first full year of operations, saw loan assets at ~₹36,160 million, as on March 31, 2017. During the year, this division funded 17 Initial Public Offerings (IPOs) with cumulative funding of over ₹210,000 million.
- **Trust and Estate Advisory**, saw total number of trusts managed increase to 204 with active assets of ₹24,500 million.
- The **Corporate Finance** business, which serves as a platform to support the needs of the wealth management clients, primarily focusing on deals in the Small & Medium Enterprises (SME) segment for all cross-border and domestic Mergers & Acquisitions (M&A), fund raising, Private Investment In Public Equity (PIPE) deals and promoter financing, closed 5 transactions during this year.
- The **corporate functions** at IIFL Investment Managers was strengthened in key areas with appointments of respective Heads for Finance, Technology, Risk, Marketing and Sales.
- On the **Technology** front, in management reporting and business Management Information System (MIS), we have introduced Tableau, a world leader in visualization reporting.

## ROAD AHEAD

- The changing investment landscape offers us immense potential to lead the wealth management industry and build our asset management business.
- Market regulator Securities and Exchange Board of India's (SEBI) notification on Investment Advisors 2013 regulation, brings the requirements related to qualification, certification, capital adequacy, period of validity of certificate and other general obligations for investment advisors. This is extremely healthy for the industry and will improve the visibility of leading investment managers like IIFL Investment Managers.
- The distribution of niche products via third party distributors would continue to be our growth focus area for asset management.
- Credit Solutions business is set to see expansion in margin funding and Loan Against Shares/ IPO products.
- As wealth in India, especially in Tier II and Tier III cities continues to rise rapidly, we are geared to tap this immense potential.
- The demonetization exercise should accelerate the flow of household savings into financial assets.
- First generation clients and entrepreneurs want their money to be active and seek to actively be part in the investment decisions. We are geared to guide them at every step and keep them abreast of the changing investment world.
- As the industry achieves scale, multi-family office services would emerge as a big trend going forward.
- As awareness of the powerful proposition and platform of IIFL Investment Managers spreads amongst the Ultra High Net-worth Individuals (UHNI) of the country and Non-Resident Indians (NRI), our Estate Planning business will witness a steady upswing.
- Continued focus in the coming year will be to streamline systems and processes by investing in appropriate technology solutions for each business to provide clients with a best-in-class service, product delivery and an enhanced and secure investment experience.
- With realignment of the organizational structure, all key businesses are now strategically aligned for future growth.

VISION

TO BE INDIA'S LEADING WEALTH AND  
ASSET MANAGEMENT COMPANY,  
ALIGNING INTERESTS OF CLIENTS,  
SHAREHOLDERS AND EMPLOYEES.



# THE SUN IS SHINING ON INDIA

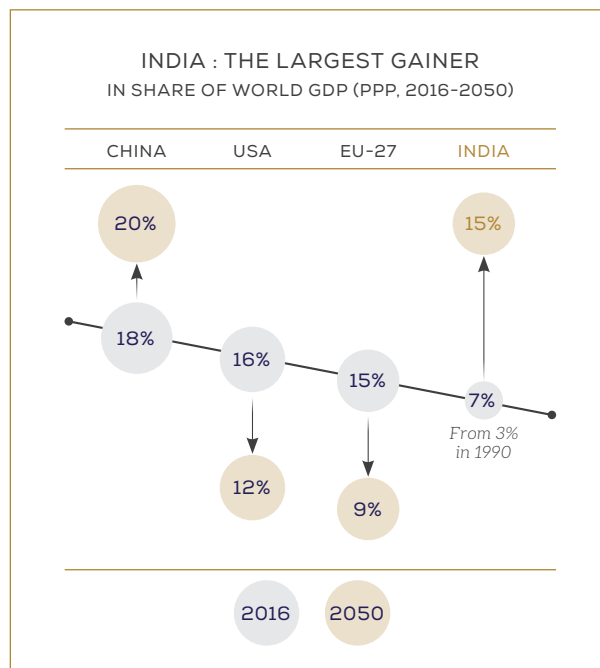
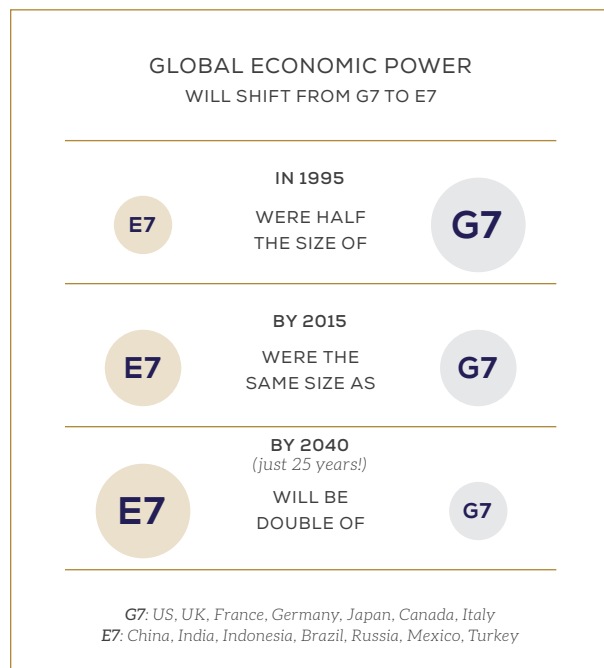
- The Indian economy is expected to grow at 7.2% in FY 2017-18, as per the forecast by The World Bank.
- India has moved up three index points to 136 in October-December 2016 quarter in Nielsen's global consumer confidence index. The country's confidence score was 133 in July-September 2016 quarter, and 128 in April-June 2016 quarter.
- The Nifty ended the fiscal with gains of 1,435.55 points, or 18.55%, after scaling the year's high of 9,218.40 on March 17. The Sensex gained 4,279 points, or 16.88% for FY17.
- Mutual Funds saw inflows double year-on-year to ₹3430 billion in FY17. According to the Association of Mutual Funds in India (AMFI) data, this was the highest investment in MF schemes since 1999-2000.
- India's Index of Industrial Production (IIP) rose 2.7% in March 2017, as against a rise of 1.9% in February 2017. The cumulative IIP growth for April 2016 – March 2017 was 5% as against 3.4% growth for the same period in 2015-16.
- The eight key infrastructure sectors rose 5% in March 2017 as against 1% in February 2017, with steel sector exhibiting the maximum growth of 11%. The cumulative growth during April-March 2017 increased by 4.5%.
- Passenger vehicle sales in India during the FY17 grew at the fastest rate and crossed three million for the first time ever, according to data released by Society of Indian Automobile Manufacturers. The trend is expected to continue in 2017-18.
- Consumer Price Index (CPI) inflation or retail inflation for the month of March 2017 stood at 3.81%.
- This financial year was a record year for mergers and acquisitions (M&As) in India, with deals worth US\$61.26 billion—more than double the value of transactions the previous year.
- The growth of Tier II cities have opened up more avenues for the financial services industry in general and wealth management in particular.

## GST AND DEMONETIZATION

- The transformational Goods and Services Tax will create a common Indian market, improve tax compliance and governance, and boost investment and growth.
- Demonetization in the long term could lead to greater digitization of the economy, increased flows of financial savings, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues.
- These reforms are expected to take the economy towards its potential real GDP growth of 8% to 10%.

Source: Media, IBEF website etc

## INDIA WILL BE THE BIGGEST GAINER ON THE WORLD STAGE



## EMERGING MARKETS WILL DOMINATE TOP 10 ECONOMIES IN 2050 (GDP AT PPP)

| 2016      |    | 2050 |           |
|-----------|----|------|-----------|
| CHINA     | 1  | 1    | CHINA     |
| US        | 2  | 2    | INDIA     |
| INDIA     | 3  | 3    | US        |
| JAPAN     | 4  | 4    | INDONESIA |
| GERMANY   | 5  | 5    | BRAZIL    |
| RUSSIA    | 6  | 6    | RUSSIA    |
| BRAZIL    | 7  | 7    | MEXICO    |
| INDONESIA | 8  | 8    | JAPAN     |
| UK        | 9  | 9    | GERMANY   |
| FRANCE    | 10 | 10   | UK        |

G7 ECONOMIES

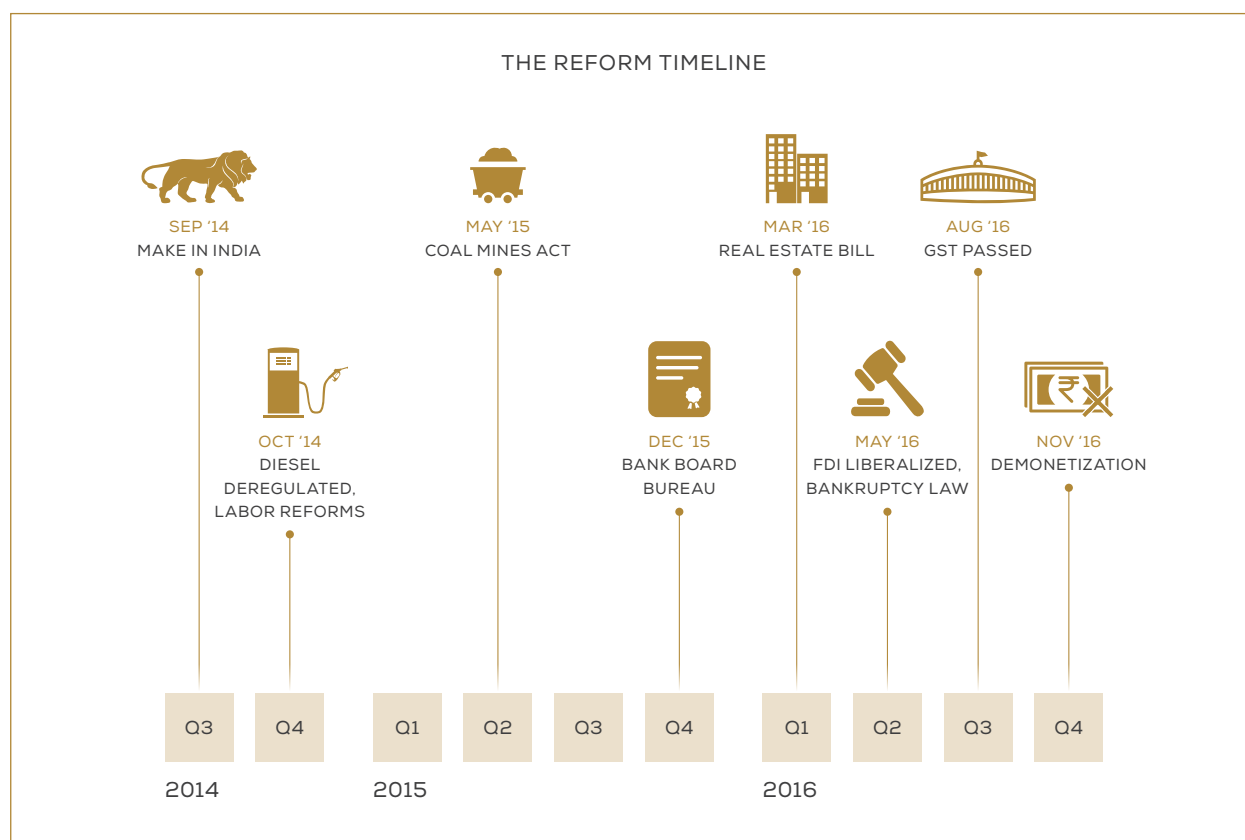
E7 ECONOMIES

PPP - Purchasing Power Parity

Source: IMF for 2016 estimates, PwC analysis for projections to 2050

## KEY REFORMS BY INDIA IN RECENT YEARS:

- **MAKE IN INDIA:** Kick-start manufacturing, encourage employment
- **BANK BOARD BUREAU:** Tackle public NPAs, support credit cycle
- **REAL ESTATE ACT:** Enhanced transparency, affordable housing
- **LABOR REFORMS, COAL MINES ACT, BANKRUPTCY LAW:** Quicker dispute resolution, significant impact on 'ease of doing business'
- **GOODS AND SERVICES TAX (GST):** Significantly expand the tax base
- **DEMONETIZATION:** Reduce informal economy, strengthen tax revenues



Source: Various media publications. Dates may be averaged due to implementation period of initiatives along with other factors

- ▶ India also posted double-digit growth (11%) amid a climate of government reforms, breaking the US\$2 trillion mark in private wealth, with most of the expansion stemming from new house hold savings. Significant growth in wealth is projected to continue in India. – **BCG Report**
- ▶ Within Asia-Pacific, China and India are viewed as the engines of growth. Growth-oriented investors dominate in most markets, but are especially prevalent in Asia-Pacific (excluding Japan). In this region, 68% of HNWI's in India define themselves as growth investors. – **World Wealth Report 2016**
- ▶ India and China represent nearly 10% of global HNWI wealth, and account for almost 19% of the global increase in new wealth since 2006, adding US\$4 trillion during this time. – **Asia Pacific Wealth Report 2016**
- ▶ Asia-Pacific HNWI wealth could surpass US\$42 trillion by 2025, propelled by the Emerging Asia markets of China, India, etc. – **Asia Pacific Wealth Report 2016**

#### DRIVERS OF GROWTH IN WEALTH WILL BE RELATIVELY BALANCED FROM 2016 THROUGH 2021

| REGION                 | GROWTH FROM NEW WEALTH CREATION AND PERFORMANCE OF EXISTING ASSETS | CHANGE IN WEALTH. 2016-2012 (\$TRILLIONS) | CAGR 2016-2021 (%) | TOTAL WEALTH 2021 (\$TRILLIONS) |
|------------------------|--|---|--------------------|---------------------------------|
| GLOBAL                 | 49 51  | 57  | 6                  | 223                             |
| NORTH AMERICA          | 27 73  | 17  | 6                  | 73                              |
| ASIA-PACIFIC           | 65 35  | 23  | 10                 | 62                              |
| WESTERN EUROPE         | 52 48  | 8   | 4                  | 48                              |
| JAPAN                  | 21 79  | 1   | 2                  | 16                              |
| MIDDLE EAST AND AFRICA | 52 48  | 4   | 8                  | 12                              |
| LATIN AMERICA          | 55 45  | 2   | 7                  | 7                               |
| EASTERN EUROPE         | 40 60  | 1   | 6                  | 5                               |

■ Growth from new wealth creation (%)<sup>1</sup>

■ Growth from performance of existing assets (%)<sup>2</sup>

Source: BCG Global Wealth Market-Sizing Database, 2017.

Note: Private financial wealth, including life insurance and pensions, is measured across all households. New wealth reflects GDP growth and savings rates. All growth rates are nominal. Amounts for all years were converted to US dollars at average 2016 exchange rates in order to exclude the effect of currency fluctuations. Percentage changes and global totals are based on complete (not rounded) numbers. Calculations for all years reflect updates to our methodology. CAGR= Compound Annual Growth Rate.

<sup>1</sup> The drivers of new wealth creation are Savings Rate and GDP Growth.

<sup>2</sup> The drivers of the performance of existing assets are the performances of equities, bonds, and cash and deposits.



# OUR SUCCESS MANTRA



## THE 4Ps THAT DRIVE OUR GROWTH

### PEOPLE

*"We have had no significant clients or relationship managers' exits. No senior private banker too has left the firm..."*

People are always at the epicenter of our organization and their development our focus area.

IIFL Investment Managers is an extremely 'Meritocratic' organization, with a potent mix of academic and experienced people, who come to us and stay with us, forever. Our attrition rate is lowest

in the industry (less than 1%) and we have the largest number of product specialists in the industry.

The diversity of people is of highest type, from multinational firms to homegrown organizations. They all work in a commercially smart environment and are culturally aligned to IIFL Investment Manager's DNA. After spending some time in our organization, it is almost impossible to differentiate between the people on the basis of their diverse backgrounds and organizations they come from.

GREAT THINGS  
IN BUSINESS ARE  
NEVER DONE BY  
ONE PERSON.  
THEY'RE DONE BY  
A TEAM OF PEOPLE.

– STEVE JOBS

The Huddle – where experiences are shared cutting across seniority, asset classes and geography – is held periodically, ahead of every product launch or every couple of weeks. Experiences are shared not just within the management team but with the entire products and sales team. The entire experience and learnings are discussed threadbare. This initiates a domino effect, giving ideas to team members to service differently.

We also have our share of millionaires that we have created within the organization. Our HR practices ensure that the entrepreneurial spirit of our employees remains kindled and like owners (employees own almost a quarter of the company!) they don't need to worry about marking their attendance. We have stopped the practice of tracking attendance as we believe that they are well equipped to take right decisions about managing their time perfectly well.

Our annual offsite was of never-before proportion at Aamby Valley, where over 700 of our people from across the world participated in a three-day rendezvous combining some business with a whole lot of experiences.

Focus on People continues to be at the core of our success mantra, not only in terms of new hiring but also emphasizing quality of the manpower and its development. The year saw continued expansion

as the headcount jumped by 40% to 685 by the end of March 2017. This continued expansion in manpower, in both Sales and Non-Sales functions saw us expand our office space at many locations. There was a distinct focus on senior non-sales hiring, completed by inducting a new team of senior professionals including the Chief Finance Officer, Head of Operations, Marketing and Digital Head and a National Sales Head in the Asset Management Company.

## PLATFORM

At IIFL Investment Managers, our focus has been to build a platform addressing most requirements of high net worth families in-house.

Our comprehensive engagement with families encompasses Net-worth Management at three touch points – 1) Financial Assets, be it listed, unlisted or offshore investments; 2) Real Estate Assets, be it broking, consumer and corporate lending or fund management and 3) Business Assets by providing dedicated corporate advisory team, lending solutions through NBFC or corporate treasury advisory.

We have a team of dedicated experts for each activity supported by a strong research and technology platform.

As the largest pure play wealth manager in the country today, our size ensures that we get preferential access for sourcing and customizing investments, in effect our clients get first mover advantage to unique themes ahead of the market. Having an in-house asset management company and NBFC helps us manufacture and structure products more effectively.

We also put a lot of focus and investments into building a state of the art technology platform. While we leverage "Salesforce" in a big way to handle all our customer-related queries, internal queries and lead management, we are also embarking on a new digital strategy across business lines, which will enable us to have new web and digital app to engage with the clients.

In management reporting and business MIS, we have introduced “Tableau”, a world leader in visualization reporting. This allows us to do in-depth analysis on all aspects of the business, on the fly, and present it in a world class, easy to understand graphical format.

The HR Management System which we implemented has made it easier to acquire and analyze employee data and has been instrumental in effectively managing the manpower expansion across the company this year.

## PROPOSITION

Over the last 9 years, our interactions with high net-worth families has helped us get a sense of their requirements, which cannot be completely addressed through a standard wealth management offering. With complex asset bases (investments across business assets, financial assets, real estate) and complicated holding structures, investment solutions need to be planned carefully to ensure that end objectives are met.

At IIFL Investment Managers, we essentially function as a Private Investment Office overseeing the management and administration of our clients' portfolio.

Most important is defining a process-oriented investment approach. This begins with setting up an investment policy statement, detailed portfolio planning and emphasis on a strong review process which includes consolidated portfolio MIS and advanced analytics.

Portfolio Administration is another key area where we work with clients supporting them in maintaining their wealth banks and providing audited statements to improve security and control over assets.

Finally, client families are increasingly looking for advice and guidance in areas such as estate and succession planning, real estate and private equities. Our Platform is geared towards providing solutions for each of these backed with expert advice.

All this comes to the client at low cost, due to our innovative fee structures. Our focus on building a fixed fee-based model has helped ensure alignment of interests with our clients while also reducing costs of managing the portfolio since investments are made in the lowest cost option available (e.g. direct plans for mutual funds).

## PRINCIPLES

Our DNA of adhering to strict standards and ensuring consistency in our processes has seen us emerge as the most trusted investment management firm in the country. IIFL Investment Managers combines the analytical rigour of quantitative research with qualitative analysis to build allocated client portfolios optimally, besides providing reliable advice to our clients. We identify risk and opportunity across the entire financial landscape for our investors. Our measure of success is our ability to meet their financial goals. Our clients bank on our sound advice to navigate life's expected and unexpected events.

To us, our principles are as valued as our success. To trust anyone with ones' wealth is perhaps the most difficult decision. On our part, we walk that Extra mile to create a differentiator between the Ordinary and the Extraordinary. We adhere to highest standards of governance and each of our founding principles are encompassed within the acronym TRUST, which is based on deep-rooted desire to ensure that the client's financial goals are achieved in the most transparent manner providing the best risk-adjusted returns.

**T** → TRANSPARENCY  
**R** → RESPONSIVENESS AND ADAPTABILITY  
**U** → UNWAVERING COMMITMENT  
**S** → SPECIALIST ADVICE  
**T** → THOUGHT LEADERSHIP



### TRANSPARENCY

We promote policies that are fair, transparent and compete effectively. While ushering in transparency, we work towards building long-term client relationships and engage with investors to understand their needs better.



### RESPONSIVENESS & ADAPTABILITY

Our services are comprehensive and tailored to address the individual needs of a client. IIFL Investment Managers ensures continuous access to a diverse range of products that adapt to clients' evolving needs.



### UNWAVERING COMMITMENT

To meet our clients' financial aspirations, we remain focused on identifying optimal investments. We have a comprehensive ecosystem and a wide range of offerings that allow us to keep our commitment made to the clients.



### SPECIALIST ADVICE

We ensure that our clients are backed by an experienced team consisting of experts in their domain. After carefully considering the client's interests and requirements, we develop an exhaustive overview of each case and subsequently recommend the future course of action.

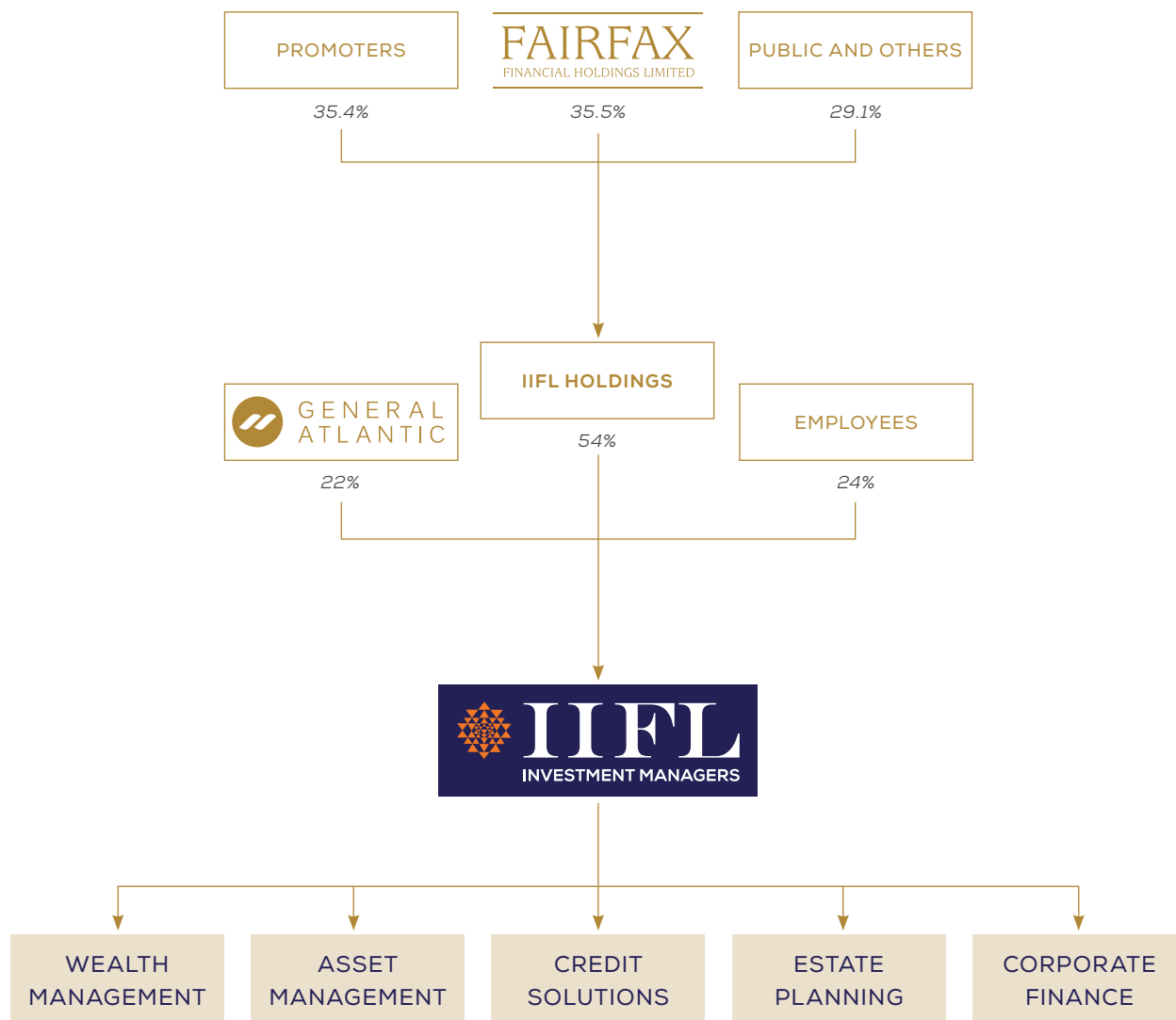


### THOUGHT LEADERSHIP

The financial landscape and markets change faster than most people blink. To stay ahead, we must be proactive in thought and action. It is impossible to survive by being just reactive to the changing needs. As a progressive organization, we continuously develop our services and offerings by innovating and designing a comprehensive products platform that cover all our clients' needs. We walk with our clients to craft strategies that convert market conditions in to opportunities that create sustainable and profitable portfolios.



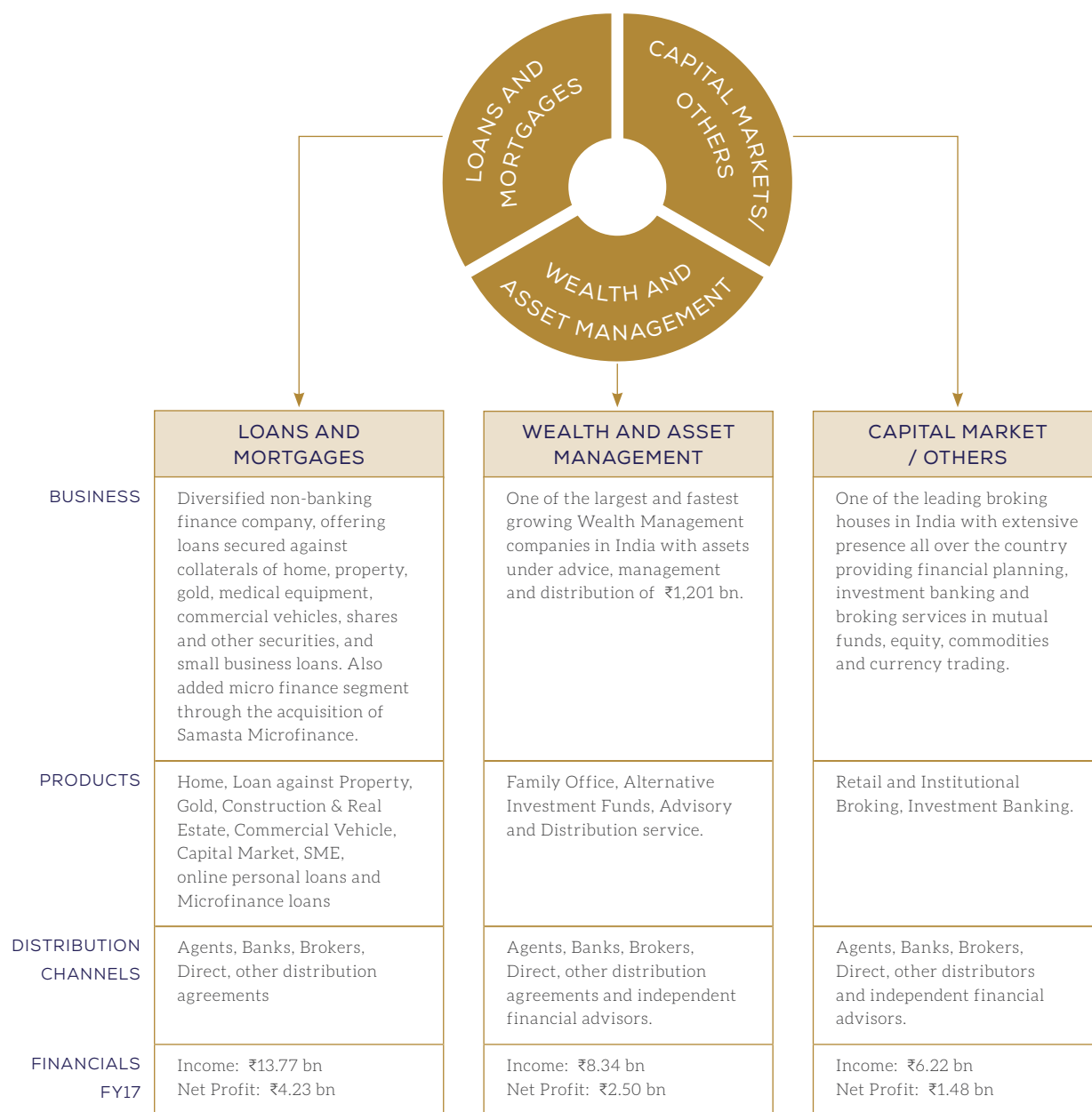
# CORPORATE STRUCTURE



# DISTINGUISHED LEGACY

## IIFL AT A GLANCE

IIFL is one of India's leading diversified financial services companies providing a broad range of financial products and services to a substantial and diversified client base that includes small businesses, institutions and individuals.



## THE PIONEERS

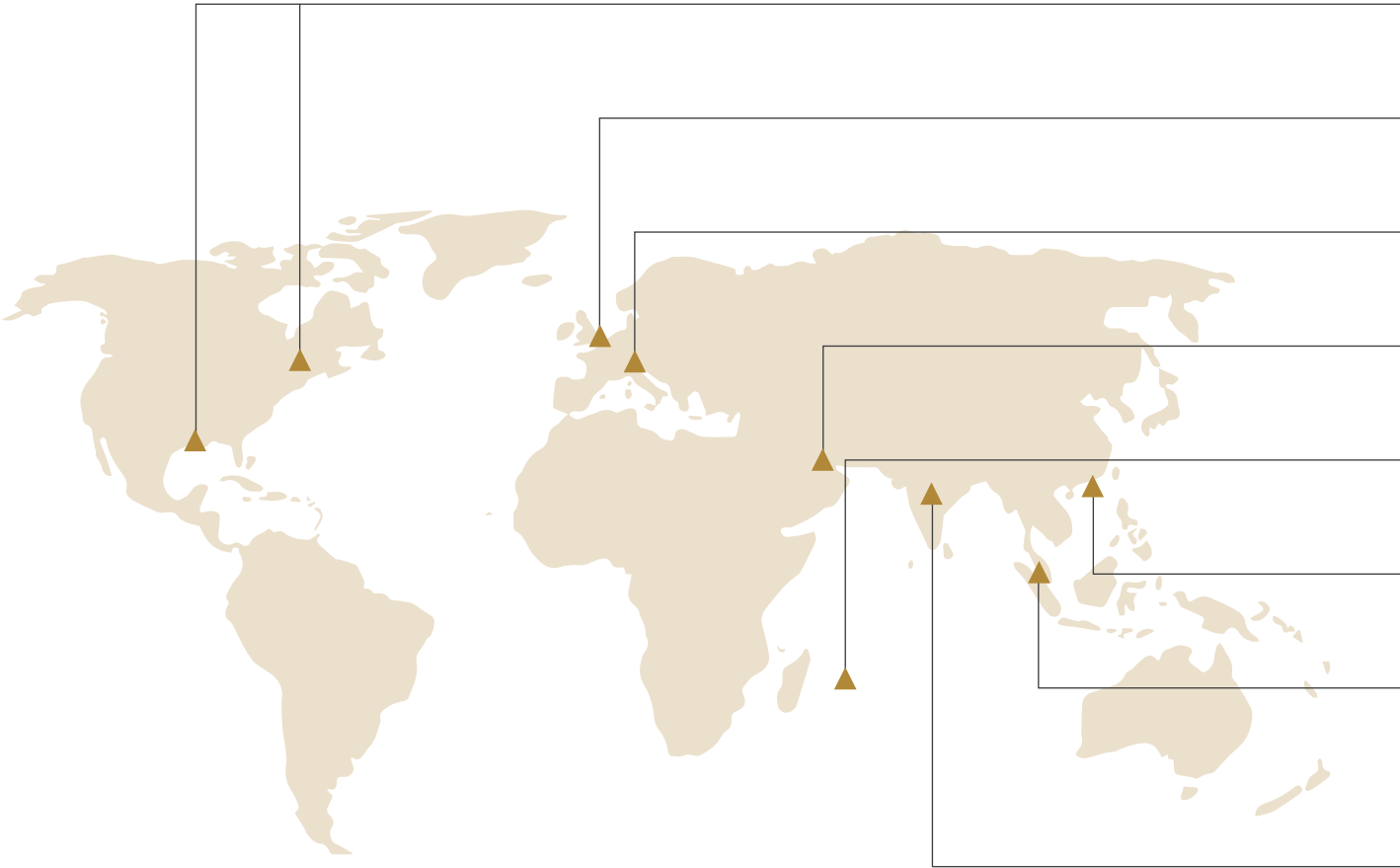
**NIRMAL JAIN**, Chairman, IIFL Holdings Limited

- Mr. Nirmal Jain is the Founder and Chairman of IIFL Holdings Limited.
- He founded Probit Research and Services Pvt. Ltd., later renamed India Infoline, in 1995; one of the first independent equity research companies in India.
- His work set new standards for equity research in India. Mr. Jain was one of the first entrepreneurs in India to seize the internet opportunity, with the launch of [www.indiainfoline.com](http://www.indiainfoline.com) in 1999.
- He started his career in 1989 with Hindustan Lever Limited, handling a variety of responsibilities, including export and trading in agro-commodities.
- Mr. Jain holds a Bachelor in Commerce from the University of Mumbai and a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management (IIM), Ahmedabad. He is also a Fellow Member of the Institute of Chartered Accountants of India (held the 2nd rank) and a Cost Accounting rank-holder.
- He was instrumental in steering the groups foray into various financial sector activities that have grown over the years into significant businesses in terms of net worth and profitability.
- Under his leadership, IIFL Group has attained its position as a dominant and diversified player in the financial services space over the past 22 years.

**R. VENKATARAMAN**, MD, IIFL Holdings Limited

- Mr. R. Venkataraman is a Co-Promoter and the Managing Director of IIFL Holdings Limited.
- He possesses diverse experience of more than 26 years in the financial services sector.
- Before joining the Board of IIFL Holdings Limited in July 1999, he has held senior managerial positions in ICICI Limited, including ICICI Securities Limited, their investment banking joint venture with J P Morgan of US and Barclays - BZW.
- He has also served as the Assistant Vice President of G E Capital Services India Limited in their private equity division.
- Mr. Venkataraman holds a Bachelor in Technology (B.Tech) in Electronics and Electrical Communications Engineering from the renowned Indian Institute of Technology (IIT), Kharagpur and a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Bangalore.

# TRANSCENDING GEOGRAPHIES



## OUR DOMESTIC FOOTPRINT:



## LOCATIONS IN INDIA

- |           |            |
|-----------|------------|
| MUMBAI    | PUNE       |
| DELHI     | JAIPUR     |
| CHENNAI   | CHANDIGARH |
| KOLKATA   | LUDHIANA   |
| BENGALURU | KANPUR     |
| HYDERABAD | VADODARA   |
| AHMEDABAD |            |

## INTERNATIONAL SUBSIDIARIES/ ASSOCIATES

### USA

IIFL Inc.

### LONDON

IIFL Wealth (UK) Ltd.

### SWITZERLAND

IIFL Private Wealth (Suisse) SA.

### DUBAI

IIFL Private Wealth Management (Dubai) Ltd.

### MAURITIUS

IIFL Asset Management (Mauritius) Ltd.

### HONG KONG

IIFL Private Wealth Hong Kong Ltd.

### SINGAPORE

IIFL (Asia) PTE Ltd.

- IIFL Capital PTE Ltd.
- IIFL Securities PTE Ltd.

### INDIA

IIFL Wealth Management Ltd.

## DOMESTIC SUBSIDIARIES

### TRUSTEE

- IIFL Investment Adviser & Trustee Services Ltd.
- IIFL Trustee Ltd.

### ADMINISTRATION

- IIFL Distribution Services Ltd.

### ASSET MANAGEMENT

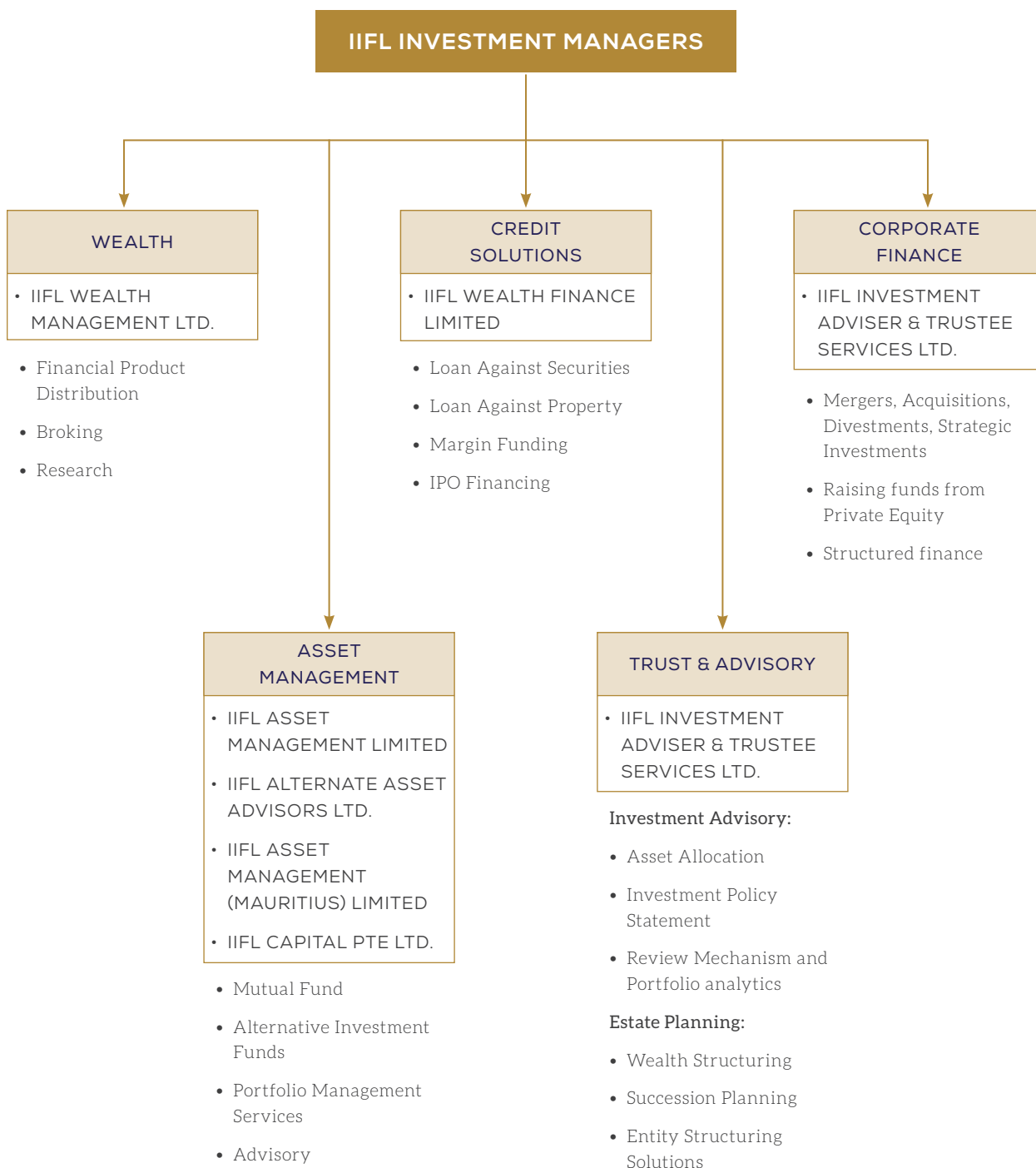
- IIFL Asset Management Limited
- IIFL Alternate Asset Advisors Ltd.

### NBFC

- IIFL Wealth Finance Limited

As a leading investment management company, IIFL Investment Managers has truly begun transcending geographies globally as well as in India. An increase in the number of the newly privileged in the smaller cities and globally has accelerated our reach and growth. Our footprints are now firmly ensconced across 22 offices in India and globally.

# CORE BUSINESSES



# MICROSCOPIC VIEW OF THE CORE BUSINESS



## BUSINESS OVERVIEW

Change is inevitable but growth is intentional. Wealth creators, both first-generation and those who build upon inherited wealth, are undoubtedly some of the world's sharpest brains, for they command their wealth, rather than the other way around. No wonder, they are invariably a step ahead of the growth curve, whether in adopting state-of-the-art technology, recognizing trends, thriving on the economic opportunities or making the best use of human capital. They park their wealth with us with absolute trust and unwavering belief that their wealth, more than merely staying put, would provide the best risk-adjusted returns.

It's a privilege and a commitment in the same breath, to win the trust of these achievers who are revered

by the world as role models. Thanks to the sanctity of our guiding values and the strength of our unique value proposition, we manage the wealth of these brightest minds better than the best, always.

Our zest and zeal to raise the bar for investment management is blessed with a conducive environment that India provides on a platter, a shining star amidst a largely wavering world economy. Buoyant markets, bullish sentiment, pragmatic policies and prudent government interventions continue to act as catalysts for the India growth story. India's GDP is expected to stay above 7% in the coming years and its demographic dividend is set to fuel India's big leap - from being the sixth largest economy to becoming the third



largest economy in the world. In fact, landmark initiatives like Digital India, Jan Dhan bank accounts, new Bankruptcy Code, demonetization and Goods and Services Tax (GST) are expected to steer the economy towards its potential GDP growth of 8 to 10%, thereby paving the way for new entrepreneurs, new investors and new billionaires.

India's growth saga is best narrated by its bourses, which are scaling new highs with resounding conviction. Foreign Institutional Investors (FIIs) bought local equities worth a net \$6.45 billion last year. During fiscal 2017, ₹34,705.21 crore was raised through new share sales, follow-on public offers, and sales to qualified institutional buyers and rights issues.

Bearing testimony to our ability and agility in a thriving environment are the changing investment patterns of our overseas clients, who chose to put in as much as 92% of their Assets Under Management (AUM) in equity, even as domestic Indian investors preferred the conventional balancing act of dividing AUM almost equally between equity, debt and real estate.

### IIFL INVESTMENT MANAGERS

One of India's leading investment managers, IIFL Investment Managers provides Wealth Management, Asset Management, Credit Solutions, Estate Planning and Corporate Advisory services to more than 10,000 high net-worth families in India. The total Assets under Management, Distribution and Advice witnessed 51% yoy growth to reach ₹1,201 billion, as on March 31, 2017. In yet another year of strong

financial performance, the FY17 total Income stood at ₹10.82 billion, up 53.26% y-o-y, PBT stood at ₹3.62 billion, up 60.36% y-o-y, while PAT was at ₹2.5 billion, up 48% y-o-y.

During the year, IIFL Investment Managers made rapid strides in all its Key Business Areas as given below:

### WEALTH MANAGEMENT

The group operates from 22 locations spread across the globe including 8 offshore locations, catering to high net-worth clients seeking holistic wealth management solutions. Offerings include brokerage, distribution of third party products, family office, advisory and customized key portfolio mandates.

Total AUM of the wealth products distributed witnessed 56% yoy growth to reach ₹939 billion as on March 31, 2017, which includes ₹702 billion of Distribution Assets, ₹104 billion of domestic Advisory Assets and ₹133 billion in offshore FPI advisory Assets.

IIFL Investment Managers has also commenced Broking and Depository services under its own newly acquired license during the year in both the cash & F&O segments.

Segment wise break-up of AUM as on March 31, 2017 is as follows:

| SEGMENT WISE BREAK-UP<br>AS ON MARCH 31, 2017 | ₹ BILLION | % TO TOTAL<br>ASSETS |
|---|-----------|----------------------|
| Distribution                                  | 702.76    | 74.8%                |
| Advisory                                      | 237.14    | 25.2%                |
| Total   | 939.90    | 100%                 |

## ASSET MANAGEMENT

Asset Management business is an India-focused global asset platform providing differentiated and niche investment strategies to Institutions and HNI clients in India and across the globe. It offers capabilities in onshore and offshore asset management through the subsidiaries based in Singapore, India and Mauritius.

Their differentiated suite of funds, Alternative Investment Funds (venture capital funds span public and private equities, fixed income securities, real estate and Portfolio Management Schemes) manage over ₹76 billion of on-shore AIF assets, making it one of the largest AIF platforms in the country.

The total AUM of the Asset Management Business comprising Mutual Funds, AIFs, and offshore funds has witnessed 16% y-o-y growth to ₹200 billion as on March 31, 2017 from ₹173 billion as on March 31, 2016.

## CREDIT SOLUTIONS

The credit solutions business is a platform to serve the needs of the wealth management clients and provides funding, primarily against clients investment portfolios at competitive market-linked rates. The offerings include securities-based lending, secured loans against property and other structured lending solutions based on specific client requirements.

In its first full year of operations, the total loan assets as on March 31, 2017 stood at ₹36.16 billion. During the year it funded 17 Initial Public Offerings with cumulative funding of over ₹210 billion. Capital

adequacy of IIFL Wealth Finance Ltd as on March 31, 2017 is 30.52% comprising Tier I 24.04% and Tier II 6.48%.

In the coming year, IIFL Wealth Finance Limited expects to build a robust loan book from its existing clientele.

## ESTATE PLANNING

Our Estate Planning Business facilitates generational planning and asset transfer for clients, by advising on strategic trust formation and investment management of the assets to ensure longevity of the solutions.

The Total numbers of family trusts under our corporate trusteeship are now 204, with AUM of ₹24.50 billion.

## CORPORATE FINANCE

The Corporate Finance business serves as a platform to support the needs of the investment management clients, primarily focusing on deals in the SME segment for all cross-border and domestic M&A, fund raising, PIPE deals and promoter financing. They closed 5 large transactions during this year and hope to serve as a one-stop shop for all the corporate finance needs of the wealth management clients.

# OWNERS WORK AND WORKERS OWN

Our unique model of innovative co-ownership, an open culture underpinned by core values of transparency, has helped us attract the best talent in the industry and offer our clients most innovative products and services.



**KARAN BHAGAT**

Founder, Managing Director  
and CEO

- Karan is the Founder CEO of IIFL Investment Managers and has work experience of more than 16 years in private wealth management.
- Karan holds a PGDBM from IIM Bangalore and is a Bachelor of Commerce from St. Xavier's College, Kolkata.
- Karan's considerable experience and well-honed skills in product structuring have been instrumental in making him one of the pioneers in 'Family Office' proposition in India.
- Under his able leadership, IIFL Investment Managers has grown from its humble beginnings as a start-up to emerge as one of the leading global private wealth management companies from India.
- Recently, Karan was featured in the prestigious 40 under Forty list of The Economic Times where India Inc.'s leading young business leaders were recognised. Earlier in the year, Fortune India featured him in their '40 under 40' list.

- Founder Director of IIFL Investment Managers, Yatin has more than 16 years of experience in equity research and private wealth management.
- Yatin did his MSc in Finance from Cass Business School, London.
- Prior to IIFL Investment Managers, Yatin worked with Khandwala Securities and Kotak Wealth Management.
- As Executive Director at IIFL Investment Managers, Yatin focuses on the domestic wealth advisory practice.
- Under Yatin's insightful leadership, the company has emerged as a prominent leader in the domestic private wealth management space, advising more than 10,000 ultra-high net worth families.



**YATIN SHAH**  
Co-founder and  
Executive Director

- Amit is a Founder Director at IIFL Investment Managers and acts as CEO of Asset Management business. He has more than 16 years of experience in the financial services industry.
- Amit is a Chartered Financial Analyst (CFA) from ICFAI and also holds a degree in Commerce.
- Prior to IIFL Investment Managers, Amit has worked with Kotak Mahindra Inc. and Citigroup.
- Amit is responsible for securing key institutional relationships for the group, across the US, the UK, Singapore, Switzerland, Hong Kong, and Dubai.
- Amit received 'NRI of the Year' Award 2016, for Asia Pacific Region.
- Under his watchful leadership, IIFL AMC now advises institutions and HNI families on assets worth more than US\$3.6 billion.



**AMIT SHAH**  
Co-founder, CEO and  
Executive Director

## WEALTH MANAGEMENT



### **ANIRUDHA TAPARIA**, Executive Director

- Anirudha is Executive Director at IIFL Investment Managers and has more than 18 years of experience in the financial services industry.
- Anirudha focuses on bringing growth across business verticals and geographies across the globe. He possesses rich commercial, wealth and consumer banking experience, which has helped forge strong client relationships.
- Anirudha has an MBA from Symbiosis Institute, Pune, and a Bachelor's degree from Shri Ram College of Commerce, Delhi.
- Prior to IIFL Investment Managers, Anirudha was associated with Citibank for close to a decade as Senior Vice President and Head for North India and also served at the ICICI Group and IL&FS.



### **PRAVIN BHALERAO**, Senior Managing Partner

- Pravin is a Senior Managing Partner at IIFL Investment Managers and has rich experience of more than two decades in corporate treasury and wealth management.
- Pravin is a qualified Chartered Accountant with a Bachelor's Degree in Commerce and an LLB (Gen).
- Previously, he founded 'Finest Wealth Managers' in Pune and has presided on the board of Kalyani Forge Ltd from 1988-2000. He has also been a member of the Investment Advisory Panel of the University of Pune.
- Pravin has extensive corporate and entrepreneurial experience. He focuses on growth across business verticals in his current role at IIFL Investment Managers.

**VINAY AHUJA**, Senior Managing Partner

- Vinay is a Senior Managing Partner at IIFL Investment Managers and focuses on achieving growth across business verticals and geographies.
- Vinay has more than 16 years of experience in the financial services industry across wealth and asset management.
- He holds a post graduate diploma from Symbiosis Institute, Pune.
- Prior to IIFL Investment Managers, he was associated with Morgan Stanley India Financial Services as Executive Director – International Wealth Management. He was a part of Deutsche Bank and DSP Merrill Lynch and set up and strengthened their presence across South India.

**UMANG PAPNEJA**, Senior Managing Partner

- Umang, as part of the Executive Committee, provides guidance in research, fund selection, and asset allocation.
- He has over 16 years of experience spanning multiple asset classes.
- He is responsible for product innovation, deal sourcing, client interaction, third-party relationship management, and support to sales team.
- Umang holds a Master's degree in Management from Jamnalal Bajaj Institute, Mumbai.
- Umang has worked with organisations like Motilal Oswal Securities, HSBC, and, HDFC Bank where he was the Head of Equity Research in their Private Banking Group. Subsequently, he was a Director and Head of Investments at Societe Generale.





**SHAJI KUMAR DEVAKAR**, Managing Partner

- Shaji Kumar is responsible for expanding and growing the wealth business in the southern region of India. IIFL Investment Managers' international business in Dubai is also headed by him.
- He has more than 17 years of experience spread across large private sector banks.
- Shaji Kumar is a post-graduate in Sales & Marketing from National Institute of Sales. He also completed his Business Administration from St. Joseph's College, Bangalore
- He has varied experience with leading names including Citi, Deutsche Bank, HDFC, and Barclays.



**JITEN SURTANI**, Managing Partner

- Jiten heads the sales team based out of Delhi. He has been a part of IIFL Investment Managers since inception in April 2008, and has over a decade of experience in the wealth management domain
- Jiten holds a Post Graduate Diploma in Finance (PGDM) from the Indian Institute of Management, Kolkatta and an Economics degree from the Shri Ram College of Commerce, Delhi.
- Prior to IIFL Investment Managers, Jiten worked with Kotak Wealth Management for over four years.

**ASSET MANAGEMENT COMPANY**



**PRASHASTA SETH**, CIO and Head – Equities

- Prashasta is responsible for growing IIFL's AMC assets, launching innovative products and ensuring optimal performance of its ongoing schemes.
- Prashasta has more than 15 years of experience in financial services.
- He holds a PGDBM from IIM Ahmedabad and B.Tech from IIT Kanpur.
- Previously, Prashasta was Chief Investment Officer at Ajour Investment Advisors and managed the segregated equity portfolios of high net worth investors. He was also the Head of Research at Irevna Research (a Standard & Poor Group Company).



**BALAJI RAGHAVAN**, CIO – Real Estate

- Balaji, in his current role, raises, deploys, and manages risk in the real estate portfolio. He also formulates the overall investment strategy in the real estate asset class.
- Balaji has more than twenty years of experience in industries such as Real Estate Finance, Banking, and Financial Services.
- He holds a Post-Graduate diploma from T. A. Pai Management Institute, Manipal.
- Prior to his current assignment, Balaji was earlier heading the mortgage finance business of ICICI Bank Ltd. He has been a key participant in several reputed real estate industry forums.

**RITESH JAIN**, CIO – Fixed Income

- Ritesh Jain heads the Fixed Income business and is responsible for expanding the firms' product suite in the fixed income space.
- He has a distinguished and consistent track record in the Indian Fixed Income markets and his addition has strengthened our investment team and capabilities.
- Prior to joining IIFL Investment Managers, Ritesh worked with DHFL Pramerica Asset Managers as the Fixed Income Head.
- Ritesh is a PGDBA in Finance from K.J. Somaiya Institute of Management Studies and Research, Mumbai and has over 18 years of experience, which includes stint with Morgan Stanley Investment Management and PNB Principal Asset Managers.

**SHASHI SINGH**, Head – Sales & Distribution, AMC

- Shashi has IIFL Investment Managers as Partner - Asset Management business.
- She is responsible for Business Development, Sales & Distribution for the AMC.
- Shashi is an MBA and has a total of 22 years of work experience in the areas of Business development, International business, fundraising both domestic and offshore, business strategy and product strategy for financial services predominantly in Asset Management industry including mutual funds, portfolio management and AIFs.
- She has worked at senior management positions with ICICI Prudential AMC, Reliance Capital AMC and Aditya Birla group and Religare Global Asset Management.



## TRUST & ADVISORY



### **SANDEEP JETHWANI**, Managing Partner

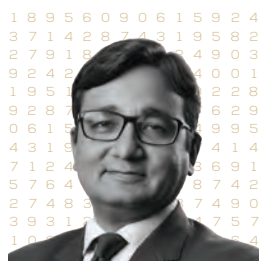
- Sandeep is Managing Partner and Head - Key Client Group at IIFL Investment Managers.
- Sandeep has more than 12 years of experience in direct client and team management with regional responsibilities including setting up of new branches.
- As a part of the founding team at IIFL Investment Managers, Sandeep led the setup of offices in various locations including Mumbai, Pune, Goa and Gujarat.
- Sandeep is an alumnus of IIM Bangalore and VJTI Mumbai.
- He is actively involved in product structuring, corporate structuring and succession planning initiatives.



### **GIRISH VENKATARAMAN**, Head – Trust Advisory

- Girish has more than two decades of experience in the financial services industry across asset and wealth management and spearheads strategic initiatives such as inorganic growth and wealth structuring solutions.
- He is a qualified Cost Accountant from the Institute of Cost and Works Accountants of India (ICWAI). Prior to IIFL Investment Managers, Girish was associated with DSP Merrill Lynch Mutual Fund since 2002, where he was the Head of Sales and Portfolio Management Service.
- He was earlier associated with Deutsche Bank, ANZ Grindlays Bank, and Kotak Group.

## CREDIT SOLUTIONS



### **HIMANSHU JAIN**, Co-Head Wealth Finance

- Himanshu co-heads the Credit Solutions business and focuses on growing the existing Non-Banking Finance Company (NBFC) business backed by his domain experience and business development focus.
- He has nearly two decades of work experience across capital markets, wealth management and lending business.
- Himanshu earned his Master's in Finance & Control (MFC), Banking, Capital Markets, and Portfolio Management and Corporate Finance from Institute of Finance & Management (IFM).
- In his prior experiences, he was responsible for the setup, launch and scaling of NBFC business. He was earlier associated with organizations such as with Morgan Stanley, Merrill Lynch and Citigroup.

## CORPORATE FINANCE

### UMESH AGRAWAL, Head – Corporate Advisory

- Umesh heads Corporate Advisory and focuses on assisting clients and shareholders in corporate actions such as capital raising, mergers, acquisitions, divestments, promoter financing, financial and strategic investments etc.
- He has more than two decades of work experience in investment banking industry.
- Umesh earned his Chartered Accountants certificate from the ICAI and a Masters in Finance & Accounting from London School of Economics.
- His prior experience spans across equity capital markets, private equity fund raising and mergers & acquisitions. He was earlier associated with organizations such as Axis Capital, Ambit and PwC.



## CORPORATE FUNCTIONS

### PANKAJ FITKARIWALA, Chief Operations Officer

- Pankaj is a qualified Chartered Accountant and has more than 15 years of experience in handling operations, compliance, client servicing, and technology in the wealth management and financial industry.
- As Chief Operations Officer, he is primarily responsible to ensure seamless operations, compliance to regulatory and statutory guidelines, client servicing and client satisfaction.
- He is also a member of the Executive Committee.
- Prior to IIFL Investment Managers, Pankaj was a part of Kotak Mahindra Group, ABN AMRO BANK N.V, and Barclays Bank, wherein he handled various functions domestically and internationally.



### HIMANSHU BHAGAT, Managing Partner

- Himanshu, as a Managing Partner, oversees non-sales functions such as process improvement, strategy and technology.
- He has more than 15 years of experience in the wealth management Industry.
- A Chartered Accountant, Himanshu also has an MBA from Boston College.
- Previously, Himanshu was associated with Morgan Stanley. In his capacity as the head of the wealth management business, he set up the business from inception and oversaw its successful exit via a sale.
- Himanshu has also had a successful eight year stint with Merrill Lynch.





**MIHIR NANAVATI**, Chief Financial Officer

- Mihir joined IIFL Investment Managers as the Chief Financial Officer and brings with him over two decades of experience in financial services organizations including leadership positions as CFO.
- He is a Chartered Accountant and holds Master's degree in Financial Management from Mumbai University.
- Mihir has joined us from the Avendus Group where he was the Group CFO for the last four years. He has also had stints with Asset Reconstruction Co. (India) Ltd. and ICICI group.



**NIRAJ MURARKA**, Head – Group Credit

- Niraj heads the credit functions for the group and co- heads the business at IIFL Wealth Finance.
- He is responsible for the Non-Sales functions.
- He has over 18 years of work experience and during his 10 year stint at HCL, he has held various positions in the finance function, having been involved with M&A, financial planning, business finance, fund raising, forex hedging and risk management, global taxation, and, corporate restructuring.
- He played key role in acquisition of Axon Group, a London listed company, which HCL acquired for USD 700 million.



**ANIRBAN BANERJEE**, Chief People Officer

- Anirban's primary responsibility is to enhance the human capital quotient of IIFL Investment Managers.
- He has more than 12 years of experience in human resources across the wealth management and FMCG industry.
- Anirban received his post-graduation diploma from XLRI, Jamshedpur and is an alumnus of St. Stephen's College, Delhi.
- Anirban was part of ITC Limited for four years prior to joining IIFL Investment Managers. At ITC, he handled the labour force at their largest cigarette plant in Bengaluru, India; he also looked after the smooth functioning of the sales force in western India.

**ABHISHEK CHANDRA**, Chief Technology Officer

- Abhishek heads the Technology Team for IIFL Investment Managers.
- He has a total of 17 years of work experience of which 15 years have been with ABN Amro and RBS in various roles of technology and operations.
- He has completed his Masters in Finance Management from NMIMS and Bachelor's in Electronics Engineering from Mumbai University.
- Abhishek joined IIFL Investment Managers from Sanctum Wealth Management where he was Director - Technology & Transformation.
- He also led the complete business transition program from RBS to Sanctum in 2015-16 and engaged with regulators and stock exchange representatives.

**HEMANT AGRAWAL**, Head - Operations

- Hemant heads Operations at IIFL Investment Managers and is responsible for entire operations for all the group companies.
- Hemant is a Chartered Accountant and has over two decades of work experience in the areas of operations, customer service & risk management for financial services predominantly in mutual funds, portfolio management and Alternate Investment Funds.
- Hemant joined IIFL Investment Managers from ICICI Prudential Asset Management Co Ltd where he was Sr. Vice President - Head Operations & Customer Service for close to a decade.

**DEEPA NAAIR**, Chief Marketing and Digital Officer

- Deepali heads the Marketing and Digital Functions, and is responsible for communication, branding, marketing and digital initiatives along with other responsibilities.
- In a career spanning over two decades she has worked with organizations such as Tata Motors, BPL Mobile, Draft FCB Ulka, Marico, HSBC Global Asset Management, L&T Insurance and Club Mahindra. Apart from Brand and Digital Marketing, she has managed e-commerce portfolios too.
- She was conferred the Marketing Influencer of the Year Award for her outstanding contribution in the marketing domain at the mCube Awards - Masters of Modern Marketing 2017.
- In 2015 Deepali was awarded the 'Content Marketer of the Year' award. She has also received the 'Leading Woman in Insurance' award.





### **RONAK SHETH**, Chief Client Experience Officer

- Ronak spearheads the international and domestic events for clients and employees, and is responsible for all sponsorships and publications including thematic and coffee table books.
- He is in charge of all award-submissions for all verticals and subsidiaries of IIFL Investment Managers.
- He brings over 17 years of experience in a variety of leadership roles for various corporate entities
- Ronak holds an MBA in Marketing & Strategy from XLRI, Jamshedpur and acquired his Bachelor's Degree in Commerce from Calcutta University.



### **ASHUTOSH NAIK**, Head - Compliance

- Ashutosh heads the compliance function of IIFL Investment Managers and is responsible for handling the legal, secretarial and compliance function of major functions and entities in the group.
- Mr. Naik is an ACS from ICSI and has more than 18 years of experience in compliance & secretarial field across banking, asset management and wealth management business.
- Prior to joining IIFL Investment Managers, he worked with Principal PNB Asset Management as a Company Secretary, Kotak Mahindra Bank as Associate Vice President and IDBI Bank as Assistant Company Secretary.
- He is a visiting faculty member at ICSI and Government Law College.



### **RAGHUVIR MUKHERJI**, Chief Risk Officer

- Raghuvir joined IIFL Investment Managers as the Chief Risk Officer and is responsible for the Risk Management function for the group companies, both domestic and International.
- Raghuvir brings with him 17 years of experience in roles spanning across Product Management, Operations, Domain Consulting and Risk Management.
- He is a Chartered Accountant and an alumnus of St Xavier's College, Kolkata.
- Raghuvir joined IIFL Investment Managers from Reliance Nippon Life Asset Management, where he was Chief Risk Officer, responsible for identifying, monitoring and mitigating risks across its Mutual Fund, AIF, PMS and Pension Funds businesses.

## SHINING LIKE THE SUN

### THE TOP 5 BANKERS OF IIFL INVESTMENT MANAGERS

YOU HAVE TO PERFORM AT A  
CONSISTENTLY HIGHER LEVEL THAN  
OTHERS. THAT'S THE MARK OF A  
TRUE PROFESSIONAL. – JOE PATERNO



**PRAVIN SOMANI**



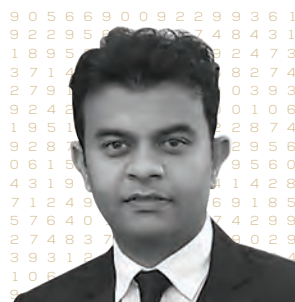
**VAIBHAV PORWAL**



**KUBER BHALLA**



**VIJEETA SHARMA**



**SIDHARTHA SHAW**



SPECIAL ADVISOR

PIERRE J.P. DE WECK

- Pierre de Weck is a Special Advisor and provides strategic inputs in IIFL Investment Managers. Based in Europe, he provides strategic counsel to General Atlantic’s capital partnering effort and financial services sector.
- From 2002 until 2012, Pierre was the Global Head of Private Wealth Management and Member of the Group Executive Committee of Deutsche Bank AG, London. Previously he spent nearly 20 years with UBS AG in a number of senior executive roles including CEO North America, CEO Europe, Member of the Group Executive Board, and CEO UBS Capital. Pierre began his career with Citibank in Zurich and later in New York.
- Pierre is currently a Director of Bank of America Corporation and Chairman of the Board of Parasol unit foundation for contemporary art.
- Pierre holds a Master of Science in Nuclear Engineering from the Swiss Federal Institute of Technology and graduated from the Massachusetts Institute of Technology with a Master of Science in Management.



# REBRANDING

Aristotle once said, “The whole is greater than the sum of its parts.”

In marketing terms, this means that IIFL Investment Managers as a brand can be much stronger than individual brands trying to make a mark on their own. And that’s what we’ve set out to achieve with our rebranding exercise.



## CONSOLIDATION AND UNITY

The first step on our way to creating a unified brand experience is to consolidate our various businesses. The client must never forget that whether they’re dealing with our Asset Management, Wealth Management or distribution teams, at the end of the day they are still a part of the same family that they have come to trust and appreciate. A unified brand also gives us the opportunity to be known as the ‘largest’ player in the market.

While brand consolidation is one of our priorities, it is important to ensure that each business unit still retains a distinct identity of its own in the minds of our clients. This gives every business enough room to differentiate itself, grow and still allows it to build on the credibility of the parent brand.

With this thinking, we have embarked on our journey towards building IIFL Investment Managers into a world-class brand that provides enduring value and ensures the loyalty of our clients.

# CORPORATE SOCIAL RESPONSIBILITY

As a responsible and thoughtful corporate citizen, IIFL Investment Managers undertakes social initiatives that empower and add to the social wealth of the society. We believe that the future of our country and the world, are the children. It is a must to invest in them, their upbringing and take up initiatives that will enhance and sharpen their overall mental and physical levels.

As part of this belief and with an eye on the future, one of the major initiatives taken up by IIFL Investment Managers, along with the Indian Chess School, is sponsorship and organizing of the IIFL Wealth Open and IIFL Wealth Juniors Tournament. This tournament is already on its way to being crowned the highest prize-money junior tournament in chess history.



We have also taken several other such initiatives under the guidance of IIFL Foundation, including:

- **ERADICATING ILLITERACY AMONG GIRLS**

The India Infoline Foundation started 260 Community schools for out-of-school and illiterate girls in South Rajasthan, in the tribal districts of Rajsamand and Udaipur.

- **IMPROVING QUALITY OF EDUCATION IN GOVERNMENT SCHOOLS**

IIFL adopted 7 schools in remote parts of Rajasthan in the districts of Udaipur, Jodhpur, Jobner, Kota and Bikaner.

- **VOCATIONAL TRAINING FOR TRIBAL YOUTHS**

Over 2000 tribal boys were trained in different vocational skills such as electrical maintenance, plumbing, two-wheeler and four-wheeler maintenance, retailing skills, etc.

- **FINANCIAL LITERACY PROGRAMS**

Under the Financial literacy Agenda for Mass Empowerment (FLAME) initiative, financial literacy programs were conducted for over 10000 women in remote corners of West Bengal.

# EVENTS

## OFF THE CUFF

Off The Cuff, or OTC, is a series of candid talk shows organised in collaboration with NDTV and was launched in January 2016 and held once a month. The event is hosted as an on-ground event anchored by eminent journalist, Shekhar Gupta. OTC has Shekhar Gupta in conversation with a distinguished guest in the presence of a notable, invited audience. After the initial dialogue between the guest and the moderator, OTC is open to the audience to question and engage with the guest. The idea is to break through the clutter and noise of existing debates on television and other platforms, and bring out an engaging, constructive discussion; while also keeping live audiences involved throughout. OTC is recorded and telecast on NDTV channels.



## PACT

The high profile PACT (Positive Action Changes Things) events were held in London & Dubai, and were attended by more than 250 clients collectively. Speakers such as Dr. Shashi Tharoor and leading fund managers from India addressed the audience, while stand-up comedian Vir Das tickled their funny bone.





## RAMNATH GOENKA LECTURE SERIES

Prime Minister Narendra Modi was the guest of honour at The Ramnath Goenka Excellence in Journalism Awards function, presented by IIFL Investment Managers held in New Delhi.

The Ramnath Goenka Lecture, in the spirit of the founder and the newspaper, aims to deepen understanding of change, inspire debate and enrich public discourse through the power of ideas. This lecture series was launched by Dr Raghuram Rajan, then Governor, Reserve Bank of India.



## EXPRESS ADDA

IIFL Investment Managers is associated with Express Adda, a series of freewheeling dialogues on contemporary issues with newsmakers in an informal setting. The events by the Indian Express Group were held in New Delhi and Mumbai.

## EXCLUSIVE EVENTS FOR ENTREPRENEURS

IIFL Investment Managers hosts events for EO (Entrepreneurs' Organization) and YPO (Young Presidents' Organization) members across different parts of the country. These events give the members an opportunity to interact with entrepreneurs, who can truly be dubbed this generation's "Masters of Wealth Creation." The platform gives the speakers an opportunity to share their real motivations and the gambles they took in their entrepreneurial journey. They are encouraged to share how they perceived the market gaps and set out to seize the opportunities. These closed-door meetings allow speakers to open up candidly about the challenges they encountered and how they overcame the same. The elite audience also gets to share their issues and receive valuable feedback.

## MEDIA

### KARAN BHAGAT: THE MAN WHO WILL KEEP YOU RICH

Source: Fortune India (February 2017)

**FORTUNE**  
INDIA



Karan Bhagat has good reason to smile. IIFL Wealth & Asset Management is valued at ₹5000 crore after global equity investment fund General Atlantic picked up a 21.6% stake. For a company which is less than a decade old, having ₹1 lakh crore worth of assets under management is a feat. Bhagat predicts that number will grow 30% year on year. Bhagat is happy to tap global networks and the General Atlantic investment is nothing short of an international endorsement.

### KARAN BHAGAT IN INDIA'S MOST PRESTIGIOUS 40 UNDER FORTY LIST OF THE ECONOMIC TIMES

Source: Economic Times (July 8, 2017)

**THE ECONOMIC TIMES**



Karan Bhagat has been chosen as one of India's hottest business leaders in the country's most prestigious 40 under Forty list of The Economic Times. The list is brought out in partnership with consulting firm Spencer Stuart, and recognizes those who have surpassed all metrics of success to become India Inc.'s leading young business leaders. Karan's aim for the next 10 years is to continue putting an honest effort, working on the challenge to become bigger, better, stronger and delivering the best.

### INDIA REMAINS A PREFERRED DESTINATION FOR FIIS: KARAN BHAGAT

Source: ET Now (May 25, 2017)

**ET NOW**



In a chat with ET Now, Karan Bhagat, Founder, MD & CEO, IIFL Investment Managers, says India remains a preferred destination for foreign institutional investors.



## ALL SET TO LEVERAGE A ROBUST INDIA STORY: AMIT SHAH

Source: Hubbis (April 30, 2017)



“This is a big positive for us and India as a country,” says Amit Shah, Co-Founder and Executive Director at IIFL Investment Managers. “We now won’t be dependent on an emerging market manager’s call; if an investor is bullish, we will see money flowing straight into India,” he explains. “We are in the business of understanding businesses and are aware of the intricacies of India much better than most of our peers.”

## YATIN SHAH'S UNION BUDGET 2017 EXPECTATIONS

Source: Dalal Street Investment Journal (January 9, 2017)



On the bright side, as more and more of the informal economy gets converted to the formal economy, GDP numbers are expected to only increase. Add to this reduced tax evasion and structurally the India macro story remains intact.

## WHERE THE RICH ARE INVESTING?: HIMANSHU BHAGAT

Source: Outlook Business (February 22, 2016)



We are bullish on equities as well. But, there is also a disconnect between the current market valuation vis-à-vis corporate earnings. Hence, any kind of a shock can trigger more volatility. I don't think there is any one thing that will change the outlook, unless there is a dramatic change in the crude price as we have been a big beneficiary of the same. Apart from that, I don't see any other event that can derail the momentum.

### THREE THEMES THAT YOU SHOULD PLAY THIS YEAR : UMANG PAPNEJA



Source: ET Now (Feb 13, 2017)



In a chat with ET Now, Umang Papneja, Managing Partner & Chief Investment Officer, IIFL Wealth & Asset Management, says IPOs, branded goods and infra stocks are going to do well this year.

### FOR RISK-AVERSE INVESTORS, DIVIDEND PAYING COMPANIES ARE THE BEST OPTION: PRASHASTA SETH



Source: Dalal Street Investment Journal (Jan 23, 2017)



Dividend income is a passive income earned by an investor over the long term. Thus, for a risk averse investor who intends to achieve capital appreciation along with fixed return on invested capital every year, steady dividend paying companies are the best option.  
- Prashasta Seth, CIO, Equity, IIFL Asset Management Company

### HIGH CONVICTION, HIGH RETURNS: PRASHASTA SETH

Source: Mutual Fund Insight (Jan 17, 2017)



Quick chat with Prashasta Seth, Fund Manager, IIFL Growth Fund

*What has resulted in the outperformance of your fund over the last one year?*

Our investment philosophy of taking concentrated bets in high-conviction sectors and companies has resulted in our fund outperforming last year. During the year, we were overweight on financials with specific focus on NBFCs and smaller regional banks. Our view was that these segments would see better earnings growth as compared to bigger banks. This strategy paid off well. Bajaj Finance, Bajaj Finserv, Muthoot Finance and Federal Bank were the major alpha creators in our portfolio during the year.

Source: Mint, Mumbai  
(19th May, 2017)



## IIFL AMC raises \$250 mn for IPO-focused fund

BY SWARAJ SINGH DHANJAL  
swaraj.d@livemint.com

MUMBAI

IIFL Asset Management Ltd has raised \$250 million (around Rs1,600-1,700 crore) for its latest IIFL Special Opportunities Fund, a senior executive of the firm said.

The fund will invest in initial public offerings, primarily through pre-IPO investments in private companies that are bound for an initial share sale, as well as investing in IPOs as an institutional investor, said Amit Shah, chief executive at IIFL Asset Management.

The first series of the fund (amounting to \$250 million) was raised in a span of two months. Following the strong demand, IIFL is planning to soon start raising another tranche of capital for the fund. The second series could see the firm raise another \$250-300 million, said Shah.

The IPO-focused fund comes at a time when the primary market is witnessing significant activity.

In 2016, 26 companies raised Rs26,493.8 crore through IPOs, according to data from primary market tracker Prime Database. In the previous year, 21 companies raised Rs13,614 crore through IPOs, the data showed.

Several of these companies have gone on to give extremely attractive returns to investors.

According to stock exchange data, small finance bank Ujjivan Financial Services Ltd has gained 62% from its issue price of Rs210 and housing finance lender PNB Housing Finance Ltd has gained 68% from its issue price, while private sector bank RBL Bank Ltd gained 145% from its issue price of Rs225 per share.

According to Shah, the asset management firm's decision to launch a focused fund was based on conviction on strong

liquidity flows into the Indian public markets and the quality and scale of the IPO pipeline.

"We expect consistent domestic capital flow of \$12-15 billion for next three-five years through mutual fund flows and HNIs (high-net-worth individuals) allocating slightly more to equity within their portfolios. We also expect to see roughly another \$8-10 billion of FII (foreign institutional investor) inflows, which means that markets could see consistent inflows of over \$20 billion," said Shah.

The strong flow of new paper in the IPO market is being driven by various sources such as government disinvestment, public sector banks seeking to exit non-core assets to raise capital and private equity funds looking to exit portfolio firms, he said.

The central government has set itself a disinvestment target of Rs72,500 crore this financial year. Earlier in May, *Mint* reported that estimates suggest the government could raise as much as Rs18,000 crore this fiscal through IPOs.

"We are not worried about the flow of paper, we believe we can easily manage around Rs5,000-6,000 crore of capital in this strategy," said Shah.

The firm has in the past dabbled with the strategy of pre-IPO investments through its IIFL Seed Ventures fund, which invested in IPO-bound RBL Bank and Ujjivan.

IIFL has already deployed close to 20% of the corpus raised, said Prashasta Seth, chief investment officer at IIFL Asset Management.

"Around 50-80% of the corpus will go into pre-IPO investments. The fund has a life of 42 months. While we do not have specific sector preferences, we will be avoiding cyclical businesses, as in pre-IPO investment you can have a holding period of 12-18 months," Seth said.

## Business Line

### M POWER MICRO FINANCE GETS ₹25.7 CR FROM INDIA NIVESH CAPITAL

Source: The Hindu Business Line (May 9, 2017)

#### M Power Micro gets ₹25.7-cr from IndiaNivesh Capital

OUR BUREAU

Mumbai, May 8

M Power Micro Finance, a Maharashtra-based non-banking finance company (NBFC), has raised ₹25.7 crore in a fresh round of funding from IndiaNivesh Capital (ICL). ICL will invest ₹8 crore immediately and the remaining over a 12-month period.

M Power will use the funds to augment capital and fuel expansion plans. In addition, IndiaNivesh will also acquire shares from some of the company's individual shareholders for about ₹7.7 crore. AU Financiers, which is transitioning into a Small Finance Bank (SFB), continues to stay invested in M Power.

The corporate advisory team at IIFL Investment Man-

agers (earlier IIFL Wealth & Asset Management) was the exclusive financial advisor to M Power for this transaction, the company said in a statement.

"Having started with modest capital in 2010 and now bracing the impact of demonetisation, we are now embarking on an expansion plan to grow our branches and loan book. The fund infusion in two phases will enable calibrated expansion and balance the return metrics," KM Vishwanathan, Founder and CEO at M Power, said.


M Power, which started operations with 11 branches in Gujarat, has expanded to cover Maharashtra and Rajasthan through a network of 27 branches.

M Power Micro Finance, a Maharashtra-based non-banking finance company (NBFC), has raised ₹25.7 crore in a fresh round of funding from (ICL). The company will invest ₹8 crore immediately and the remaining over a 12-month period.

These funds will be used to augment to the capital of the company and fuel its expansion plans. In addition, IndiaNivesh will also be acquiring shares from some of the company's individual shareholders totalling ₹7.7 crore.

AU Financiers which is transitioning to a Small Finance Bank (SFB) continues to stay invested in M Power. the corporate advisory team at IIFL Investment Managers (earlier IIFL Wealth & Asset Management) was the exclusive financial advisor to M Power for this transaction, the company said in a statement.

# AWARDS



You don't have to be great to start but you have to start to be great. We began our humble journey almost a decade ago and the countless accolades we received on the way keeps telling us that we are on the right path. They also tell us that it is time to put in that little extra every moment to create extraordinary, live extraordinary.

| YEAR | INSTITUTION  | AWARD   |
|------|--|---|
| 2017 | ASIA MONEY PRIVATE BANKER AWARDS   | ▶ Asian Private Banker Awards for Distinction 2017  |
|      | EUROMONEY PRIVATE BANKING AND WEALTH MANAGEMENT SURVEY, 2017             | ▶ Best Private Banking Services Overall<br>▶ Family Office Services<br>▶ India's Best Private Bank Award<br>▶ Innovative Technology - Back Office Systems<br>▶ Net-worth-specific services<br>▶ Research and Asset Allocation Advice<br>▶ Succession Planning Advice and Trusts |
|      | GLOBAL FINANCE BEST PRIVATE BANK AWARDS 2017                             | ▶ Best Private Bank , India   |
|      | THE ASSET TRIPLE A ASSET SERVICING                                       | ▶ Fund Management and Investors Awards 2017   |
|      | THE ASSET TRIPLE A DIGITAL AWARDS 2016                                   | ▶ Best Online Wealth Management Experience, India   |
| 2016 | ALTERNATIVE INVESTMENT AWARDS  | ▶ Best India Start-Up Fund: Seed Venture Fund<br>▶ Best Private Wealth Manager, India   |
|      | APAC INSIDER INVESTMENT AWARDS   | ▶ Best Wealth Management Firm, India  |
|      | ASIAN PRIVATE BANKER AWARDS OF DISTINCTION                               | ▶ Best Domestic Private Bank, India<br>▶ Best Wealth Manager - India Domestic   |
|      | CAPITAL FINANCE INTERNATIONAL AWARDS                                     | ▶ Best Independent Wealth Management Team, India  |
|      | EUROMONEY PRIVATE BANKING AND WEALTH MANAGEMENT SURVEY 2016              | ▶ Best Family Office Services, India<br>▶ Best Net-worth-specific Services, India<br>▶ Best Private Banking Services Overall, India<br>▶ Best Research and Asset Allocation Advice, India   |
|      | THE ASSET TRIPLE A BANKING, WEALTH MANAGEMENT AND INVESTMENT AWARDS 2016 | ▶ Best Private Bank , India   |
|      | THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS 2016                        | ▶ Best Online Wealth Management Experience  |
|      | UTI MF & CNBC-TV18 FINANCIAL ADVISOR AWARDS                              | ▶ Best Performing National Financial Advisor Wealth Distributor   |
| 2015 | ASIAMONEY PRIVATE BANKING POLL   | ▶ Best Domestic Private Bank in India >\$25 million<br>▶ Best Domestic Private Bank in India-Overall  |
|      | EUROMONEY PRIVATE BANKING AND WEALTH MANAGEMENT SURVEY                   | ▶ Best Private Bank for High Net Worth Clients<br>▶ Best Private Bank for Research and Asset Allocation   |
|      | INTERNATIONAL FINANCE MAGAZINE (IFM) AWARDS                              | ▶ Best Private Bank For Innovation In Technology, India<br>▶ Best Wealth Management Advisory Firm   |



| YEAR                  | INSTITUTION  | AWARD  |
|-----------------------|--|--|
| <b>2015</b><br>CONTD. | PRIVATE BANKER INTERNATIONAL (PBI) GLOBAL WEALTH AWARDS      | ▶ Outstanding Private Bank - South Asia (Highly Commended) |
|                       | THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS                 | ▶ Best Private Bank, India                                 |
| <b>2014</b>           | EUROMONEY INNOVATIONS IN WEALTH MANAGEMENT TECHNOLOGY AWARDS | ▶ Best Private Bank for Innovation in Technology in Asia   |
|                       | EUROMONEY PRIVATE BANKING & WEALTH MANAGEMENT SURVEY         | ▶ Best Private Banking Services Overall, India             |
|                       |  | ▶ Best Relationship Management                             |
|                       |  | ▶ Corporate Advisory for Private Banking Clients           |
|                       |  | ▶ Fixed Income Portfolio Management                        |
|                       |  | ▶ Hedge Fund Investment                                    |
|                       |  | ▶ Managed Futures  |
|                       |  | ▶ Range of Investment Products                             |
|                       |  | ▶ Real Estate Investment                                   |
|                       |  | ▶ Specialized Services - For Entrepreneurs                 |
|                       | THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS                 | ▶ Best Wealth Management Specialist - Asia                 |
| <b>2013</b>           | EUROMONEY PRIVATE BANKING & WEALTH MANAGEMENT SURVEY         | ▶ Best Wealth Manager, India                               |
|                       |  | ▶ Best Performing National Financial Wealth Distributor    |
|                       |  |  |
|                       | THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS                 | ▶ Best Commodities Investment in India                     |
|                       |  | ▶ Best Equity Portfolio Management in India                |
|                       |  | ▶ Best Real Estate Investment in India                     |
|                       | UTI MF & CNBC-TV18 FINANCIAL ADVISOR AWARDS                  | ▶ The Best Wealth Management House, India                  |
|                       |  | ▶ Fastest Growing Wealth Management Company in India       |
|                       | WEALTH BRIEFING ASIA AWARDS                                  | ▶ Best Wealth Management Company (>50 employees) , India   |
|                       |  | ▶ Highly Commended Private Bank, India                     |
| <b>2012</b>           | WEALTH FORUM ADVISORS AWARDS                                 | ▶ Distributor of the Year                                  |
|                       |  | ▶ Highest Asset Growth Champion                            |
|                       |  | ▶ Net Sales Champion - Fixed Income Investments            |
|                       | EUROMONEY PRIVATE BANKING & WEALTH MANAGEMENT SURVEY         | ▶ Best Commodities Investment in India                     |
|                       |  | ▶ Best Fixed Income Portfolio Management, India            |
| <b>2011</b>           | PRIVATE BANKER INTERNATIONAL                                 | ▶ Outstanding Private Bank - South Asia                    |
|                       | THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS                 | ▶ The Best Wealth Management House                         |
|                       |  |  |
| <b>2011</b>           | THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS                 | ▶ The Best Wealth Management House in India                |
|                       | WEALTH FORUM ADVISORS AWARDS                                 | ▶ Best National Distributors                               |
|                       |  | ▶ Best Net Sales Equity Funds                              |







# DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Tenth Annual Report of IIFL Wealth Management Limited ("the Company") together with the Audited Financial Statements for the year ended March 31, 2017.

## 1. FINANCIAL RESULTS - THE HIGHLIGHTS OF THE FINANCIAL RESULTS FOR THE YEAR UNDER REVIEW ARE AS UNDER:

### STANDALONE FINANCIAL RESULTS -

(₹ in million)

| PARTICULARS                               | 2016 - 2017   | 2015 - 2016     |
|---|---------------|-----------------|
| Gross Total Income                        | 4,524.71      | 4,046.95        |
| Less: Expenditure                         | 3,195.28      | 2,615.46        |
| Profit/(Loss) Before Taxation             | 1,329.43      | 1,431.49        |
| Less: Taxation - Current                  | 467.41        | 321.66          |
| - Deferred                                | 1.61          | 54.56           |
| - Short or Excess Provision of Income Tax | (3.97)        | 21.21           |
| <b>Net Profit/(Loss) After Tax</b>        | <b>864.38</b> | <b>1,034.06</b> |

### CONSOLIDATED FINANCIAL RESULTS -

(₹ in million)

| PARTICULARS                               | 2016 - 2017     | 2015 - 2016     |
|---|-----------------|-----------------|
| Gross Total Income                        | 10,828.59       | 5,908.73        |
| Less: Expenditure                         | 7,198.71        | 3,645.18        |
| Profit/(Loss) Before Taxation             | 3,629.88        | 2,263.55        |
| Less: Taxation - Current                  | 1,210.56        | 466.13          |
| - Deferred                                | (82.14)         | 82.47           |
| - MAT Credit Gains                        | (0.18)          | (2.02)          |
| - Short or Excess Provision of Income Tax | (3.05)          | 23.12           |
| <b>Net Profit/(Loss) After Tax</b>        | <b>2,504.69</b> | <b>1,693.85</b> |

## 2. REVIEW OF BUSINESS AND OPERATIONS:

During FY 2016-2017, the Company continued making good progress in all its business segments. The revenues grew by 26.47% to ₹ 746.31 crore, while Net Profit (after tax) increased by 47.8% to ₹ 250.46/- crore. Assets under advice, distribution and Management (AUA) grew by 51.23% YoY and the Company now manages around ₹ 1,20,101/- Crore in Client assets. The Company through its asset management subsidiary IIFL Asset Management Limited (IIFL AMC) manages over ₹ 8600 crore of AIF Assets, making it one of the largest AIF platforms in the country.

The NBFC subsidiary made great progress, with

average loan book of over ₹ 2,300/- crore, and closing loan book of over ₹ 3,600/- crore. The book is diverse with healthy flows from Loan Against Shares, IPO financing and to a very small extent margin funding and Loan Against Property.

Under IIFL Mutual Fund Platform of IIFL AMC, the assets under management have increased to ₹ 625 Crores.

## 3. MACROECONOMIC OVERVIEW:

### RBI Prudent, no cut in repo rate for 2017

The central bank wants to assess the transient effects of demonetisation before chalking out interest rate trajectory. Although note ban effects are gradually fading, there are early

signs of uptick in food inflation, and, with persistent price pressure evident in the services segment, RBI intends to manage inflation in a calibrated manner. The central bank remains committed to the medium term CPI target of a level closer to 4% on a sustainable basis. With headline inflation projected to scale higher later this fiscal year, we sense that Monetary Policy Committee will keep the policy rate on hold for next two quarters.

#### **Headline inflation in control, though upside risks prevail**

Although consumer inflation remains benign, recent softening in perishable commodities is transient and price pressure is expected to resurface. RBI sees upside risks to its inflation projections, including uncertainty regarding monsoon in light of a probable El Niño event, implementation of 7th CPC (Pay Commission), impact of GST and rising fiscal deficit in wake of loan waivers. The central bank is particularly concerned by the prospects of increase in house rent allowance as recommended by the 7th CPC, stating that it can push baseline inflation by an estimated 100-150bps over a period of 12-18 months. RBI sees inflation averaging 4.5% for the first half of FY18 and 5% for the rest of the year.

#### **Economic Growth – Steady recovery this fiscal year**

GVA growth for FY 2017-18 is projected to strengthen to 7.4% from 6.7% in the prior fiscal year. Recovery will be helped by re-monetisation induced pent-up discretionary consumer demand, monetary policy transmission into lower lending rates, Union Budget's emphasis on higher capital expenditure & rural demand, and, structural reforms like GST.

#### **EQUITY:**

- **Global backdrop congenial for Indian equities**

Even as Indian equities cross the 9000 Nifty level, we continue to remain overweight given the convergence of many a favourable factor – both global and local. For one, the FPI flows into India have been circuitously helped by a conducive US environment after quite some

time. The rising business confidence in US has spurred hopes of a credible earnings recovery as also upped consumer confidence against the backdrop of a falling unemployment rate. The recent tone of US Fed statements, and its commitment to not merely rate hikes, but a faster pace of rate hikes is also reflective of the central bank's faith in an improving US economy. Notwithstanding any near-to-medium term correction possibility induced by the rate hikes as and when enforced, the outlook for the rest of the year looks bright. It's clear and evident that US equities are likely to get a boost on the back of a discernible recovery hope; the earnings yield is more attractive than treasury yields. This augurs well for a reasonably sustainable equities' rally in India.

- **Abundant domestic liquidity**

Back home, domestic liquidity seems to be on a roll with money pouring into equities even as the charm of other asset classes is losing shine and bank deposits are far from attractive. Even those who traditionally steered clear of equities are facing the typical predicament of 'There Is No Alternative'. The sizeable chunk that's coming in through the SIP route, not being hot money, won't reverse in a hurry even if sentiments were to take a temporary hit. More importantly, the domestic liquidity is now pouring more into midcaps thereby making the rally more broad-based than even before.

- **Earnings recovery seems imminent**

Coming to another decisive factor of earnings recovery (or descent), there's enough reason to hope for, nay expect the best. Given the expanding P/E multiples, only an earnings recovery can take markets substantially higher. Having eluded us for many years in a

row, an earnings recovery looks imminent now, given the low base of several years, a new beginning in the form of growth-led GST regime, improved consumption on the back of re-monetisation, the business boost from rising commodity prices (notwithstanding the impact on margins), a positive WPI (which is now above CPI) and a possible export pick up led by an impending global recovery. Operating leverage may kick in on the slightest of recoveries and aid margins.

- **Wave of reforms on the anvil**

Most important, India's business confidence is at its peak, enormously helped by the thumping state election triumph of the ruling party, which is akin to a people's verdict in favour of seemingly tough decisions like the demonetisation drive. With public support on its side, the government would now be enthused to usher in a resurgent wave of reforms and pragmatic initiatives, including more FDI investment through the automatic route, fund raising through a mine auction and disinvestment spree. From the FPI perspective, India is clearly the best proposition among emerging markets.

#### **FIXED INCOME:**

- **Higher yield curve amid prospects of more rate hikes in US**

We continue to remain cautious. Ever since the MPC kept interest rates on hold in its sixth bi-monthly monetary policy review in Feb meeting and changed its stance on monetary policy from accommodative to neutral, the domestic bond yield is on a northbound journey. The continuous flow of positive US macro data along with indications of two more rate hikes by Federal Reserve has weighed on market sentiment. Yield on the 10-year benchmark bond (6.97% GS 2026) surged about 70 bps to ~6.90% against the low of ~6.20% attained in the quarter, and the entire Yield-curve surged higher. Yield on corporate bonds also moved higher mirroring the trend prevailing in the sovereign curve. Liquidity continues to remain in surplus mode, providing

some support to the front-end of the curve.

- **Defensive outlook, with positioning only at the front-end of the curve**

Going ahead, bond yields will continue to be dictated by inflation trajectory, particularly core inflation. Earlier, MPC projected that inflation may increase in the second half of the current fiscal and RBI governor too expressed concerns regarding high core inflation.

Furthermore, with issuance of SDLs and UDAY Bonds remaining high, and with resumption of new calendar supply, bond yields are expected to trade range-bound with an upward bias in the near term. We recommend positioning only at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile, and, risk-return is not in favour for long duration positioning. Global environment will also dictate terms with market positioning.

#### **FUTURE OUTLOOK OF THE BUSINESS:**

Indian and Global economic conditions continue to be supportive. Corporate earnings are slowly inching up, and government policy is becoming more transparent, with ease of doing business gaining focus. All these macro factors make the outlook for next few years conducive for robust growth for IIFLW. Penetrating existing markets with new client acquisition, as well as creating presence in under-represented markets in India will continue to be the domestic wealth policy. Creation of a focused NRI offering will help tap the global markets for wealth. Innovation in product offering, estate planning and trust advisory continue being the pillars for gaining and retaining client assets.

With an average loan book of over ₹ 2,200/- Crore and a closing book of over ₹ 3,600/- Crore, the NBFC subsidiary has seen a very rapid growth, and we expect the same momentum over the next few years. The

Company's Depository Participant and Broking business will enable margin funding a robust offering in the near future.

The AMC subsidiary garnered large sums via the niche focus area of AIF's. Hiring of a domestic sales team, realignment of the offshore AMC sales teams, and beefing up of the fund management and operations teams has given a new impetus to the AMC business. Systems are being evaluated to replace legacy manual and inefficient systems to enhance ease of doing business as well as the client experience. The investment in people and infrastructure should lead to a robust business growth in the AMC revenues and contribution to firm consolidated revenues.

#### **4. DIVIDEND:**

During the period under review, your Company has declared an interim dividend of ₹3 each on October 25, 2016 and on January 24, 2017, per equity share with face value ₹2, involving a total outlay of ₹ 534,089,404/-(including dividend distribution tax). Your Directors recommend that said interim dividend be considered as final dividend on Equity shares of the Company.

#### **5. SHARE CAPITAL:**

As on March 31, 2017, the Authorised Capital of the Company stood at ₹ 170,000,000 divided into 85,000,000 shares of ₹ 2/- each and the paid up share capital of the Company has increased from ₹ 147,917,316/- to ₹ 155,927,528/- during the year under review, pursuant to allotment of 4,005,106 shares to employees under ESOP Schemes.

#### **6. TRANSFER TO RESERVES:**

During the FY 2016-2017, the Company has transferred an amount of ₹ 17.64 million (P.Y. ₹ 38.90 million) to Debenture Redemption Reserve.

#### **7. DEPOSITS:**

During the period under review, your Company has not accepted / renewed any deposit within the meaning of Section 73 of the Companies Act, 2013 read with applicable rules thereto.

#### **8. DETAILS OF SUBSIDIARIES:**

During the period under review, your Company has sold its majority equity stake in India

Alternatives Advisors Private Limited and accordingly it has ceased to be a subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report, have been prepared and are available on the website of the Company. You may refer to the Annexure to the consolidated financial statements of the Company, which contains the statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1.

### **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

#### **A. DIRECTORS:**

The Board consists of Mr. Karan Bhagat, Mr. Yatin Shah being Executive Directors of the Company: Mr. Nilesh Vikamsey and Ms. Geeta Mathur being Independent Directors of the Company: Mr. Nirmal Jain, Mr. R. Venkataraman and Mr. Amit Shah being Non-Executive Directors of the Company: and Mr. Sandeep Naik and Mr. Shantanu Rastogi being Nominee Directors (nominated by General Atlantic Singapore Fund Pte Ltd) of the Company.

Mr. Nilesh Vikamsey and Ms. Geeta Mathur have submitted their declaration under section 149(6) of Companies Act, 2013 and are Independent Directors of the Board.

Mr. Karan Bhagat and Mr. Yatin Shah are liable to retire by rotation and being eligible, offer themselves for re-appointment.

#### **i. Meetings of the Board of Directors -**

The Board met eight times during the period under review to discuss, and, approve various matters including financials, appointment of auditor, declaration of interim dividend, review of audit reports, and, other board businesses.

#### **ii. Committees of the Board -**

In accordance with the Companies Act, 2013, the Board has constituted following

Committees as per the applicable provision of Companies Act, 2013:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Corporate Social Responsibility Committee

**(a) Audit Committee:**

The Audit Committee comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur and Mr. Shantanu Rastogi. Ms. Geeta Mathur is the Chairman of the Committee. The role, terms of reference and powers of the Audit Committee are in conformity with the requirements of the Companies Act 2013 & internal policies. The Committee met seven times during the year under review and discussed on financials, audit issues and appointment of auditors. During the period under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company. The terms of reference of audit committee, inter alia, includes;

- a. approval of quarterly and annual financials, and, recommend the same to the Board;
- b. review and approval of related party transactions;
- c. review and comment on observation(s) of Internal Auditors and Statutory Auditors;
- d. approve appointment and remuneration of internal and statutory auditors; and
- e. any other requirements as per the Companies Act, 2013.

**(b) Nomination And Remuneration Committee:**

The Nomination and Remuneration Committee comprises of Mr. Nilesh

Vikamsey, Ms. Geeta Mathur, Mr. Nirmal Jain and Mr. Sandeep Naik. As per the provisions of Section 178 of the Companies Act, 2013, the Committee had formulated a nomination and remuneration policy, and the said policy is available for inspection. The same is annexed as an Annexure I to this Report.

**(c) Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee ("CSR Committee") comprises of Mr. Nilesh Vikamsey, Independent Director, Mr. Nirmal Jain, Non-Executive Director, Mr. Karan Bhagat, Executive Director and Mr. Sandeep Naik, Non-Executive Director. The CSR Committee has approved CSR Policy of the Company. IIFL group has set-up India Infoline Foundation (referred as "IIFL Foundation") a Section 8 Company under the Companies Act, 2013, which will act as the principal arm to undertake CSR initiatives on behalf of the IIFL Group.

- iii. Separate meeting of Independent Directors:

In compliance with provisions of Companies Act, 2013, a separate meeting of Independent Directors was held on March 17, 2017 inter alia, to discuss the following:

- (a) to review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon conclusion of the meeting, the Independent Directors expressed their satisfaction over the performance of the other Directors and Board as a whole. They also expressed their satisfaction over the quality, quantity and flow of

information between the Company management and the Board/ Committees of the Board from time to time.

The details of attendance of the Directors at Board Meetings, Audit Committee Meetings, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and the previous Annual General Meeting of the Company are, given below:

| NAME OF DIRECTOR     | BOARD MEETINGS<br>(HELD ON APRIL 6,<br>2016, MAY 5, 2016,<br>JULY 27, 2016,<br>OCTOBER 25, 2016,<br>NOVEMBER 08, 2016,<br>JANUARY 24, 2017,<br>MARCH 06, 2017 &<br>MARCH 29, 2017) |          | AUDIT COMMITTEE<br>MEETINGS (HELD ON<br>MAY 5, 2016, JULY 27,<br>2016, OCTOBER 25,<br>2016, NOVEMBER 08,<br>2016, JANUARY 24,<br>2017, MARCH 06, 2017<br>& MARCH 29, 2017) |              | CSR<br>COMMITTEE<br>MEETING (HELD<br>ON JANUARY<br>25, 2017) |              | NOMINATION AND<br>REMUNERATION<br>COMMITTEE<br>MEETING (HELD<br>ON MAY 5, 2016,<br>NOVEMBER 8, 2016<br>& JANUARY 24, 2017) |              | WHETHER<br>PRESENT AT<br>PREVIOUS<br>AGM HELD<br>ON JULY 27,<br>2016 |
|----------------------|--|----------|--|--------------|--|--------------|--|--------------|--|
|                      | Held   | Attended | Held   | Attended     | Held   | Attended     | Held   | Attended     | Attended   |
| Mr. Nirmal Jain      | 8  | 8        | -  | Not a member | 1  | 1            | 3  | 3            | No   |
| Mr. R Venkataraman   | 8  | 8        | -  | Not a member | -  | Not a member | -  | Not a member | Yes  |
| Mr. Nilesh Vikamsey  | 8  | 5        | 7  | 4            | 1  | 1            | 3  | 2            | Yes  |
| Ms. Geeta Mathur     | 8  | 8        | 7  | 7            | -  | Not a member | 3  | 3            | Yes  |
| Mr. Karan Bhagat     | 8  | 8        | -  | Not a member | 1  | 1            | -  | Not a member | Yes  |
| Mr. Yatin Shah       | 8  | 7        | -  | Not a member | -  | Not a member | -  | Not a member | Yes  |
| Mr. Amit Shah        | 8  | 5        | -  | Not a member | -  | Not a member | -  | Not a member | No   |
| Mr. Sandeep Naik     | 8  | 5        | -  | Not a member | 1  | 1            | 3  | 2            | No   |
| Mr. Shantanu Rastogi | 8  | 7        | 7  | 6            | -  | Not a member | -  | Not a member | Yes  |

#### iv. Annual Evaluation of the Board -

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the

evaluation of the working of its Committees.

#### v. Declaration by Independent Directors -

The Company has received necessary declaration from each

independent director under section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independent laid down in section 149(6) of the Companies Act, 2013.

## B. KEY MANAGERIAL PERSONNEL:

Mr. Karan Bhagat is the Managing Director, Mr. Yatin Shah is the Whole Time Director, Mr. Mihir Nanavati is the Chief Financial Officer and Mr. Ashutosh Naik is the Company Secretary of the Company.

## 10. CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the financial year, your Company deployed 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding three years on CSR projects, refer point no. 4 of the Annual Report on CSR activities annexed with this report.

All CSR efforts have been directed towards identifying and undertaking projects that hold the potential to create long-term social impact, to empower marginalized communities, and, enhance their quality of life. In alignment with this objective, in FY16-17, the Company undertook a

number of projects in the core areas of encouraging entrepreneurship, tribal development, women empowerment, and, healthcare and education.

To ensure that CSR projects undertaken are implemented and monitored in a systematic manner during the year, efforts were focused on establishing systems and processes for the same. Going forward, your Company seeks to broaden the scope of CSR projects and employ more funds towards a larger number of projects.

The Annual Report on CSR activities by the Company is annexed as Annexure – II.

## 11. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the financial year 2016 - 17 is available for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the said information may write to the Company Secretary at the registered office of your Company.

## 12. EMPLOYEE STOCK OPTION / PURCHASE SCHEME:

During the financial year, the Company under its IIFL Wealth Employee Stock Option Schemes has allotted 4,005,106 equity shares. The details of options granted, vested, exercised, etc. are as follows:

| PARTICULARS |  |
|-------------|--|
| A           | Options granted during the year                              |
| B           | Exercise Price (per share)                                   |
| C           | Options Vested during the year                               |
| D           | Options Exercised during the year                            |
| E           | Total no. of shares arising as result of exercise of Options |
| F           | Options lapsed   |
| G           | Variation in terms of Options                                |
| H           | Money realised by exercise of Options (In ₹)                 |
| I           | Total number of options in force                             |
| J           | Employee wise details of options granted to:                 |
|             | - Key Managerial Personnel                                   |



|  |                    |         |
|--|--------------------|---------|
| - any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year   | Name               | Options |
|  | Shajikumar Devakar | 200,000 |
|  | Himanshu Jain      | 125,000 |
|  | Somnath Mukherjee  | 50,000  |
|  | Umesh Agrawal      | 50,000  |
| - identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant | Name               | Options |
|  | -                  | -       |
|  | -                  | -       |
|  | -                  | -       |

The Board of Directors and Shareholders of the Company have approved grant of employee stock option(s) under IIFL Wealth Employee Stock Option Scheme – 2015. On November 10, 2016, the Company granted 900,000 option(s) to its employees at a grant price of ₹ 339/- per share.

### 13. RISK MANAGEMENT POLICY AND INTERNAL CONTROL ADEQUACY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company has in place adequate internal controls with reference to financial statements and operations, and the same are operating effectively. The Internal Auditors tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the Design and Implementation (D&I) of controls, and testing of operating effectiveness of controls for material class of transactions, account balances and disclosures, and have confirmed that they do not have any significant or material observations in relation of deficiencies in design and controls.

### 14. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure - III.

### 15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which

would impact the going concern status and the Company's future operations.

### 16. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### 17. AUDITORS:

At the Annual General Meeting held on July 27, 2015, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2020. In terms of the provision of Section 139 of the Companies Act, 2013, the appointment of the said auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company, will be placed for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

### 18. FEMA COMPLIANCE:

With reference to RBI Master circular no 15/2015-16 dated July 01, 2015 relating to Foreign Investment, the Company has obtained a certificate from the Statutory



Auditors, confirming its compliances with the regulations, with regards to downstream investment and other FEMA provisions.

#### 19. COMMENTS ON AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

#### 20. SECRETARIAL AUDIT:

During the year under review, the Secretarial Audit was conducted by M/s. Mehta & Mehta, Practicing Company Secretaries. The report of the Secretarial Audit is annexed herewith as Annexure - IV. There are no qualifications, reservations or observations in the Secretarial Audit report.

#### 21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The details of loans, guarantees or investments made are provided in the standalone financial statement (Please refer Note No. 13 & 16)

#### 22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered during the financial year were in ordinary course of the business of the Company and were at arm's length. No contract/ arrangement have been entered by the Company with its promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. The transactions with related party are disclosed by way of notes to accounts vide note no. 35 in the standalone financial results of the Company for the financial year ended March 31, 2017.

#### 23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on energy conservation, technology absorption, and, foreign exchange

earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended below:

##### **Conservation of energy:**

The Company is engaged in providing financial services and as such its operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of capacitors to save power,
- Installed Thin Film Transistor (TFT) monitors that save power,
- Light Emitting Diode (LED) lights,
- Automatic power shutdown of idle monitors,
- Creating environmental awareness by way of distributing the information in electronic form,
- Minimizing air-conditioning usage,
- Shutting off all the lights when not in use, and
- Education and awareness programs for employees.

The management frequently puts circulars on corporate intranet, IWIN for the employees educating them on ways and means to conserve electricity and other natural resources, and, ensures strict compliance of the same.

##### **Technology absorption and innovation:**

The management understands the importance of technology in the business segments it operates and lays utmost emphasis on system development and use of best technology available in the industry. The management keeps itself abreast of technological advancements in the industry, and, ensures continued and sustained efforts towards absorption of technology, adaptation as well as development of the same to meet the business needs and objectives.

The management invested considerable resources in deploying the latest technologies

in the areas of wide area networking using MPLS, video communications, VoIP, automated dialers and other customer relationship management (CRM) tools and software. The Company also made significant strides in using cloud technology for customer-facing servers providing rapid and inexpensive ramp-up or ramp down of capacity in line with business requirements.

The management is aware of increasing threats in the Information Security domain and has taken several steps to ensure that the Company is safeguarded against hacking attacks, data leakage and security breaches. IT and certain business processes have been recertified for ISO 27001 systems for practicing industry standard security implementations and processes. The management has invested resources in implementing controls and continuously monitoring violations, if any.

**Foreign exchange earnings / outgo :**

- a) The Foreign exchange earnings: NIL (P.Y. ₹ 178.48 million)
- b) The Foreign exchange expenditure: ₹ 23.97 million (P.Y. ₹ 13.96 million)

**Research and Development (R & D):** The Company is engaged in distribution of various financial products and advising clients on wealth management through mutual fund and alternative investment fund platform, which entails internal research of investment products, sectors and markets.

**24. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013:**

Your Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect, and, afforded equitable treatment. Your Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity. Your Company will not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its women employees are not subjected to any form of harassment.

Your Directors further state that during the year under review your Company has formulated and

adopted a 'Policy for Prevention / Prohibition / Redressal of Sexual Harassment of Women at the Workplace', and that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**25. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently, and, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company, and, for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**26. ACKNOWLEDGEMENTS:**

Your Directors record their sincere appreciation of the dedication and commitment of its employees in achieving and sustaining excellence in all areas of its operations. Your Directors thank the shareholders, customers, vendors, bankers, regulators, stock exchanges, other statutory

bodies and other stakeholders for their continued support to the Company.

## 27. ANNEXURE(S) FORMING PART OF THIS REPORT OF DIRECTORS:

The Annexure(s) referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

- Nomination and Remuneration Policy of the Company as Annexure I.
- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17 – Annexure - II.

- Form No. MGT-9 – Extract of Annual Return as on the financial year ended March 31, 2017 – Annexure – III.
- Secretarial Audit Report for the financial year ended March 31, 2017 – Annexure – IV.

For and on behalf of the Board of Directors

**Karan Bhagat**

Managing Director

DIN: 03247753

Date: May 03, 2017

Place: Mumbai

**Yatin Shah**

Executive Director

DIN: 03231090

# ANNEXURES TO THE DIRECTORS' REPORT

## ANNEXURE I

### NOMINATION AND REMUNERATION POLICY

#### I. OBJECTIVE:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been approved by the Nomination and Remuneration Committee (the Committee) and Board of Directors.

#### II. DEFINITIONS:

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
  2. "Board" means Board of Directors of the Company.
  3. "Key Managerial Personnel" (KMP) means:
    - Managing Director, or Chief Executive Officer or Manager
    - Whole-time Director;
    - Chief Financial Officer;
    - Company Secretary; and such other officer as may be prescribed.
  4. "Research Analysts" shall have the same meaning as defined under the SEBI (Research Analysts) Regulation, 2014 as amended from time to time.
  5. "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 / Listing agreement (wherever applicable) as may be amended from time to time shall have the meaning respectively assigned to them there in.

#### III. ROLE OF COMMITTEE:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

- To recommend to the Board on policy on Remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.

#### IV. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

##### 1. Appointment Criteria and Qualifications:

- a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
- b) Independent Director:
  - (i) Qualifications of Independent Director:  
An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
  - (ii) Positive attributes of Independent Directors:  
An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and

constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

## 2. **Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## 3. **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

# V. **REMUNERATION:**

## A. **Directors:**

- a. Executive Directors (Managing Director, Manager or Whole Time Director):
  - (i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
  - (ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.

(iii) The remuneration of the Manager/ CEO/ Managing Director/ Whole Time Director is broadly divided into fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:

- the relationship of remuneration and performance benchmark;
- balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- responsibility required to be shouldered, the industry benchmarks and the current trends;
- the Company's performance vis-à-vis the annual budget achievement and individual performance.

## b. **Non-Executive Director:**

- (i) The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- (ii) A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.

- (iii) The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- (iv) In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- (v) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- (vi) The commission shall be payable on prorate basis to those Directors who occupy office for part of the year.

**B. KMP & Senior Managerial Personnel:**

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

- a. maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- b. compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- c. Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance vis-a-vis overall performance of the Company;
- d. Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

**C. Research Analysts:**

- (i) The compensation of all individuals employed as Research Analyst shall be reviewed, documented and approved at least annually by the Committee

- (ii) While approving the compensation of the Research Analysts, the Committee shall not consider:
  - a. Any specific merchant banking or investment banking or brokerage services transaction which might have happened because of the services of the Research Analyst; and
  - b. Any contribution made by the Research Analyst to the Company's investment banking or merchant banking or brokerage services business other than that of preparing and / or providing research reports.

**VI. EVALUATION:**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

**VII. OTHER DETAILS:**

**Membership**

The Committee shall consist of minimum 3 non-executive directors, majority of them being independent. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company shall not be a Chairman of the Committee. The term of the Committee shall be continued unless terminated by the Board of Directors.

**Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee. In absence of Company Secretary, the Committee may designate any other officials or any of the members of the Committee who shall act as Secretary of the Committee.

## ANNEXURE II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies  
(Corporate Social Responsibility) Rules, 2014]

|  |  |
|--|--|
| 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | IIFL Wealth Management Limited ("the Company") has carried out CSR activities through IIFL Foundation, and, contributed to CSR Projects, as referred below. The CSR Policy has been uploaded on website under link <a href="http://www.indiaonline.com/aboutus/iifl-csr-policy">http://www.indiaonline.com/aboutus/iifl-csr-policy</a> |
| 2. The Composition of the CSR Committee  | CSR Committee of the Company comprises of:<br>(i) Mr. Nilesh Vikamsey, (ii) Mr. Nirmal Jain, (iii) Mr. Karan Bhagat, and (iv) Mr. Sandeep Naik   |
| 3. Average net profit of the Company for last three financial years  | INR 1,175,427,026/-  |
| 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)  | INR 23,508,541/-   |
| 5. Details of CSR spent during the financial year  |  |
| a) Total amount to be spent for the financial year;  | INR 23,508,541/-   |
| b) Amount Spent; and   | INR 24,012,000/-   |
| c) Amount unspent, if any.   | NIL  |

Manner in which the amount spent during the financial year is detailed below:

| SR. NO | PROJECTS/ ACTIVITIES                                    | SECTOR                                       | LOCATIONS           | AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE (RS.) | AMOUNT SPENT ON THE OR PROGRAMS (RS.) | CUMULATIVE EXPENDITURE UPTO (RS.) | AMOUNT SPENT : DIRECT OR THROUGH REPORTING PERIOD IMPLEMENTING AGENCY (RS.) |
|--------|---|--|---------------------|--|---------------------------------------|-----------------------------------|---|
| 1      | Supporting Infrastructure support for quality education | Education                                    | Sonepath, Haryana   | 2,500,000  | Direct 2,500,000/-                    | 2,500,000/-                       | 2,500,000/- Through International Foundation for Research & Education       |
| 2      | Supporting Educational Activities                       | Education                                    | Mumbai, Maharashtra | 2,400,000/-  | Direct 2,400,000/-                    | 2,400,000/-                       | 2,400,000/- Through Maniben Mehta Smarak Nidhi.                             |
| 3      | Supporting Education through cultural development       | Supporting India's Art, Culture and Heritage | Mumbai, Maharashtra | 900,000/-  | Direct 900,000/-                      | 900,000/-                         | 900,000/- Through G5A Foundation for contemporary culture                   |
| 4      | Supporting Education to the underprivileged             | Education                                    | Punjab              | 5,000,000/-  | Direct 5,000,000/-                    | 5,000,000/-                       | 5,000,000/- Through Gurunank Ginni India Educational Trust                  |
| 5      | Supporting Education for the underprivileged            | Education                                    | Mumbai, Maharashtra | 750,000/-  | Direct 750,000/-                      | 750,000/-                         | 750,000/- Through Yasham Foundation   |
| 6      | Supporting Education for the underprivileged            | Education                                    | Tamil Nadu          | 200,000/-  | Direct 200,000/-                      | 200,000/-                         | 200,000/- Through Isha Foundation   |

| SR. NO | PROJECTS/ ACTIVITIES                     | SECTOR  | LOCATIONS            | AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE (RS.) | AMOUNT SPENT ON THE OR PROGRAMS (RS.) | CUMULATIVE EXPENDITURE UPTO (RS.) | AMOUNT SPENT : DIRECT OR THROUGH REPORTING PERIOD IMPLEMENTING AGENCY (RS.) |
|--------|--|---|----------------------|--|---------------------------------------|-----------------------------------|---|
| 7      | Supporting Education through technology  | Education   | Delhi                | 5,000,000/-  | Direct 5,000,000/-                    | 5,000,000/-                       | 5,000,000/- Through Sampark Foundation                                      |
| 8      | Supporting Tribal Education Initiatives  | Education   | Kolkata, West Bengal | 500,000/-  | Direct 500,000/-                      | 500,000/-                         | 500,000/- Through Indiainfoline Foundation                                  |
| 9      | Supporting Education for street children | Education   | Delhi                | 62,000/-   | Direct 62,000/-                       | 62,000/-                          | 62,000/- Through Indiainfoline Foundation                                   |
| 10     | Sports Development                       | Training to promote nationally recognized sports. | Pan India            | 6,700,000/-  | Direct 6,700,000/-                    | 6,700,000/-                       | 6,700,000/- Through Indiainfoline Foundation                                |

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

During the financial year 2016-17, the Company successfully deployed 2 % of its average net profits of the preceding three years on CSR projects.

In line with the Company's CSR strategy, the Company has focused its efforts on identifying and undertaking CSR projects that support the overarching mission of contributing proactively towards Nation building. Women Empowerment, Education and Health continue to be one of the key focus areas.

**Responsibility Statement** - Through this report, the Company seeks to communicate to the Ministry of Corporate Affairs, Government of India, its commitment towards CSR. The implementation and monitoring of the Company's CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All projects reported have been selected based on careful evaluation of the extent to which they create sustainable positive outcome for marginalized segments of society. The Company has adopted measures to ensure that these projects are implemented in an effective and efficient manner so that they are able to deliver maximum potential impact. In line with the requirements of the Section 135 of the Companies Act, 2013, the Company has also established a monitoring mechanism to track the progress of its CSR projects.

|                    |   |                    |
|--------------------|---|--------------------|
|                    | <b>Karan Bhagat</b>                         | <b>Yatin Shah</b>  |
| Date: May 03, 2017 | Chairman, CSR Committee & Managing Director | Executive Director |
| Place: Mumbai      | DIN: 03247753                               | DIN: 03231090      |



## ANNEXURE III

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

|  |  |
|--|--|
| i) CIN   | U74140MH2008PLC177884  |
| ii) Registration Date  | January 17, 2008   |
| iii) Name of the Company   | IIFL Wealth Management Limited   |
| iv) Category / Sub-Category of the Company                                     | Public Company, Limited by shares  |
| v) Address of the Registered office and contact details                        | IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane-400604<br>Tel No.: +91-22-42499000   Fax No.: +91-22-25806654  |
| vi) Whether listed Company   | No   |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime Private Limited<br>Address : C-101, 247 Park,<br>LBS Marg, Vikhroli (West) - 400083<br>Tel: +91 22 4918 6000   Fax: +91 22 49186060<br>E-mail : mumbai@linkintime.co.in<br>Website: www.linkintime.co.in |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company are given below:-

| NAME AND DESCRIPTION OF MAIN PRODUCTS/ SERVICES | NIC CODE OF THE PRODUCT/ SERVICE * | % TO TOTAL TURNOVER OF THE COMPANY |
|---|------------------------------------|------------------------------------|
| Distribution Fees                               | 6,619                              | 85.17%                             |

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| SR. NO. | NAME AND ADDRESS OF THE COMPANY                      | CIN/GLN               | HOLDING/SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|--|-----------------------|-------------------------------|------------------|--------------------|
| 1.      | IIFL Holdings Limited                                | L74999MH1995PLC093797 | Holding Company               | 57.72            | 2(46)              |
| 2.      | IIFL Asset Management Limited                        | U74900MH2010PLC201113 | Subsidiary Company            | 100              | 2(87)              |
| 3.      | IIFL Trustee Limited                                 | U74990MH2009PLC193063 | Subsidiary Company            | 100              | 2(87)              |
| 4.      | IIFL Investment Adviser and Trustee Services Limited | U74990MH2010PLC211334 | Subsidiary Company            | 100              | 2(87)              |
| 5.      | IIFL Distribution Services Limited                   | U45201MH1995PLC228043 | Subsidiary Company            | 100              | 2(87)              |

| Sr. No. | NAME AND ADDRESS OF THE COMPANY                         | CIN/GLN               | HOLDING/SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|---|-----------------------|-------------------------------|------------------|--------------------|
| 6.      | IIFL Alternate Asset Advisors Limited                   | U74120MH2011PLC219930 | Subsidiary Company            | 100              | 2(87)              |
| 7.      | IIFL Wealth Finance Limited                             | U65990MH1994PLC080646 | Subsidiary Company            | 100              | 2(87)              |
| 8       | India Alternatives Investment Advisors Private Limited* | U74140MH2010PTC198879 | Subsidiary Company            | 100              | 2(87)              |
| 9       | IIFL Private Wealth Management (Dubai) Limited          | Not Applicable        | Subsidiary Company            | 100              | 2(87)              |
| 10      | IIFL Inc  | Not Applicable        | Subsidiary Company            | 100              | 2(87)              |
| 11      | IIFL Private Wealth Hong Kong Ltd                       | Not Applicable        | Subsidiary Company            | 100              | 2(87)              |
| 12      | IIFL Private Wealth (Suisse) SA                         | Not Applicable        | Subsidiary Company            | 100              | 2(87)              |
| 13      | IIFL Private Wealth (Mauritius) Ltd                     | Not Applicable        | Subsidiary Company            | 100              | 2(87)              |
| 14      | IIFL (Asia) Pte. Limited                                | Not Applicable        | Subsidiary Company            | 100              | 2(87)              |
| 15      | IIFL Capital Pte. Limited                               | Not Applicable        | Step-down Subsidiary Company  | 100              | 2(87)              |
| 16      | IIFL Securities Pte. Limited                            | Not Applicable        | Step-down Subsidiary Company  | 100              | 2(87)              |

\*Note: India Alternatives Investment Advisors Private Limited ceased to be a subsidiary of IIFL Wealth Management Limited w.e.f. March 31, 2017.

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### i) Category-wise Shareholding

| CATEGORY OF SHAREHOLDERS  | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1ST APRIL 2016) |           |                   |                   | NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2017) |          |                   |                   | % CHANGE DURING THE YEAR |
|---------------------------|--|-----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
|                           | DEMAT  | PHYSICAL  | TOTAL             | % OF TOTAL SHARES | DEMAT   | PHYSICAL | TOTAL             | % OF TOTAL SHARES |                          |
| <b>A. Promoters</b>       |  |           |                   |                   |   |          |                   |                   |                          |
| <b>(1) Indian</b>         |  |           |                   |                   |   |          |                   |                   |                          |
| a) Individual/HUF         | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| b) Central Govt           | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| c) State Govt(s)          | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| d) Bodies Corp.           | 44,999,970   | 30        | 45,000,000        | 60.84             | 45,000,000  | 0        | 45,000,000        | 57.72             | (3.12)                   |
| e) Banks / FI             | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| f) Any Other              | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| <b>Sub-total (A)(1):-</b> | <b>44,999,970</b>  | <b>30</b> | <b>45,000,000</b> | <b>60.84</b>      | <b>45,000,000</b>   | <b>0</b> | <b>45,000,000</b> | <b>57.72</b>      | <b>(3.12)</b>            |
| <b>(2) Foreign</b>        |  |           |                   |                   |   |          |                   |                   |                          |
| a) NRIs - Individuals     | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |

| CATEGORY OF SHAREHOLDERS   | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1ST APRIL 2016) |           |                   |                   | NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2017) |          |                   |                   | % CHANGE DURING THE YEAR |
|--|--|-----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
|  | DEMAT  | PHYSICAL  | TOTAL             | % OF TOTAL SHARES | DEMAT   | PHYSICAL | TOTAL             | % OF TOTAL SHARES |                          |
| b) Other - Individuals   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| c) Bodies Corp.  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| d) Banks / FI  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| e) Any Other   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| <b>Sub-total (A)(2):-</b>  | <b>0</b>   | <b>0</b>  | <b>0</b>          | <b>0.00</b>       | <b>0</b>  | <b>0</b> | <b>0</b>          | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                      | <b>44,999,970</b>  | <b>30</b> | <b>45,000,000</b> | <b>60.84</b>      | <b>45,000,000</b>   | <b>0</b> | <b>45,000,000</b> | <b>57.72</b>      | <b>(3.12)</b>            |
| <b>B. Public Shareholding</b>  |  |           |                   |                   |   |          |                   |                   |                          |
| <b>1. Institutions</b>   |  |           |                   |                   |   |          |                   |                   |                          |
| a) Mutual Funds  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| b) Banks / FI  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| c) Central Govt  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| d) State Govt(s)   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| e) Venture Capital Funds   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| f) Insurance Companies   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| g) FIs   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| h) Foreign Venture Capital Funds   | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| i) Others (specify)  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| <b>Sub-total (B)(1):-</b>  | <b>0</b>   | <b>0</b>  | <b>0</b>          | <b>0.00</b>       | <b>0</b>  | <b>0</b> | <b>0</b>          | <b>0.00</b>       | <b>0.00</b>              |
| <b>2. Non-Institutions</b>   |  |           |                   |                   |   |          |                   |                   |                          |
| <b>a) Bodies Corp.</b>   |  |           |                   |                   |   |          |                   |                   |                          |
| i) Indian  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| ii) Overseas   | 17,257,531   | 0         | 17,257,531        | 23.33             | 18,053,050  | 0        | 18,053,050        | 23.16             | (0.17)                   |
| <b>b) Individuals</b>  |  |           |                   |                   |   |          |                   |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh         | 422,045  | 0         | 422,045           | 0.57              | 765,097   | 0        | 765,097           | 0.98              | 0.41                     |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 11,279,082   | 0         | 11,279,082        | 15.25             | 14,145,617  | 0        | 14,145,617        | 18.14             | 2.89                     |
| c) Others (specify)  | 0  | 0         | 0                 | 0.00              | 0   | 0        | 0                 | 0.00              | 0.00                     |
| <b>Sub-total (B)(2):-</b>  | <b>28,958,658</b>  | <b>0</b>  | <b>28,958,658</b> | <b>39.15</b>      | <b>32,963,764</b>   | <b>0</b> | <b>32,963,764</b> | <b>42.28</b>      | <b>3.13</b>              |
| <b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>                           | <b>28,958,658</b>  | <b>0</b>  | <b>28,958,658</b> | <b>39.15</b>      | <b>32,963,764</b>   | <b>0</b> | <b>32,963,764</b> | <b>42.28</b>      | <b>3.13</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                         | <b>0</b>   | <b>0</b>  | <b>0</b>          | <b>0.00</b>       | <b>0</b>  | <b>0</b> | <b>0</b>          | <b>0.00</b>       | <b>0.00</b>              |
| <b>Grand Total (A+B+C)</b>   | <b>73,958,628</b>  | <b>30</b> | <b>73,958,658</b> | <b>100</b>        | <b>77,963,764</b>   | <b>0</b> | <b>77,963,764</b> | <b>100</b>        | <b>0.00</b>              |

**ii) Shareholding of Promoters**

| SHAREHOLDER'S NAME    | SHAREHOLDING AT THE BEGINNING OF THE YEAR (1ST APRIL 2016) |                   |   | SHAREHOLDING AT THE END OF THE YEAR (31ST MARCH 2017) |                   |   | % CHANGE IN SHAREHOLDING DURING THE YEAR |
|-----------------------|--|-------------------|---|---|-------------------|---|--|
|                       | NO. OF SHARES  | % OF TOTAL SHARES | % OF SHARES PLEDGED / OF THE COMPANY ENCUMBERED TO TOTAL SHARES | NO. OF SHARES   | % OF TOTAL SHARES | % OF SHARES PLEDGED / OF THE COMPANY ENCUMBERED TO TOTAL SHARES |  |
| IIFL Holdings Limited | 45000000   | 60.84             | Nil   | 45000000  | 57.72             | Nil   | (3.12)                                   |
| <b>Total</b>          | <b>45000000</b>  | <b>60.84</b>      | <b>Nil</b>  | <b>45,000,000</b>                                     | <b>57.72</b>      | <b>Nil</b>  | <b>(3.12)</b>                            |

\*Note: There is no change in the total shareholding of promoters between 01-04-2016 and 31-03-2017. The decrease in % of total shares of the Promoter from 60.84% to 57.72% is pursuant to allotment of 4005106 equity shares to employees of the Company under ESOP scheme of the Company.

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

|   | SHAREHOLDING AT THE BEGINNING OF THE YEAR (AS ON 01-04-2016) |                                  | CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-16 TO 31-03-17) |                                  |
|---|--|----------------------------------|--|----------------------------------|
|   | NO. OF SHARES  | % OF TOTAL SHARES OF THE COMPANY | NO. OF SHARES  | % OF TOTAL SHARES OF THE COMPANY |
| At the beginning of the year  | 45,000,000   | 60.84                            | 45,000,000   | 60.84                            |
| Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -  | -                                | -  | -                                |
| At the end of the year  | 45,000,000   | 57.72                            | 45,000,000   | 57.72                            |

\*Note: There is no change in the total shareholding of promoters between 01-04-2016 and 31-03-2017. The decrease in % of total Promoters' Shareholding from 60.84% to 57.72% is pursuant to allotment of 4,005,106 equity shares to eligible employees under ESOP scheme of the Company

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| FOR EACH OF THE TOP 10 SHAREHOLDERS         | NO. OF SHARES AT THE BEGINNING (01-04-16) |                                  | INCREASE/ (DECREASE) IN SHARE HOLDING* | DATE       | CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-16 TO 31-03-17) |                                  |
|---|---|----------------------------------|--|------------|--|----------------------------------|
|   | NO. OF SHARES                             | % OF TOTAL SHARES OF THE COMPANY |  |            | NO. OF SHARES  | % OF TOTAL SHARES OF THE COMPANY |
| 1. General Atlantic Singapore Fund Pte. Ltd | 17,257,531                                | 23.33%                           | -                                      | 01-04-2016 | 17,257,531   | 23.33 %                          |
|   |   |                                  | 795,519                                | 06-04-2016 | 18,053,050   | 24.41%                           |
|   |   |                                  | -                                      | 31-03-2017 | 18,053,050   | 23.16%                           |
| 2. Anirudha Taparia                         | 456,000                                   | 0.62%                            | -                                      | 01-04-2016 | 456,000  | 0.62%                            |
|   |   |                                  | -                                      | 31-03-2017 | 456,000  | 0.58%                            |
| 3. Jiten Surtani                            | 479,650                                   | 0.65%                            | -                                      | 01-04-2016 | 479,650  | 0.65%                            |
|   |   |                                  | (79,930)                               | 06-04-2016 | 399,720  | 0.54%                            |
|   |   |                                  | 16,710                                 | 30-03-2017 | 416,430  | 0.53%                            |
|   |   |                                  | -                                      | 31-03-2017 | 416,430  | 0.53%                            |

| FOR EACH OF THE TOP 10 SHAREHOLDERS | NO. OF SHARES AT THE BEGINNING (01-04-16) |                                  | INCREASE/ (DECREASE) IN SHARE HOLDING* | DATE       | CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-16 TO 31-03-17) |                                  |
|-------------------------------------|---|----------------------------------|--|------------|--|----------------------------------|
|                                     | NO. OF SHARES                             | % OF TOTAL SHARES OF THE COMPANY |  |            | NO. OF SHARES  | % OF TOTAL SHARES OF THE COMPANY |
| 4. Pravin Bhalerao                  | 465,000                                   | 0.63%                            | -                                      | 01-04-2016 | 465,000  | 0.63%                            |
|                                     |   |                                  | (65,000)                               | 06-04-2016 | 400,000  | 0.54%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 400,000  | 0.51%                            |
| 5. Vinay Ahuja                      | 500,000                                   | 0.68%                            | -                                      | 01-04-2016 | 500,000  | 0.68%                            |
|                                     |   |                                  | (100,000)                              | 06-04-2016 | 400,000  | 0.54%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 400,000  | 0.51%                            |
| 6. Umang Papneja                    | 291,342                                   | 0.39%                            | -                                      | 01-04-2016 | 291,342  | 0.39%                            |
|                                     |   |                                  | 9,760                                  | 30-03-2017 | 301,102  | 0.39%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 301,102  | 0.39%                            |
| 7. Sandeep Jethwani                 | 154,544                                   | 0.21%                            | -                                      | 01-04-2016 | 154,544  | 0.21%                            |
|                                     |   |                                  | 38,160                                 | 30-03-2017 | 192,704  | 0.25%                            |
|                                     |   |                                  | 100,000                                | 31-03-2017 | 292,704  | 0.38%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 292,704  | 0.38%                            |
| 8. V Girish                         | 183,568                                   | 0.25%                            | -                                      | 01-04-2016 | 183,568  | 0.25%                            |
|                                     |   |                                  | 2,950                                  | 30-03-2017 | 186,518  | 0.24%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 186,518  | 0.24%                            |
| 9. Pravin Somani                    | 145,056                                   | 0.20%                            | -                                      | 01-04-2016 | 145,056  | 0.20%                            |
|                                     |   |                                  | 36,609                                 | 30-03-2017 | 181,665  | 0.23%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 181,665  | 0.23%                            |
| 10. Kuber Bhalla                    | 179,375                                   | 0.24%                            | -                                      | 01-04-2016 | 179,375  | 0.24%                            |
|                                     |   |                                  | (29,075)                               | 06-04-2016 | 150,300  | 0.20%                            |
|                                     |   |                                  | 19,974                                 | 30-03-2017 | 170,274  | 0.22%                            |
|                                     |   |                                  | -                                      | 31-03-2017 | 170,274  | 0.22%                            |

\* The changes in the % of the shareholding of the above shareholders was due to allotment of shares under ESOS to the employees and purchases/sales made by the shareholders during the year.

**v) Shareholding of Directors and Key Managerial Personnel:**

| NAME   | NO. OF SHARES AT THE BEGINNING (01-04-16) |                                  | INCREASE/ (DECREASE) IN SHARE HOLDING* | DATE       | CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-16 TO 31-03-17) |                                  |
|--|---|----------------------------------|--|------------|--|----------------------------------|
|  | NO. OF SHARES                             | % OF TOTAL SHARES OF THE COMPANY |  |            | NO. OF SHARES  | % OF TOTAL SHARES OF THE COMPANY |
| A. DIRECTORS:  |   |                                  |  |            |  |                                  |
| 1. Karan Bhagat, Managing Director                                     | 2,585,526                                 | 3.50%                            | -                                      | 01-04-2016 | 2,585,526  | 3.50%                            |
|  |   |                                  | (175,000)                              | 06-04-2016 | 2,410,526  | 3.26%                            |
|  |   |                                  | 2,400,000                              | 30-03-2017 | 4,810,526  | 6.17%                            |
|  |   |                                  | -                                      | 31-03-2017 | 4,810,526  | 6.17%                            |
| 2. Yatin Shah, Executive Director                                      | 2,715,526                                 | 3.68%                            | -                                      | 01-04-2016 | 2,715,526  | 3.68%                            |
|  |   |                                  | (305,000)                              | 06-04-2016 | 2,410,526  | 3.26%                            |
|  |   |                                  | 900,000                                | 30-03-2017 | 3,310,526  | 4.25%                            |
|  |   |                                  | -                                      | 31-03-2017 | 3,310,526  | 4.25%                            |
| 3. Amit Shah, Non-Executive Director                                   | 1,818,421                                 | 2.46%                            | -                                      | 01-04-2016 | 1,818,421  | 2.46%                            |
|  |   |                                  | -                                      | 31-03-2017 | 1,818,421  | 2.33%                            |
| B. KEY MANAGERIAL PERSONNEL (KMP's):                                   |   |                                  |  |            |  |                                  |
| 1. Pankaj Fitkariwala, Chief Financial Officer (Upto January 24, 2017) | 127,672                                   | 0.17%                            | -                                      | 01-04-2016 | 127,672  | 0.17%                            |
|  |   |                                  | 17,030                                 | 30-03-2017 | 144,702  | 0.19%                            |
|  |   |                                  | -                                      | 31-03-2017 | 144,702  | 0.19%                            |
| 2. Ashutosh Naik, Company Secretary                                    | -   | -                                | -                                      | 01-04-2016 | -  | -                                |
|  |   |                                  | 3,337                                  | 30-03-2017 | 3,337  | 0.00%                            |
|  |   |                                  | -                                      | 31-03-2017 | 3,337  | 0.00%                            |
| 3. Mihir Nanavati Chief Financial Officer w.e.f. January 24, 2017      |   |                                  | NIL                                    |            |  |                                  |

\* The changes in the % of the shareholding of the above Directors /KMPs was due to allotment of shares under ESOS to the Directors/ KMPs and purchases/sales made by them during the year.

**V. INDEBTEDNESS: INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENTS:**

| PARTICULARS   | SECURED LOANS EXCLUDING DEPOSITS | UNSECURED LOANS      | DEPOSITS | TOTAL INDEBTEDNESS   |
|---|----------------------------------|----------------------|----------|----------------------|
| Indebtedness at the beginning of the financial year |                                  |                      |          |                      |
| i) Principal Amount                                 | 521,146,506                      | 887,728,125          | -        | 1,408,874,631        |
| ii) Interest due but not paid                       |                                  | -                    | -        | -                    |
| iii) Interest accrued but not due                   | 73,537,088                       |                      |          | 73,537,088           |
| <b>Total (i+ii+iii)</b>                             | <b>594,683,595</b>               | <b>887,728,125</b>   | <b>-</b> | <b>1,482,411,720</b> |
| Change in Indebtedness during the financial year    |                                  |                      |          |                      |
| • Addition  | -                                | 43,694,224,000       | -        | 43,694,224,000       |
| • Reduction   | (504,809,038)                    | (40,620,054,944)     |          | (41,124,863,982)     |
| <b>Net Change</b>                                   | <b>(504,809,038)</b>             | <b>3,074,169,056</b> | <b>-</b> | <b>2,569,360,018</b> |
| Indebtedness at the end of the financial year       |                                  |                      |          |                      |
| i) Principal Amount                                 | 16,337,468                       | 3,961,897,181        | -        | 3,978,234,649        |
| ii) Interest due but not paid                       | -                                | -                    | -        | -                    |
| iii) Interest accrued but not due                   | -                                | -                    | -        | -                    |
| <b>Total (i+ii+iii)</b>                             | <b>16,337,468</b>                | <b>3,961,897,181</b> | <b>-</b> | <b>3,978,234,649</b> |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| PARTICULARS OF REMUNERATION   | NAME OF MD/WTD/ MANAGER  |                   | TOTAL AMOUNT<br>(RS.) |
|---|--|-------------------|-----------------------|
|   | KARAN BHAGAT   | YATIN SHAH        |                       |
| 1. Gross salary   |  |                   |                       |
| (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961 | 40,128,096   | 31,531,068        | 71,659,164            |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                               | -  | -                 | -                     |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961                | -  | -                 | -                     |
| 2. Stock Option   | -  | -                 | -                     |
| 3. Sweat Equity   | -  | -                 | -                     |
| 4. Commission   |  |                   |                       |
| - as % of profit  |  |                   |                       |
| - others, specify   | -  | -                 | -                     |
| 5. Others, please specify (PF)  | -  | -                 | -                     |
| <b>TOTAL (A)</b>  | <b>40,128,096</b>  | <b>31,531,068</b> | <b>71,659,164</b>     |
| Ceiling as per the Act  | ₹ 14.03 Crore (being 10% of the net profits of the Company calculated as per Section 198 of the Companies, 2013) |                   |                       |

### B. Remuneration to other directors:

| PARTICULARS OF REMUNERATION                   | NAME OF DIRECTORS |                    |                     |                  |               |                  |                      | TOTAL AMOUNT<br>(₹) |
|---|-------------------|--------------------|---------------------|------------------|---------------|------------------|----------------------|---------------------|
|   | MR. NIRMAL JAIN   | MR. R VENKATARAMAN | MR. NILESH VIKAMSEY | MS. GEETA MATHUR | MR. AMIT SHAH | MR. SANDEEP NAIK | MR. SHANTANU RASTOGI |                     |
| i. Independent Directors                      |                   |                    |                     |                  |               |                  |                      |                     |
| - Fee for attending board/ committee meetings | NIL               | NIL                | 315,000             | 510,000          | NIL           | NIL              | NIL                  | 825,000             |
| - Commission                                  | NIL               | NIL                | 1,000,000           | 500,000          | NIL           | NIL              | NIL                  | 1,500,000           |
| - Others, please specify                      | NIL               | NIL                | NIL                 | NIL              | NIL           | NIL              | NIL                  | NIL                 |
| <b>TOTAL (1)</b>                              | <b>NIL</b>        | <b>NIL</b>         | <b>1,315,000</b>    | <b>1,010,000</b> | <b>NIL</b>    | <b>NIL</b>       | <b>NIL</b>           | <b>2,325,000</b>    |
| ii. Other Non-Executive Directors             |                   |                    |                     |                  |               |                  |                      |                     |
| - Fee for attending board/ committee meetings | NIL               | NIL                | NIL                 | NIL              | NIL           | NIL              | NIL                  | NIL                 |
| - Commission                                  | NIL               | NIL                | NIL                 | NIL              | NIL           | NIL              | NIL                  | NIL                 |
| - Others, please specify                      | NIL               | NIL                | NIL                 | NIL              | NIL           | NIL              | NIL                  | NIL                 |
| <b>TOTAL (2)</b>                              | <b>NIL</b>        | <b>NIL</b>         | <b>NIL</b>          | <b>NIL</b>       | <b>NIL</b>    | <b>NIL</b>       | <b>NIL</b>           | <b>NIL</b>          |
| <b>TOTAL (B)= (1+2)</b>                       | <b>NIL</b>        | <b>NIL</b>         | <b>1,315,000</b>    | <b>1,010,000</b> | <b>NIL</b>    | <b>NIL</b>       | <b>NIL</b>           | <b>2,325,000</b>    |

Total Managerial Remuneration\*: ₹ 73,159,164/- (includes commission paid to other Director, i.e., an Independent Director)

Overall Ceiling as per the Act: Ceiling for Total Managerial Remuneration – 10% of \*\*Net profit, i.e., ₹ 14.03 Crore.

Ceiling for Total Remuneration to other Directors – 1% of the \*\*Net Profit, i.e., ₹ 1.40 Crore.

\*\*Net profit calculated as per Section 198 of the Companies Act, 2013

NOTE: \*Total Managerial Remuneration includes remuneration to Managing Director, Whole-Time Directors and other Directors.



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

| PARTICULARS OF REMUNERATION  | KEY MANAGERIAL PERSONNEL   |   |  | TOTAL<br>AMOUNT (RS.) |
|--|--|---|--|-----------------------|
|  | CFO<br>(PANKAJ<br>FITKARIWALA)<br>(RESIGNED AS<br>CFO ON 24TH<br>JANUARY 2017) | CFO<br>(MIHIR<br>NANAVATI)<br>(APPOINTED AS<br>CFO ON 24TH<br>JANUARY 2017) | COMPANY<br>SECRETARY<br>(ASHUTOSH<br>NAIK) |                       |
| 1. Gross salary  |  |   |  |                       |
| a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 21,316,866   | 2,128,912   | 8,999,213                                  | 32,444,991            |
| b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | -  | -   | -  | -                     |
| c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | -  | -   | -  | -                     |
| 2. Stock Option*   | -  | -   | -  | -                     |
| 3. Sweat Equity  | -  | -   | -  | -                     |
| 4. Commission  |  |   |  |                       |
| - as % of profit   |  |   |  |                       |
| - others, specify  | -  | -   | -  | -                     |
| 5. Others, please specify (PF)   | -  | -   | -  | -                     |
| <b>Total</b>   | <b>21,316,866</b>  | <b>2,128,912</b>  | <b>8,999,213</b>                           | <b>32,444,991</b>     |

**VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:**

| TYPE                                | SECTION OF<br>THE COMPANIES<br>ACT | BRIEF<br>DESCRIPTION | DETAILS OF<br>PENALTY /<br>PUNISHMENT/<br>COMPOUNDING<br>FEES IMPOSED | AUTHORITY<br>[RD / NCLT/<br>COURT] | APPEAL MADE,<br>IF ANY<br>(GIVE DETAILS) |
|-------------------------------------|------------------------------------|----------------------|---|------------------------------------|--|
| <b>A. Company</b>                   |                                    |                      |   |                                    |  |
| Penalty                             |                                    |                      | NIL   |                                    |  |
| Punishment                          |                                    |                      |   |                                    |  |
| Compounding                         |                                    |                      |   |                                    |  |
| <b>B. Directors</b>                 |                                    |                      |   |                                    |  |
| Penalty                             |                                    |                      | NIL   |                                    |  |
| Punishment                          |                                    |                      |   |                                    |  |
| Compounding                         |                                    |                      |   |                                    |  |
| <b>C. Other Officers In Default</b> |                                    |                      |   |                                    |  |
| Penalty                             |                                    |                      | NIL   |                                    |  |
| Punishment                          |                                    |                      |   |                                    |  |
| Compounding                         |                                    |                      |   |                                    |  |

## ANNEXURE IV

## Secretarial Audit Report for the financial year ended March 31, 2017

To,  
**IIFL Wealth Management Limited**  
**IIFL Centre, Kamala City, S.B. Marg**  
**Lower Parel, West,**  
**Mumbai - 400013**

We have conducted the secretarial audit of the compliance of applicable statutory provisions by IIFL Wealth Management Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

Takeovers) Regulations, 2011 (during the year under review not applicable to the Company);

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the year under review not applicable to the Company);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);
- (vi) The Securities and Exchange Board of India (Investment Advisors) Regulations, 2013;
- (vii) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993;
- (viii) The Securities and Exchange Board of India (Mutual Fund) Regulations, 1996;
- (ix) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1993;

- (x) The Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992;  
We have examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (during the year under review not applicable to the Company)

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- i) On November 8, 2016, the Board of Directors of the Company accorded its approval to invest up to ₹ 200 Crore, in one or more tranches, into equity

share capital of IIFL Wealth Finance Limited (IIFLW Finance), at a fair value of ₹ 60 per equity share.

- ii) On March 29, 2017, the Board of Directors of the Company accorded its approval for sale of investment of 7,099 Equity Shares and 4,046 Preference Shares of India Alternatives Investment Advisors.
- iii) In the Extra Ordinary General Meeting held on March 7, 2017, the members approved increase in borrowings by way of issue of securities including commercial papers and non-convertible debentures, borrowing in form of Inter corporate deposits or loans from banks and financial Institution, provided that the total amount that may be borrowed by the board and outstanding at any point of time (apart from temp loans obtained or to be obtained from the Company's bankers in ordinary course of minutes), does not exceed the sum of INR 3,000 Crores.
- iv) In the Extra Ordinary General Meeting held on March 7, 2017, the members approved increase in limits of Inter corporate loans, Investments and guarantees by the Company to ₹ 3000 crores.
- v) On March 30, 2017, the Company allotted 4005106 equity shares of ₹ 2 each fully paid up under provisions of IIFL Wealth Employee Stock Option Scheme - 2012 and IIFL Wealth Employee Stock Option Scheme - 2015 ("ESOP Schemes").

**For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)**

**Atul Mehta**  
**Partner**  
**FCS No : 5782**  
**CP No. : 2486**

Place : Mumbai  
Date : May 3, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## ANNEXURE A

To,

**IIFL Wealth Management Limited**

**IIFL Centre, Kamala City, S.B. Marg**

**Lower Parel, West,**

**Mumbai - 400013**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,**

**Company Secretaries**

**(ICSI Unique Code P1996MH007500)**

**Atul Mehta**

**Partner**

**FCS No : 5782**

**CP No. : 2486**

Place : Mumbai

Date : May 3, 2017



**COMPANY  
FINANCIALS**  
2016 - 17

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF IIFL WEALTH MANAGEMENT LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

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

### Auditor's Responsibility

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

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

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 Rules 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.
    - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**(Pallavi A. Gorakshakar)**

(Partner)

(Membership No. 105035)

Mumbai, 3 May 2017

PG/SB-2017

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **IIFL WEALTH MANAGEMENT LIMITED** (the "Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by the ICAI.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**(Pallavi A. Gorakshakar)**

(Partner)

(Membership No. 105035)

Mumbai, 3 May 2017

PG/SB-2017

## 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)

- |  |  |
|--|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.</p> <p>(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.</p> <p>(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.</p> <p>(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:</p> <p>(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.</p> <p>(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.</p> <p>(c) There is no overdue amount remaining outstanding as at the year end.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the Company has</p> | <p>complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.</p> <p>(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.</p> <p>(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value added Tax, Custom duty, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities According to the information and explanations given to us there were no dues payable in respect of Excise Duty during the year.</p> <p>(b) There were no undisputed amounts payable Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.</p> <p>(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, and Value Added Tax as on 31 March 2017 on account of disputes.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment</p> |
|--|--|

- of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (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 Order 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 fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 the subsidiary companies 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 India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**(Pallavi A. Gorakshakar)**

(Partner)

(Membership No. 105035)

Mumbai, 3 May 2017

PG/SB/2015-2017

## BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Million)

| PARTICULARS  | NOTE NO. | AS AT MAR 31, 2017 | AS AT MAR 31, 2016 |
|--|----------|--------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                    |                    |
| <b>(1) Shareholder's funds</b>   |          |                    |                    |
| (a) Share Capital  | 3        | 155.93             | 147.92             |
| (b) Reserves and Surplus   | 4        | 12,578.09          | 11,245.67          |
| (c) Money received against share warrants  |          | -                  | -                  |
| <b>Sub total</b>   |          | <b>12,734.02</b>   | <b>11,393.59</b>   |
| <b>(2) Share application money pending allotment</b>                                       |          | <b>-</b>           | <b>-</b>           |
| <b>(3) Non Current Liabilities</b>   |          |                    |                    |
| (a) Long-term borrowings   | 5        | 11.03              | 516.34             |
| (b) Deferred Tax Liability   |          | -                  | -                  |
| (c) Other Long-term liabilities  | 6        | -                  | 73.54              |
| (d) Long-term provisions   |          | -                  | -                  |
| <b>Sub total</b>   |          | <b>11.03</b>       | <b>589.88</b>      |
| <b>(4) Current liabilities</b>   |          |                    |                    |
| (a) Short-term borrowings  | 7        | 3,961.90           | 887.73             |
| (b) Trade payables   | 8        |                    |                    |
| (A) total outstanding dues of micro enterprises and small enterprises                      |          | -                  | -                  |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 119.55             | 149.26             |
| (c) Other current liabilities  | 9        | 2,495.68           | 33.03              |
| (d) Short-term provisions  | 10       | 287.78             | 450.28             |
| <b>Sub total</b>   |          | <b>6,864.91</b>    | <b>1,520.30</b>    |
| <b>TOTAL</b>   |          | <b>19,609.96</b>   | <b>13,503.77</b>   |
| <b>ASSETS</b>  |          |                    |                    |
| <b>(1) Non-current assets</b>  |          |                    |                    |
| (a) Fixed assets   |          |                    |                    |
| (i) Tangible assets  | 11       | 199.55             | 86.38              |
| (ii) Intangible assets   | 12       | 34.37              | 32.44              |
| (iii) Capital work-in-progress   |          | 32.40              | 15.41              |
| (iv) Intangible assets under development   |          | 1.68               | -                  |
| <b>Sub total</b>   |          | <b>268.00</b>      | <b>134.23</b>      |
| (b) Non-current investments  | 13       | 11,131.80          | 10,606.10          |
| (c) Deferred Tax Asset (Net)   | 14       | 26.38              | 27.99              |
| (d) Long-term loans & advances   | 15       | 322.07             | 76.95              |
| (e) Other non-current assets   |          | -                  | -                  |
| <b>Sub total</b>   |          | <b>11,480.25</b>   | <b>10,711.04</b>   |
| <b>(2) Current assets</b>  |          |                    |                    |
| (a) Current investments  | 16       | 12.11              | 1,137.16           |
| (b) Inventories  |          | -                  | -                  |
| (c) Trade receivables  | 17       | 1,970.83           | 548.64             |
| (d) Cash and Cash Equivalents  | 18       | 3,568.88           | 903.00             |
| (e) Short-term loans & advances  | 19       | 89.75              | 69.56              |
| (f) Other current assets   | 20       | 2,220.14           | 0.14               |
| <b>Sub total</b>   |          | <b>7,861.71</b>    | <b>2,658.50</b>    |
| <b>TOTAL</b>   |          | <b>19,609.96</b>   | <b>13,503.77</b>   |

See accompanying notes forming part of 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

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Million)

| PARTICULARS   | NOTE NO. | 2016 - 2017     | 2015 - 2016     |
|---|----------|-----------------|-----------------|
| <b>INCOME:</b>  |          |                 |                 |
| Revenue from Operations   | 21       | 4,315.91        | 3,312.01        |
| Other Income  | 22       | 208.80          | 734.94          |
| <b>Total Revenue</b>  |          | <b>4,524.71</b> | <b>4,046.95</b> |
| <b>EXPENSES:</b>  |          |                 |                 |
| Employee Benefit Expenses                                       | 23       | 1,640.46        | 1,344.41        |
| Other Expenses  | 24       | 1,250.76        | 1,057.45        |
| Finance Charges   | 25       | 213.14          | 165.13          |
| Depreciation and Amortisation                                   | 26       | 84.61           | 29.43           |
| Provision & Write off   | 27       | 6.31            | 19.04           |
| <b>Total Expenditure</b>  |          | <b>3,195.28</b> | <b>2,615.46</b> |
| <b>Profit before tax</b>  |          | <b>1,329.43</b> | <b>1,431.49</b> |
| Tax expenses :  |          |                 |                 |
| Current tax   |          | 467.41          | 321.66          |
| Deferred tax charge/(Credit)                                    |          | 1.60            | 54.56           |
| Short / (excess) provision for income tax                       |          | (3.97)          | 21.21           |
| <b>Total Tax Expenses</b>                                       |          | <b>465.04</b>   | <b>397.43</b>   |
| <b>Profit for the year</b>                                      |          | <b>864.39</b>   | <b>1,034.06</b> |
| Earning Per Share- Basic (₹)                                    | 28       | 11.68           | 17.57           |
| Earning Per Share- Diluted (₹)                                  | 28       | 10.56           | 15.57           |
| Face Value Per Share (₹)  |          | 2.00            | 2.00            |
| See accompanying notes forming part of 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

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary



# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Million)

| PARTICULARS   | 2016 - 2017     | 2015 - 2016       |
|---|-----------------|-------------------|
| <b>A. Cash flows from operating activities</b>                            |                 |                   |
| Net profit before taxation  | 1,329.43        | 1,431.49          |
| Adjustments for:  |                 |                   |
| Depreciation and amortisation   | 84.61           | 29.43             |
| Provisions for Gratuity   | 25.90           | 18.46             |
| Provisions for Leave Encashment   | 14.61           | 5.41              |
| Provision for Doubtful debts  | 2.62            | 4.37              |
| Provision for Diminution in Investment                                    | 3.75            | 14.67             |
| Other Provision   | (0.07)          | -                 |
| Interest Income   | (88.80)         | (102.66)          |
| Interest expenses   | 204.76          | 164.58            |
| Loss on Sale of Fixed Assets  | 0.91            | -                 |
| Dividend Income   | (0.12)          | (294.54)          |
| Profit on sale of Investments   | (214.77)        | (337.72)          |
| Loss on Sale of Subsidiary  | 95.24           | -                 |
| <b>Operating profit before working capital changes</b>                    | <b>1,458.07</b> | <b>933.50</b>     |
| <b>Changes in working capital :</b>                                       |                 |                   |
| (Increase) / Decrease in Current/Non Current Assets                       | (3,888.25)      | 1,900.95          |
| Increase / (Decrease) in Current/Non Current Liabilities                  | 2,226.31        | (74.59)           |
| <b>Cash (used in) / generated from operations</b>                         | <b>(203.87)</b> | <b>2,759.85</b>   |
| Net income tax(paid) / refunds  | (461.83)        | (618.00)          |
| <b>Net cash generated (used in)/from operating activities (A)</b>         | <b>(665.70)</b> | <b>2,141.86</b>   |
| <b>B. Cash flows from investing activities</b>                            |                 |                   |
| Purchase of Investments   | (105,994.09)    | (170,357.08)      |
| Sale of Investments   | 106,709.19      | 160,270.29        |
| Sale of Subsidiary  | 0.11            | -                 |
| Interest Received   | 68.39           | 111.40            |
| Dividend Received   | 0.12            | 294.54            |
| Purchase of fixed assets (includes intangible assets)                     | (221.37)        | (96.98)           |
| Sale of fixed assets (includes intangible assets)                         | 2.10            | -                 |
| Fixed Deposit placed  | (640.00)        | -                 |
| Inter Corporate Deposit given   | (2,819.40)      | (8,346.42)        |
| Inter Corporate Deposit repaid  | 2,819.42        | 8,459.85          |
| <b>Net cash used in investing activities (B)</b>                          | <b>(75.53)</b>  | <b>(9,664.40)</b> |
| <b>C. Cash flows from financing activities</b>                            |                 |                   |
| Proceeds from Issuance of Share Capital                                   | 8.01            | 30.68             |
| Securities Premium on issue of shares                                     | 1,002.13        | 9,000.07          |
| Short Term Borrowings Taken   | 43,694.22       | 5,923.21          |
| Short Term Borrowings-Repayment   | (40,629.29)     | (6,895.13)        |
| Long Term Borrowings-Repayment  | (504.81)        | 0.96              |
| Interest Paid   | (269.06)        | (92.04)           |
| Dividend Paid (including Dividend Distribution Tax)                       | (534.09)        | (387.51)          |
| <b>Net cash generated from financing activities (C)</b>                   | <b>2,767.11</b> | <b>7,580.24</b>   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                  | <b>2,025.88</b> | <b>57.70</b>      |
| Opening Cash and Cash Equivalents (as per Note 18)                        | 893.00          | 835.30            |
| <b>Closing Cash and Cash Equivalents (as per Note 18)</b>                 | <b>2,918.88</b> | <b>893.00</b>     |
| <b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b> |                 |                   |
| Cash and Cash Equivalents as per AS 3 Cash Flow Statements                | 2,918.88        | 893.00            |
| Add: In Fixed Deposits with original maturity more than 3 months          |                 |                   |
| - In Deposit account  | 10.00           | 10.00             |
| - In Deposit account as collateral with Exchange                          | 265.00          | -                 |
| - In Deposit account under lien   | 375.00          | -                 |
| Cash and Cash Equivalents (Refer Note 18)                                 | 3,568.88        | 903.00            |
| See accompanying notes forming part of 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

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2017

## NOTE 1. CORPORATE INFORMATION:

IIFL Wealth Management Limited ("IIFLW", the "Company") is a public limited Company incorporated under the Companies Act, 1956. IIFLW is registered with SEBI as Portfolio Manager. It provides Portfolio Management Services to the high net worth clients (HNI segment). It acts as wealth managers, financial consultants, management consultants, advisors and provides counselling services, financial services and facilities of every description and to mobilize funds and assets of various companies, mutual fund, individual Investors, firms, associations and other corporate bodies, private and institutional investors. During the financial year the Company has obtained Stock Broking licence from SEBI.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES:

### 2.1 Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with all material aspects of the applicable accounting standards as prescribed under section 133 of Companies Act, 2013 (Act). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 Use of Estimates:

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

### 2.3 Fixed Assets and Depreciation:

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

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

| CLASS OF ASSETS          | USEFUL LIFE IN YEARS |
|--------------------------|----------------------|
| Buildings*               | 20                   |
| Computers*               | 3                    |
| Electrical*              | 5                    |
| Office equipment         | 5                    |
| Furniture and fixtures*# | 5                    |
| Vehicles*                | 5                    |
| Software                 | 3                    |

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

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

### 2.4 Investments:

Investments, which are readily realizable and intended to be held for not more than one

year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the net Assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

## **2.5 Cash and cash equivalents:**

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

## **2.6 Cash flow statement**

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

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

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

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

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

## **2.8 Impairment of assets**

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

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

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

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

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

## **2.9 Taxation:**

Tax expense comprises current and deferred tax.

Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined

in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

#### Deferred Tax

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

#### Minimum Alternate Tax (MAT)

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

### 2.10 Revenue Recognition:

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

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

### 2.11 Other Income Recognition:

- Interest Income is recognized on accrual basis

- Dividend income is recognized when the right to receive payment is established.
- Profit or loss on sale of Investments is recognized on the date of trade

### 2.12 Transaction and Translation of foreign currency items :

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

### 2.13 Employee Benefits:

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

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

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

### 2.14 Deferred Employee Stock Compensation:

The stock options granted by the Company are accounted for as per the accounting treatment prescribed under the guidance note on Accounting for Stock Options issued by The Institute of Chartered Accountant of India, whereby the intrinsic value of the options are recognised as deferred employee

compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on a straight line basis over vesting period of the options.

## 2.15 Operating Leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit and loss in accordance with Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India.

## 2.16 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The Company has not issued any financial Instrument that entitles or may entitle its holder to acquire equity shares in future.

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

## 2.17 Service tax input credit

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

## 2.18 Borrowing Costs

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

## 2.19 Operating Cycle

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

## NOTE 3. SHARE CAPITAL:

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

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 AS AT MARCH 31, 2016 |               |
|---|---|---------------|
|   |   |               |
| <b>Authorised</b>   |   |               |
| 85,000,000 Equity Shares of ₹ 2/ each with Voting Rights (Previous Year 85,000,000 Equity Shares of ₹ 2/ each)                  | 170.00                                    | 170.00        |
| <b>Issued, Subscribed and Paid Up:</b>  |   |               |
| 77,963,764 (Previous Year 73,958,658 equity shares of ₹ 2/ each)<br>Equity Shares of ₹ 2/ each fully paid-up with Voting Rights | 155.93                                    | 147.92        |
| <b>Total</b>  | <b>155.93</b>                             | <b>147.92</b> |

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

(₹ in Million)

| PARTICULARS                               | AS AT MARCH 31, 2017 |               | AS AT MARCH 31, 2016 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | NUMBER               | AMOUNT        | NUMBER               | AMOUNT        |
| At the beginning of the year              | 73,958,658           | 147.92        | 58,618,620           | 117.24        |
| Add: Issued during the year               | 4,005,106            | 8.01          | 15,340,038           | 30.68         |
| Less: Shares bought back                  | -                    | -             | -                    | -             |
| <b>Outstanding at the end of the year</b> | <b>77,963,764</b>    | <b>155.93</b> | <b>73,958,658</b>    | <b>147.92</b> |

- (c) **Terms / Rights attached to Equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim

dividend. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2017, the amount of per share interim dividend recognised as distribution to equity shareholders was ₹ 6/- (Previous Year ₹ 6/-).

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

**(d) Details of shares held by holding Company:**

| PARTICULARS                            | AS AT MARCH 31, 2017 |           | AS AT MARCH 31, 2016 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | NUMBER               | % HOLDING | NUMBER               | % HOLDING |
| IIFL Holdings Limited and its nominees | 45,000,000           | 57.72%    | 45,000,000           | 60.84%    |

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

| PARTICULARS                             | AS AT MARCH 31, 2017 |           | AS AT MARCH 31, 2016 |           |
|---|----------------------|-----------|----------------------|-----------|
|   | NUMBER               | % HOLDING | NUMBER               | % HOLDING |
| IIFL Holdings Limited                   | 45,000,000           | 57.72%    | 45,000,000           | 60.84%    |
| General Atlantic Singapore Fund Pte Ltd | 18,053,050           | 23.16%    | 17,257,531           | 23.33%    |
| Karan Bhagat                            | 4,810,526            | 6.17%     | 2,585,526            | 3.50%     |

**(f) Shares reserved for issue under options**

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

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

**NOTE 4. RESERVES AND SURPLUS:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| <b>Securities Premium Account</b>                  |                      |                      |
| Opening Balance                                    | 9,209.53             | 209.46               |
| Premium on shares issued during the year           | 1,002.13             | 9,006.95             |
| Utilized During The Year*                          | -                    | (6.88)               |
| <b>Closing Balance</b>                             | <b>10,211.66</b>     | <b>9,209.53</b>      |
| <b>Debenture Redemption Reserve</b>                |                      |                      |
| Opening Balance                                    | 44.85                | 5.95                 |
| Addition During The Year**                         | 17.65                | 38.90                |
| Transferred to General Reserve                     | (62.50)              | -                    |
| <b>Closing Balance</b>                             | <b>-</b>             | <b>44.85</b>         |
| <b>Surplus in the Statement of Profit and Loss</b> |                      |                      |
| Opening Balance                                    | 1,920.29             | 1,312.64             |
| Addition: Profit during the Year                   | 864.38               | 1,034.06             |
| <b>Less: Appropriations</b>                        |                      |                      |
| Interim Dividend Paid                              | (443.75)             | (351.71)             |
| Dividend Distribution Tax                          | (90.34)              | (35.80)              |
| General Reserve                                    | -                    | -                    |
| Debenture Redemption Reserve                       | (17.65)              | (38.90)              |

(₹ in Million)

| PARTICULARS              | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--------------------------|----------------------|----------------------|
| <b>Closing Balance</b>   | <b>2,232.93</b>      | <b>1,920.29</b>      |
| <b>General Reserve</b>   |                      |                      |
| Opening Balance          | 71.00                | 71.00                |
| Addition During The Year | 62.50                | -                    |
| Utilized During The Year | -                    | -                    |
| Closing Balance          | 133.50               | 71.00                |
| <b>Total</b>             | <b>12,578.09</b>     | <b>11,245.67</b>     |

\* During previous year, Securities premium account has been utilized to pay Share issue expenses as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

\*\*Pursuant to Section 71 of Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹ 17.65 million (P.Y ₹ 38.90 million) has been transferred to debenture redemption reserve account till the date of buy back of the debentures during the year. On buy back of the debentures, balance in Debenture redemption reserve has been fully transferred to General reserve during the year.

#### NOTE 5. LONG-TERM BORROWINGS:

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| <b>Secured Loans</b>  |                      |                      |
| Non Convertible Debentures, 500 units of Face Value ₹1,000,000/- Each Redeemable on April 25, 2018 @ ₹1,409,856/- with effective IRR of 11.25% (Refer Note 5.1) | -                    | 500.00               |
| Vehicle Loan (Refer Note 5.2)   | 11.03                | 16.34                |
| <b>Total</b>  | <b>11.03</b>         | <b>516.34</b>        |

#### Note:

- 5.1** The above Debentures were secured by way of first pari passu charge over the current assets in the form of receivables and inventory. The Company had appointed Milestone Trusteeship Services Private Limited as a Security Trustee. The Security Trustee is responsible for ensuring that the security cover as required is being maintained during the tenure of the loan.

During the year the Company has bought back the entire outstanding debentures.

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

#### NOTE 6. OTHER LONG-TERM LIABILITIES:

(₹ in Million)

| PARTICULARS                          | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--------------------------------------|----------------------|----------------------|
| Interest accrued but not due on NCDs | -                    | 73.54                |
| <b>Total</b>                         | <b>-</b>             | <b>73.54</b>         |

#### NOTE 7. SHORT TERM BORROWINGS:

(₹ in Million)

| PARTICULARS                 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|-----------------------------|----------------------|----------------------|
| <b>Unsecured Borrowings</b> |                      |                      |
| Commercial Paper            | 4,000.00             | 900.00               |
| Less: Unexpired Discount*   | (38.10)              | (12.27)              |
| <b>Total</b>                | <b>3,961.90</b>      | <b>887.73</b>        |

\* Unexpired discount on Commercial Paper is net of ₹ 18.00 million (Previous Year - ₹ 8.77 million) towards discount accrued but not due.



**NOTE 8. TRADE PAYABLES:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises- Refer note below    | -                    | -                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |                      |                      |
| - Sundry creditors for Expenses  | 23.61                | 1.60                 |
| - Payable to Group companies (Refer Note no 35)  | 17.06                | -                    |
| - Accrued Salaries and Benefits  | 1.86                 | 15.88                |
| - Provision for Expenses   | 77.02                | 131.78               |
| <b>Total</b>   | <b>119.55</b>        | <b>149.26</b>        |

Trade payable includes ₹ Nil (previous year - ₹ Nil) payable to "suppliers" referred under the Micro, Small and Medium Enterprises Development Act, 2006 (the "Act"). No Interest has been paid/is payable by the Company during the year to "Suppliers" referred under the said Act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.

**NOTE 9. OTHER CURRENT LIABILITIES:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| Current maturities of Long term debt (Refer Note 5.2) | 5.31                 | 4.81                 |
| Income received in advance                            | 4.32                 | -                    |
| Statutory Liabilities Payable                         | 134.32               | 28.21                |
| Advances against expenses                             | 5.00                 | -                    |
| Payable to Exchange for trade settlement              | 47.80                | -                    |
| Payable to Clients for trade settlement               | 2,293.28             | -                    |
| Payable to Employees                                  | 5.21                 | -                    |
| Others  | 0.44                 | 0.01                 |
| <b>Total</b>  | <b>2,495.68</b>      | <b>33.03</b>         |

**NOTE 10. SHORT TERM PROVISIONS:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| (a) Provision for employee benefits:  |                      |                      |
| - Provision for Leave Encashment  | 27.31                | 14.82                |
| - Provision for Gratuity (Refer note 23)  | 33.11                | 5.34                 |
| - Bonus Payable   | 222.03               | 427.91               |
| (b) Others:   |                      |                      |
| - Provision for Tax (Net of Advance Tax and TDS- ₹ 1,054.61 million)<br>(Previous Year- ₹ 590.32 million) | 5.33                 | 2.21                 |
| <b>Total</b>  | <b>287.78</b>        | <b>450.28</b>        |

**NOTE 11. TANGIBLE ASSETS:**

(₹ in Million)

| PARTICULARS                              | FURNITURE<br>FIXTURE | VEHICLES **  | OFFICE<br>EQUIPMENT | AIR<br>CONDITIONER | COMPUTERS    | ELECTRICAL<br>EQUIPMENT | TOTAL         |
|--|----------------------|--------------|---------------------|--------------------|--------------|-------------------------|---------------|
| Gross Block as on April 01, 2016         | 53.66                | 29.40        | 7.97                | 2.77               | 39.94        | 9.17                    | 142.91        |
| Additions                                | 108.97               | -            | 4.92                | 0.99               | 62.34        | 1.67                    | 178.89        |
| Deductions / Adjustments during the year | (17.08)              | -            | (1.82)              | (1.16)             | (2.43)       | (1.95)                  | (24.44)       |
| As at March 31, 2017                     | 145.55               | 29.40        | 11.07               | 2.60               | 99.85        | 8.89                    | 297.36        |
| Depreciation                             |                      |              |                     |                    |              |                         |               |
| Upto April 01, 2016                      | 20.08                | 6.90         | 4.28                | 1.93               | 18.58        | 4.76                    | 56.53         |
| Depreciation for the year                | 26.88                | 5.88         | 1.61                | 0.42               | 26.50        | 1.42                    | 62.71         |
| Deductions / Adjustments during the year | (14.36)              | -            | (1.60)              | (1.14)             | (2.41)       | (1.92)                  | (21.43)       |
| Upto March 31, 2017                      | 32.60                | 12.78        | 4.29                | 1.21               | 42.67        | 4.26                    | 97.81         |
| <b>Net Block as at March 31, 2017</b>    | <b>112.95</b>        | <b>16.62</b> | <b>6.78</b>         | <b>1.39</b>        | <b>57.18</b> | <b>4.63</b>             | <b>199.55</b> |
| <b>Net Block as at March 31, 2016</b>    | <b>33.58</b>         | <b>22.50</b> | <b>3.69</b>         | <b>0.84</b>        | <b>21.36</b> | <b>4.41</b>             | <b>86.38</b>  |

\*\* The above fixed asset (Vehicles) are hypothecated against Term Loan

**Tangible Assets (Previous Year):**

(₹ in Million)

| PARTICULARS                             | FURNITURE<br>FIXTURE | VEHICLES **  | OFFICE<br>EQUIPMENT | AIR<br>CONDITIONER | COMPUTERS    | ELECTRICAL<br>EQUIPMENT | TOTAL        |
|---|----------------------|--------------|---------------------|--------------------|--------------|-------------------------|--------------|
| Gross Block as on April 01, 2015        | 30.54                | 23.32        | 4.17                | 2.15               | 19.23        | 4.55                    | 83.96        |
| Additions                               | 23.12                | 6.08         | 3.80                | 0.62               | 20.71        | 4.62                    | 58.95        |
| Deductions/ Adjustments during the year | -                    | -            | -                   | -                  | -            | -                       | -            |
| As at March 31, 2016                    | 53.66                | 29.40        | 7.97                | 2.77               | 39.94        | 9.17                    | 142.91       |
| Depreciation                            |                      |              |                     |                    |              |                         |              |
| Upto April 01, 2015                     | 13.99                | 1.06         | 3.07                | 1.60               | 14.28        | 3.31                    | 37.31        |
| Depreciation for the year               | 6.09                 | 5.84         | 1.21                | 0.33               | 4.30         | 1.45                    | 19.22        |
| Deductions/Adjustments during the year  | -                    | -            | -                   | -                  | -            | -                       | -            |
| Upto March 31, 2016                     | 20.08                | 6.90         | 4.28                | 1.93               | 18.58        | 4.76                    | 56.53        |
| <b>Net Block as at March 31, 2016</b>   | <b>33.58</b>         | <b>22.50</b> | <b>3.69</b>         | <b>0.84</b>        | <b>21.36</b> | <b>4.41</b>             | <b>86.38</b> |
| <b>Net Block as at March 31, 2015</b>   | <b>16.55</b>         | <b>22.26</b> | <b>1.10</b>         | <b>0.55</b>        | <b>4.95</b>  | <b>1.24</b>             | <b>46.65</b> |

\*\* The above fixed asset (Vehicles) are hypothecated against Term Loan

**NOTE 12. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED):**

(₹ in Million)

| PARTICULARS                              | AMOUNT       |
|--|--------------|
| <b>Software/Intangible assets</b>        |              |
| Gross Block as at April 01, 2016         | 47.77        |
| Additions                                | 23.83        |
| Deductions / Adjustments during the year | -            |
| As at March 31, 2017                     | 71.60        |
| Amortisation                             |              |
| As at April 1, 2016                      | 15.33        |
| Amortisation for the year                | 21.90        |
| Deductions / Adjustments during the year | -            |
| Up to March 31, 2017                     | 37.23        |
| <b>Net Block as at March 31, 2017</b>    | <b>34.37</b> |
| <b>Net Block as at March 31, 2016</b>    | <b>32.44</b> |

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

(₹ in Million)

| PARTICULARS                              | AMOUNT       |
|--|--------------|
| <b>Software/Intangible assets</b>        |              |
| Gross Block as at April 01, 2015         | 22.38        |
| Additions                                | 25.39        |
| Deductions / Adjustments during the year | -            |
| As at March 31, 2016                     | 47.77        |
| <b>Amortisation</b>                      |              |
| As at April 1, 2015                      | 5.12         |
| Amortisation for the year                | 10.21        |
| Deductions / Adjustments during the year | -            |
| Up to March 31, 2016                     | 15.33        |
| <b>Net Block as at March 31, 2016</b>    | <b>32.44</b> |
| <b>Net Block as at March 31, 2015</b>    | <b>17.26</b> |

Note: Capital Work in Progress ₹ 32.40 million (Previous Year ₹ 15.41 million) pertain to Assets not yet capitalized.

**NOTE 13. NON CURRENT INVESTMENTS (AT COST):**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31 2017 |             |                  | AS AT MARCH 31 2016 |             |                  |
|--|---------------------|-------------|------------------|---------------------|-------------|------------------|
|  | FACE VALUE          | QUANTITY    | AMOUNT           | FACE VALUE          | QUANTITY    | AMOUNT           |
| <b>Unquoted: Trade Investments:</b>  |                     |             |                  |                     |             |                  |
| <b>Investment in equity shares of Group Company</b>  |                     |             |                  |                     |             |                  |
| India Infoline Limited   | ₹10                 | 20          | 0.00##           | ₹10                 | 20          | 0.00##           |
| <b>Sub Total</b>   |                     |             | <b>0.00##</b>    |                     |             | <b>0.00##</b>    |
| <b>Investment in equity shares of Subsidiary companies</b>   |                     |             |                  |                     |             |                  |
| IIFL Distribution Services Ltd   | ₹100                | 5,120       | 153.35           | ₹100                | 5,120       | 153.35           |
| IIFL Investment Advisers and Trustee Services Ltd.   | ₹10                 | 35,225,000  | 354.00           | ₹10                 | 35,225,000  | 354.00           |
| IIFL Alternate Asset Advisors Ltd.   | ₹10                 | 50,000      | 9.15             | ₹10                 | 50,000      | 9.15             |
| IIFL Asset Management Company Ltd.   | ₹10                 | 32,100,000  | 525.00           | ₹10                 | 32,100,000  | 525.00           |
| IIFL Trustee Ltd.  | ₹10                 | 500,000     | 5.00             | ₹10                 | 500,000     | 5.00             |
| India Alternatives Investment Advisors Pvt. Ltd. (Refer Note no 22)                                | -                   | -           | -                | ₹10                 | 7,100       | 60.36            |
| IIFL Wealth Finance Limited*   | ₹10                 | 262,449,733 | 9,636.30         | ₹10                 | 252,116,400 | 9,016.30         |
| IIFL Private Wealth (Suisse) SA  | CHK 1,000           | 100         | 3.40             | CHK 1,000           | 100         | 3.40             |
| IIFL Asia Pte. Ltd.  | S\$ 1               | 14,000,000  | 264.50           | S\$ 1               | 14,000,000  | 264.50           |
| IIFL Private Wealth Management Dubai Ltd.  | AED 3.67            | 918,442     | 42.50            | AED 3.67            | 918,442     | 42.50            |
| IIFL Private Wealth Hongkong Ltd.  | HK\$ 1              | 6,476,324   | 43.80            | HK\$ 1              | 6,476,324   | 43.80            |
| IIFL Inc. (USA)  | \$0.01              | 140         | 54.14            | \$0.01              | 140         | 54.14            |
| IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd.) | \$1.00              | 69,975      | 37.95            | \$1.00              | 69,975      | 37.95            |
| <b>Sub Total</b>   |                     |             | <b>11,129.09</b> |                     |             | <b>10,569.45</b> |
| <b>Investment in preference shares of Subsidiary companies</b>                                     |                     |             |                  |                     |             |                  |
| India Alternatives Investment Advisors Pvt. Ltd (Refer Note no 22)                                 | -                   | -           | -                | ₹10                 | 4,046       | 35.00            |
| <b>Sub Total</b>   |                     |             | <b>-</b>         |                     |             | <b>35.00</b>     |
| <b>Unquoted: Non Trade Investments:</b>  |                     |             |                  |                     |             |                  |
| <b>Investment in equity shares</b>   |                     |             |                  |                     |             |                  |
| India Alternatives Investment Advisors Pvt. Ltd. (Refer Note no 22)                                | ₹10                 | 1           | 0.01             | -                   | -           | -                |
| Less: Provision for Diminution   |                     |             | (0.01)           |                     |             |                  |
| <b>Sub Total</b>   |                     |             | <b>-</b>         |                     |             | <b>-</b>         |

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31 2017 |          |                  | AS AT MARCH 31 2016 |          |                  |
|--|---------------------|----------|------------------|---------------------|----------|------------------|
|  | FACE VALUE          | QUANTITY | AMOUNT           | FACE VALUE          | QUANTITY | AMOUNT           |
| <b>Investment in Venture Capital Fund/Alternative Investments fund</b> |                     |          |                  |                     |          |                  |
| India Alternatives Private Equity Fund                                 | -                   | -        | -                | ₹100                | 5,500    | 1.65             |
| IIFL Real Estate Fund(Domestic) Class B @                              | ₹10                 | 58       | 0.00##           | ₹10                 | 58       | 0.00##           |
| Motilal Oswal Focused Growth Opportunities Fund                        | ₹10                 | 20,000   | 0.20             | -                   | -        | -                |
| Sundaram Alternative Opportunities Fund Nano Cap Series 1              | ₹100,000            | 25.05    | 2.51             | -                   | -        | -                |
| <b>Sub Total</b>   |                     |          | <b>2.71</b>      |                     |          | <b>1.65</b>      |
| <b>Investments in Bonds &amp; Debentures</b>                           |                     |          |                  |                     |          |                  |
| Arch Argo India Private Limited@                                       | ₹10,000             | 3,625    | 20.82            | ₹10,000             | 1,797    | 17.07            |
| Less: Provision for Diminution   |                     |          | (20.82)          |                     |          | (17.07)          |
| <b>Sub Total</b>   |                     |          | <b>-</b>         |                     |          | <b>-</b>         |
| <b>Grand Total</b>   |                     |          | <b>11,131.80</b> |                     |          | <b>10,606.10</b> |
| Aggregate cost of unquoted investments                                 |                     |          | 11,131.80        |                     |          | 10,606.09        |
| Aggregate Provision for diminution in value of Investments             |                     |          | 20.83            |                     |          | 17.07            |

\*During the previous year, the Company had acquired 100% stake of IIFL Wealth Finance Limited.

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

## Represents value less than ₹ 5,000

#### NOTE 14. DEFERRED TAX (LIABILITY)/ ASSET (NET):

(₹ in Million)

| PARTICULARS                  | AS AT MARCH 31,2017 | AS AT MARCH 31,2016 |
|------------------------------|---------------------|---------------------|
| Provision for Gratuity       | 10.41               | 1.85                |
| Long Term Capital Loss*      | 13.91               | -                   |
| Provision for Referral fees  | -                   | 25.09               |
| Depreciation                 | (0.59)              | (0.69)              |
| Provision for Doubtful Debts | 2.65                | 1.74                |
| <b>Total</b>                 | <b>26.38</b>        | <b>27.99</b>        |

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

#### NOTE 15. LONG TERM LOANS AND ADVANCES:

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| <b>Unsecured, Considered good</b>  |                      |                      |
| Deposits Paid  | 48.66                | 32.16                |
| Deposit with exchange  | 228.73               | 0.03                 |
| Other long term loans and advances   | -                    | 0.43                 |
| Prepaid Expense  | 6.03                 | 7.18                 |
| <b>Sub Total</b>   | <b>283.42</b>        | <b>39.80</b>         |
| <b>Secured, Considered Good</b>  |                      |                      |
| Advance Income Tax (Net of provision of tax of ₹533.30 million)<br>Previous year ₹ 1,125.83 million) | 38.65                | 37.15                |
| <b>Total</b>   | <b>322.07</b>        | <b>76.95</b>         |

**NOTE 16. CURRENT INVESTMENTS (AT LOWER OF COST AND MARKET VALUE,  
UNLESS OTHERWISE STATED):**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31 2017 |          |              | AS AT MARCH 31 2016 |            |                 |
|--|---------------------|----------|--------------|---------------------|------------|-----------------|
|  | FACE VALUE          | QUANTITY | AMOUNT       | FACE VALUE          | QUANTITY   | AMOUNT          |
| <b>Quoted, Non Trade Investments</b>   |                     |          |              |                     |            |                 |
| <b>Investment in Mutual funds</b>  |                     |          |              |                     |            |                 |
| Franklin India Ultra Short Bond Fund-Super Institutional Plan (P.Y. NAV- ₹20.3709) | -                   | -        | -            | 10                  | 499.56     | 0.01            |
| Reliance Money Manager Fund Direct Plan Growth (P.Y. NAV-₹2099.6963)               | -                   | -        | -            | 1000                | 2.423      | 0.01            |
| Sundaram Ultra Short term Fund-Direct Plan Growth (P.Y. NAV- ₹20.9792)             | -                   | -        | -            | 10                  | 242.567    | 0.01            |
| IIFL Mutual Fund-Liquid Fund Direct Plan Growth (P.Y. NAV-₹ 1204.8678)             | -                   | -        | -            | 1000                | 166,095.8  | 200.00          |
| ICICI Prudential Liquid Fund-Direct Plan-Growth (NAV-₹ 240.7173, P.Y. ₹ 224.8328)  | -                   | -        | -            | 100                 | 22.651     | 0.01            |
| <b>Sub Total</b>   |                     |          | -            |                     |            | <b>200.04</b>   |
| <b>Unquoted, Non Trade Investments</b>   |                     |          |              |                     |            |                 |
| <b>Investment in Equity Shares</b>   |                     |          |              |                     |            |                 |
| Shankara Building Products Limited   | 10                  | 12,192   | 5.61         | -                   | -          | -               |
| <b>Sub Total</b>   |                     |          | <b>5.61</b>  |                     |            | -               |
| <b>Investments in Venture Capital Fund/<br/>Alternate Investment Funds</b>         |                     |          |              |                     |            |                 |
| IIFL Cash Opportunities Fund (P.Y. NAV-₹10.6507)                                   | -                   | -        | -            | 10                  | 88,361,602 | 937.12          |
| Motilal Oswal Focused Growth Opportunities Fund (NAV-₹12.3818)                     | 10                  | 604,802  | 6.50         | -                   | -          | -               |
| <b>Sub Total</b>   |                     |          | <b>6.50</b>  |                     |            | <b>937.12</b>   |
| <b>Grand Total</b>   |                     |          | <b>12.11</b> |                     |            | <b>1,137.16</b> |
| Aggregate Value of Quoted Investments  |                     |          | -            |                     |            | 200.03          |
| Aggregate Value of Unquoted Investments  |                     |          | 12.11        |                     |            | 937.14          |
| Market Value of Quoted Investments   |                     |          | -            |                     |            | 200.15          |

**Note:** Market Value of Investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds

**NOTE 17. TRADE RECEIVABLE:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment |                      |                      |
| - Considered good   | 211.48               | 103.90               |
| - Considered doubtful   | 7.65                 | 2.53                 |
| - Provision for doubtful receivables  | (7.65)               | (2.53)               |
| Trade Receivables outstanding for a period less than six months from the date they were due for payment |                      |                      |
| - Considered good*  | 1,759.35             | 444.74               |
| - Considered doubtful   | -                    | 2.50                 |
| - Provision for doubtful receivables  | -                    | (2.50)               |
| <b>Total</b>  | <b>1,970.83</b>      | <b>548.64</b>        |

\* includes related party transactions (refer note no 35)

**NOTE 18. CASH AND CASH EQUIVALENTS:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| <b>Cash and Cash equivalents (As per AS-3 Cash Flow Statement)</b>                       |                      |                      |
| Cash In Hand   | 0.62                 | 1.10                 |
| Cheques on Hand  | -                    | 40.93                |
| Balances with Banks  |                      |                      |
| - In Current accounts  | 340.26               | 150.97               |
| - In Client accounts   | 498.00               | -                    |
| - In Deposit accounts (Original Maturity less than 3 months)                             | 2,080.00             | 700.00               |
| <b>Total Cash &amp; Cash Equivalents (a) (As per AS-3 Cash Flow Statement)</b>           | <b>2,918.88</b>      | <b>893.00</b>        |
| <b>Other Bank Balances:</b>  |                      |                      |
| - In Deposit account (Original Maturity from 3 to 12 Months)                             | 10.00                | 10.00                |
| - In Deposit account as collateral with Exchange (Original Maturity from 3 to 12 Months) | 265.00               | -                    |
| - In Deposit account under lien (Original Maturity from 3 to 12 Months)*                 | 375.00               | -                    |
| <b>Total Other Bank Balances (b)</b>   | <b>650.00</b>        | <b>10.00</b>         |
| <b>Total (a+b)</b>   | <b>3,568.88</b>      | <b>903.00</b>        |

\*Fixed deposits amounting to ₹ 375.00 million are lien marked with banks to avail Bank guarantee facilities.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as required by MCA notification S.O. 3407(E), dated the 8th November, 2016 has been provided in the Table below:

|                                       | SBNS | OTHER<br>DENOMINATION NOTES | TOTAL |
|---------------------------------------|------|-----------------------------|-------|
| Closing cash in hand as on 08.11.2016 | -    | -                           | -     |
| (+) Permitted receipts                | -    | -                           | -     |
| (-) Permitted payments                | -    | -                           | -     |
| (-) Amount deposited in Banks         | -    | -                           | -     |
| Closing cash in hand as on 30.12.2016 | -    | -                           | -     |

The above disclosure excludes foreign currency cash in hand held and transacted between November 8, 2016 to December 30, 2016.

**NOTE 19. SHORT TERM LOANS AND ADVANCES:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| <b>Unsecured, Considered good</b>                                     |                      |                      |
| Inter Corporate Deposits  | 16.16                | 16.18                |
| Other Loans and Advances  |                      |                      |
| - Advances recoverable in cash or in kind or for value to be received | 4.21                 | 15.46                |
| - Prepaid Expenses  | 45.44                | 9.96                 |
| - Deposit   | 7.15                 | 5.47                 |
| - Service tax credit receivable                                       | 9.51                 | 15.83                |
| - Loans & advances to employees                                       | 7.19                 | 0.22                 |
| - Others  | 0.09                 | 6.44                 |
| <b>Total</b>  | <b>89.75</b>         | <b>69.56</b>         |

**NOTE 20. OTHER CURRENT ASSETS:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| Receivable from Exchange for trade settlement        | 795.41               | -                    |
| Receivable from Clients for trade settlement         | 1,384.92             | -                    |
| Interest accrued but not due on Fixed Deposits       | 20.54                | 0.14                 |
| Advances to Group/Holding Company (Refer Note no 35) | 19.23                | -                    |
| Others   | 0.04                 | -                    |
| <b>Total</b>   | <b>2,220.14</b>      | <b>0.14</b>          |

**NOTE 21. REVENUE FROM OPERATIONS:**

(₹ in Million)

| PARTICULARS                            | 2016 - 2017     | 2015 - 2016     |
|--|-----------------|-----------------|
| Distribution Fees                      | 3,853.49        | 2,992.51        |
| Commission & Brokerage Income          | 423.18          | 354.87          |
| Investment / Fund Management Fees      | 39.24           | 32.70           |
| Profit/ (Loss) from Trading Activities | -               | (68.07)         |
| <b>Total</b>                           | <b>4,315.91</b> | <b>3,312.01</b> |

**NOTE 22. OTHER INCOME:**

(₹ in Million)

| PARTICULARS   | 2016 - 2017   | 2015 - 2016   |
|---|---------------|---------------|
| Interest Income   |               |               |
| - Current Investments                                   | 33.77         | 12.54         |
| - Non - Current Investments                             | 6.17          | 28.16         |
| - Fixed Deposits  | 32.43         | 4.34          |
| - Inter Corporate Deposits <sup>^</sup>                 | 16.42         | 57.61         |
| - Staff loan  | 0.01          | -             |
| Profit on sale of Current Investments                   | 124.62        | 268.04        |
| Profit on sale of Non -Current Investments              | 90.15         | 69.69         |
| Loss on sale of shares of Subsidiary Company *          | (95.24)       | -             |
| Dividend Income on Current Investments                  | 0.12          | 116.06        |
| Dividend Income from Subsidiary Company (Refer Note 35) | -             | 178.48        |
| Miscellaneous Income                                    | 0.35          | 0.02          |
| <b>Total</b>  | <b>208.80</b> | <b>734.94</b> |

<sup>^</sup>includes related party transactions (refer note no 35)

\* During the year the Company sold 7,099 equity shares and 4,046 preference shares of India Alternatives Investment Advisors Private Limited (India Alternatives) for an aggregate consideration of ₹ 0.1 million. The loss on account of sale of above shares amounted to ₹ 95.24 million. India Alternatives ceased to be subsidiary consequent to the sale of equity shares by the Company as on March 31, 2017.



**NOTE 23. EMPLOYEE BENEFIT EXPENSES:**

(₹ in Million)

| PARTICULARS                                      | 2016 - 2017     | 2015 - 2016     |
|--|-----------------|-----------------|
| Salaries and Bonus                               | 1,548.13        | 1,285.46        |
| Contribution to Provident Fund and Other Funds** | 38.00           | 26.03           |
| Gratuity Expense*                                | 25.90           | 18.46           |
| Leave Encashment Expenses                        | 14.61           | 5.41            |
| Staff Welfare Expenses                           | 13.82           | 9.05            |
| <b>Total</b>                                     | <b>1,640.46</b> | <b>1,344.41</b> |

\*The Company is recognising and accruing the employee benefit as per Accounting Standard (AS) – 15 on “Employee Benefits” as specified u/s 133 of the Companies Act 2013, the disclosures of which are as under:

(₹ in Million)

| ASSUMPTIONS       | 2016 - 2017  | 2015 - 2016  |
|-------------------|--|--|
| Discount rate     | 7.27%  | 7.86%  |
| Salary Escalation | 5.00%  | 5.00%  |
| Attrition rate    | For service 4 years and below<br>7.50% p.a. & thereafter 5% p.a. | For service 4 years and below<br>7.50% p.a. & thereafter 5% p.a. |

(₹ in Million)

| CHANGE IN BENEFIT OBLIGATION            | 2016 - 2017  | 2015 - 2016  |
|---|--------------|--------------|
| Liability at the beginning of the year  | 56.14        | 36.27        |
| Interest Cost                           | 4.41         | 2.87         |
| Current Service Cost                    | 11.81        | 7.37         |
| Liability transferred in                | 3.21         | 0.33         |
| Liability transferred out               | (1.34)       | (0.08)       |
| Benefit paid                            | (2.87)       | -            |
| Actuarial (gain)/ Loss on obligations   | 12.73        | 9.39         |
| <b>Liability at the end of the year</b> | <b>84.09</b> | <b>56.15</b> |

(₹ in Million)

| FAIR VALUE OF PLAN ASSETS                               | 2016 - 2017  | 2015 - 2016  |
|---|--------------|--------------|
| Fair Value of Plan Assets at the beginning of the year  | 50.81        | 39.44        |
| Expected return on Plan Assets                          | 3.99         | 3.12         |
| Contributions by the employer                           | -            | 10.20        |
| Benefits paid   | (2.87)       | -            |
| Actuarial Gain/(Loss) on Plan Assets                    | (0.95)       | (1.95)       |
| <b>Fair Value of Plan Assets at the end of the year</b> | <b>50.98</b> | <b>50.81</b> |

(₹ in Million)

| AMOUNT RECOGNISED IN THE BALANCE SHEET                     | 2016 - 2017  | 2015 - 2016 |
|--|--------------|-------------|
| Liability at the end of the year                           | 84.09        | 56.14       |
| Fair Value of Plan Assets at the end of the year           | 50.98        | 50.81       |
| Funded Status – Deficit                                    | 33.11        | 5.33        |
| <b>Amount of liability Recognised in the Balance Sheet</b> | <b>33.11</b> | <b>5.33</b> |

(₹ in Million)

| EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS ACCOUNT            | 2016 - 2017  | 2015 - 2016  |
|--|--------------|--------------|
| Current Service cost   | 11.81        | 7.37         |
| Interest Cost (net of expected return on plan assets)                    | 0.42         | (0.25)       |
| Actuarial Gain or Loss   | 13.67        | 11.34        |
| <b>Expenses Recognised in the Statement of Profit &amp; Loss Account</b> | <b>25.90</b> | <b>18.46</b> |

(₹ in Million)

| BALANCE SHEET RECONCILIATION                 | 2016 - 2017  | 2015 - 2016 |
|--|--------------|-------------|
| Opening Net liability                        | 5.34         | (3.17)      |
| Expense as above                             | 25.90        | 18.46       |
| Net Transfer In                              | 3.21         | 0.33        |
| Net Transfer Out                             | (1.34)       | (0.08)      |
| Employers contribution                       | -            | (10.20)     |
| <b>Liability Recognised in Balance sheet</b> | <b>33.11</b> | <b>5.34</b> |

(₹ in Million)

| EXPERIENCE ADJUSTMENT   | 2016 - 2017 | 2015 - 2016 | 2014 - 2015 | 2013 - 2014 | 2012 - 2013 |
|---|-------------|-------------|-------------|-------------|-------------|
| Present Value of the Obligation                               | 84.09       | 56.14       | 36.27       | 25.01       | 20.21       |
| Fair Value of Plan Assets                                     | 50.98       | 50.81       | 39.44       | 13.27       | 12.25       |
| (Surplus) or Deficit  | 33.11       | 5.34        | (3.17)      | 11.74       | 7.95        |
| Actuarial (Gains) / Losses on Obligations - Due to Experience | 7.64        | 18.53       | 5.78        | 2.96        | 0.87        |
| Actuarial Gains / (Losses) on Plan Assets - Due to Experience | (0.95)      | 1.17        | (0.02)      | 0.05        | (1.09)      |

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

Estimated amount of payment in respect of Gratuity to the fund will be ₹ 33.11 million in F.Y 2017-2018 (Previous year ₹ 5.34 million)

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

#### **\*\*Defined Contribution Plans:**

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

(₹ in Million)

| PARTICULARS                                | 2016 - 2017 | 2015 - 2016 |
|--|-------------|-------------|
| Contribution to Provident and other Fund * | 38.00       | 26.03       |

\*Contribution to Provident and Other fund includes contribution to other funds like Superannuation fund, etc pertaining to employees.

#### **NOTE 24. OTHER EXPENSES:**

(₹ in Million)

| PARTICULARS   | 2016 - 2017 | 2015 - 2016 |
|---|-------------|-------------|
| Advertisement Expenses  | 5.92        | 42.59       |
| Exchange and Statutory Charges                                | 1.19        | 0.50        |
| Marketing and Commission Expenses                             | 179.76      | 118.61      |
| Direct Operating Expenses                                     | 192.18      | 307.71      |
| Bank Charges  | 1.17        | 0.15        |
| Communication Expenses  | 14.14       | 11.73       |
| Donation  | 17.20       | 35.36       |
| Electricity Expenses  | 10.38       | 9.52        |
| Legal and Professional Charges                                | 174.78      | 73.92       |
| Corporate social responsibility(CSR) expenses (Refer Note-38) | 24.01       | 12.76       |
| Office Expenses   | 64.28       | 34.88       |
| Miscellaneous Expenses  | 5.47        | 0.66        |
| Postage and Courier Expenses                                  | 2.37        | 3.78        |
| Printing and Stationery                                       | 8.82        | 9.51        |
| Rent Expenses   | 190.89      | 105.95      |
| Manpower Outsource expenses                                   | 81.32       | 83.35       |
| Insurance charges   | 8.42        | 1.27        |
| Rates and Taxes   | 39.43       | 3.29        |

(₹ in Million)

| PARTICULARS  | 2016 - 2017     | 2015 - 2016     |
|--|-----------------|-----------------|
| Repairs and maintenance:   |                 |                 |
| - Computers  | 1.75            | 1.48            |
| - Others   | 1.79            | 2.53            |
| Remuneration to Auditors   |                 |                 |
| - Statutory Audit (net of service tax input credit)                      | 0.50            | 0.30            |
| - Other Services (net of service tax input credit)                       | 1.80            | 1.15            |
| - Swachh Bharat Cess   | 0.01            | -               |
| - Certification work and other matters (net of service tax input credit) | 0.55            | -               |
| - Out of Pocket Expenses   | 0.17            | 0.03            |
| Software Charges/Technology Cost   | 34.45           | 16.08           |
| Commission & sitting fees to non-executive directors                     | 2.29            | 2.07            |
| (Profit)/Loss on Sale of Assets  | 0.90            | -               |
| Travelling and Conveyance  | 184.82          | 178.27          |
| <b>Total</b>   | <b>1,250.76</b> | <b>1,057.45</b> |

The above costs are inclusive of Related party transactions (Refer Note 35)

**NOTE 25. FINANCE CHARGES:**

(₹ in Million)

| PARTICULARS                                | 2016 - 2017   | 2015 - 2016   |
|--|---------------|---------------|
| Interest Expenses                          |               |               |
| - Non convertible debentures               | 36.95         | 63.78         |
| - Discount on Commercial papers            | 95.70         | 88.87         |
| - Inter corporate deposits (Refer Note 35) | 67.90         | -             |
| - Term loan                                | 1.85          | 11.92         |
| - Delayed payment of taxes                 | 8.38          | 0.54          |
| Bank Guarantee expenses                    | 2.00          | -             |
| Other borrowing cost                       | 0.36          | 0.02          |
| <b>Total</b>                               | <b>213.14</b> | <b>165.13</b> |

**NOTE 26. DEPRECIATION:**

(₹ in Million)

| PARTICULARS                                       | 2016 - 2017  | 2015 - 2016  |
|---|--------------|--------------|
| Depreciation on Tangible Assets (Refer Note 11)   | 62.71        | 19.22        |
| Amortisation of Intangible Assets (Refer Note 12) | 21.90        | 10.21        |
| <b>Total</b>                                      | <b>84.61</b> | <b>29.43</b> |

**NOTE 27. PROVISIONS AND WRITE OFF:**

(₹ in Million)

| PARTICULARS                                      | 2016 - 2017 | 2015 - 2016  |
|--|-------------|--------------|
| Provision for diminution in value of investments | 3.75        | 14.67        |
| Provision for Doubtful Debts                     | 2.62        | 4.37         |
| Others   | (0.06)      | -            |
| <b>Total</b>                                     | <b>6.31</b> | <b>19.04</b> |

**NOTE 28.** Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with Accounting Standard (AS) 20 'Earnings per share' as specified u/s 133 of the Companies Act 2013.

| (₹ in Million)  |            |              |              |
|---|------------|--------------|--------------|
| PARTICULARS   |            | 2016 - 2017  | 2015 - 2016  |
| <b>BASIC EPS</b>  |            |              |              |
| Profit after tax as per Statement of Profit and Loss (₹ in Million)             | A          | 864.39       | 1,034.06     |
| Weighted Average Number of Shares Subscribed                                    | B          | 73,980,604   | 58,860,782   |
| Face Value of Equity Shares (₹) fully paid                                      |            | 2.00         | 2.00         |
| <b>Basic EPS (₹)</b>  | <b>A/B</b> | <b>11.68</b> | <b>17.57</b> |
| <b>DILUTED EPS</b>  |            |              |              |
| Profit after tax as per Statement of Profit and Loss (₹ in Million)             | A          | 864.39       | 1,034.06     |
| Weighted Average Number of Shares   | C          | 73,980,604   | 58,860,782   |
| Add : Potential Equity Shares on account of conversion of Employee Stock Option | D          | 7,885,716    | 7,557,525    |
| Weighted Average Number of Shares Outstanding                                   | E=C+D      | 81,866,320   | 66,418,307   |
| <b>Diluted EPS (₹)</b>  | <b>A/E</b> | <b>10.56</b> | <b>15.57</b> |

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

#### **NOTE 30. CAPITAL AND OTHER COMMITMENTS**

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 89.54 million (Previous year ₹ 64.61 million)

#### **NOTE 31. CONTINGENT LIABILITIES AT BALANCE SHEET DATE**

| (₹ in Million)   |                      |                      |
|------------------|----------------------|----------------------|
| PARTICULARS      | As at March 31, 2017 | As at March 31, 2016 |
| Bank Guarantees* | 750.00               | -                    |

\*Fixed deposits amounting to ₹ 375.00 million are pledged against this

#### **NOTE 32.**

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

#### **NOTE 33.**

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

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

| PARTICULARS   | ESOP 2012   | ESOP 2015   |
|---|---|---|
| No. of options granted                                  | 2,718,050<br>(A - 1,234,900; B - 758,550; C - 724,600)  | 7,865,945<br>(A - 6,965,945 & B - 900,000)  |
| Grant Dates   | A - March 28, 2012; B - August 29, 2013;<br>C - Jun 03, 2014  | A - July 02, 2015,<br>B - November 10, 2016   |
| Method of accounting                                    | Intrinsic Value   | Intrinsic Value   |
| Vesting plan  | Options granted would vest over a period of six years subject to minimum period of one year from the date of grant of options | Options granted would vest over a period of six years subject to minimum period of one year from the date of grant of options |
| Exercise period   | Seven years from the date of grant  | Seven years from the date of grant  |
| Grant Price (₹ Per Share)                               | A - ₹ 10.00, B - ₹ 16.00 and C - ₹ 19.00  | A - ₹ 282.00, B - ₹ 339.00  |
| Fair Value on the date of Grant of Option (₹ Per Share) | ₹ 11.80 - ₹ 18.96   | ₹ 274.00 - ₹ 319.00   |

**Movement of options granted:**

| PARTICULARS  | ESOP 2012    | ESOP 2015 |
|--|--------------|-----------|
| Options outstanding at the beginning of the year                           | 591,580      | 6,965,945 |
| Granted during the year  | -            | 900,000   |
| Exercised during the year  | 449,185      | 3,555,921 |
| Lapsed during the year   | 13,835       | -         |
| Options outstanding at the end of the year                                 | 128,510      | 4,310,024 |
| Exercisable at the end of the year   | 194,835      | 1,214,766 |
| Weighted average exercise price for the options exercised during the year  | ₹ 16.41      | ₹ 282.00  |
| Range of exercise price for the options outstanding at the end of the year | ₹ 10 to ₹ 19 | ₹ 282.00  |

**Fair Value Methodology:**

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

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

| GRANT DATE                                     | ESOP 2012       | ESOP 2015     |
|--|-----------------|---------------|
| Risk free interest rate                        | 8.38% - 9.47%   | 7.87% - 6.39% |
| Expected average life                          | 3 years         | 3 years       |
| Expected volatility of Share Price             | Nil             | Nil           |
| Dividend yield                                 | 0% - 38.45%     | 1.25% - 1.64% |
| Fair value on the date of the grant (₹/option) | ₹ 11.80 - 18.96 | ₹ 274 - 319   |

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

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

(₹ in Million)

| PARTICULARS  | CURRENT YEAR  | PREVIOUS YEAR |
|--|---------------|---------------|
| Net Profit as reported   | 864.38        | 1,034.06      |
| Less:  |               |               |
| Stock-based compensation expenses determined under fair value method net of tax (Pro-forma) [Gross ₹ 76.81 million (Previous year ₹ 152.72 million)] | 50.23         | 99.87         |
| <b>Net Profit (Pro-forma)</b>  | <b>814.15</b> | <b>934.19</b> |

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

| PARTICULARS                              | CURRENT YEAR | PREVIOUS YEAR |
|--|--------------|---------------|
| Basic earnings per share (as reported)   | 11.68        | 17.57         |
| Basic earnings per share (pro-forma)     | 11.00        | 15.87         |
| Diluted earnings per share (as reported) | 10.56        | 15.57         |
| Diluted earnings per share (pro-forma)   | 9.94         | 14.07         |

**NOTE 34. SEGMENT REPORTING:**

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

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

**NOTE 35. RELATED PARTY DISCLOSURES.**

Related party disclosures for the year ended March 31, 2017

**a) List of Related parties:**

| NATURE OF RELATIONSHIP | NAME OF PARTY   |
|------------------------|---|
| Holding Company        | IIFL Holdings Limited   |
| Subsidiary Companies   | IIFL Distribution Services Limited<br>IIFL Investment Advisers and Trustee Services Limited<br>IIFL Alternate Asset Advisors Limited<br>IIFL Asset Management Limited<br>IIFL Trustee Limited<br>India Alternatives Advisors Private Limited (upto March 31, 2017)<br>IIFL Wealth Finance Limited<br>IIFL (Asia) Pte Limited<br>IIFL Inc<br>IIFL Private Wealth Management (Dubai) Limited<br>IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Limited)<br>IIFL Private Wealth (Suisse) SA<br>IIFL Private Wealth Hong Kong Limited<br>IIFL Securities Pte Limited<br>IIFL Capital Pte Limited |
| Fellow Subsidiaries    | India Infoline Limited<br>India Infoline Commodities Limited<br>India Infoline Finance Limited<br>India Infoline Media and Research Services Limited<br>India Infoline Commodities DMCC<br>India Infoline Insurance Brokers Limited<br>India Infoline Insurance Services Limited<br>IIFL Facilities Ltd<br>IIFL Capital Limited<br>IIFL Wealth (UK) Limited<br>IIFL Capital Inc.  |

| NATURE OF RELATIONSHIP   | NAME OF PARTY                          |
|--------------------------|--|
| Group Company            | India Infoline Foundation              |
|                          | IIFL Properties Private Limited        |
|                          | India Infoline Housing Finance Limited |
|                          | IIFL Asset Reconstruction Limited      |
| Key Managerial Personnel | Karan Bhagat - Managing Director       |
|                          | Yatin Shah - Whole Time Director       |
| Other Related Parties    | Mr. Nirmal Jain                        |
|                          | Mr. R. Venkataraman                    |
|                          | Mr. Amit Shah                          |
|                          | Mrs. Shilpa Bhagat                     |
|                          | Mrs. Ami Shah                          |
|                          | Mrs. Madhu Jain                        |
|                          | Mrs. Aditi Athavankar                  |
|                          | Mrs. Dhara Shah                        |
|                          | Orpheus Trading Pvt. Limited           |
|                          | Ardent Impex Pvt. Limited              |
|                          | Probability Sports LLP                 |
|                          | Naykia Realty Private Limited          |
|                          | Kyrush Investments                     |
|                          | Yatin Investment                       |

**b) Significant Transactions with Related Parties**

(₹ in Million)

| NATURE OF TRANSACTION                                   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL      |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|------------|
| <b>Investment</b>                                       |                    |            |                        |                    |                                |            |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | -          | -                      | -                  | -                              | -          |
| India Alternatives Investment<br>Advisors Pvt Limited   | -                  | (350.00)   | -                      | -                  | -                              | (350.00)   |
| IIFL Wealth Finance Limited                             | -                  | 620.00     | -                      | -                  | -                              | 620.00     |
|   | -                  | (9,000.00) | -                      | -                  | -                              | (9,000.00) |
| <b>Share Capital Issued:</b>                            |                    |            |                        |                    |                                |            |
| Karan Bhagat  | -                  | -          | -                      | -                  | 4.80                           | 4.80       |
| Yatin Shah  | -                  | -          | -                      | -                  | 1.80                           | 1.80       |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>NCD Buy Back</b>                                     |                    |            |                        |                    |                                |            |
| IIFL Wealth Finance Limited                             | -                  | 500.00     | -                      | -                  | -                              | 500.00     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>Purchase of Investments (Net)</b>                    |                    |            |                        |                    |                                |            |
| IIFL Alternate Asset Advisors Limited                   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (1,464.16) | -                      | -                  | -                              | (1,464.16) |
| IIFL Wealth Finance Limited                             | -                  | 2,750.00   | -                      | -                  | -                              | 2,750.00   |
|   | -                  | -          | -                      | -                  | -                              | -          |
| India Infoline Finance Limited                          | -                  | -          | (850.06)               | -                  | -                              | (850.06)   |
| IIFL Asset Management Limited                           | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (0.08)     | -                      | -                  | -                              | (0.08)     |



(₹ in Million)

| NATURE OF TRANSACTION   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL      |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|------------|
| <b>Sale of Investments (Net)</b>  |                    |            |                        |                    |                                |            |
| India Infoline Finance Limited  | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (67.53)                | -                  | -                              | (67.53)    |
| IIFL Alternate Asset Advisors Limited   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (1,794.89) | -                      | -                  | -                              | (1,794.89) |
| India Infoline Media Research<br>Services Ltd   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (702.50)               | -                  | -                              | (702.50)   |
| <b>Commission Income</b>  |                    |            |                        |                    |                                |            |
| IIFL Asset Management Limited   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | 0.00##     | -                      | -                  | -                              | 0.00##     |
| <b>Dividend Income</b>  |                    |            |                        |                    |                                |            |
| IIFL Private Wealth (Mauritius) Ltd   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (178.48)   | -                      | -                  | -                              | (178.48)   |
| India Infoline Limited  | -                  | -          | 0.00##                 | -                  | -                              | 0.00##     |
|   | -                  | -          | 0.00##                 | -                  | -                              | 0.00##     |
| <b>Brokerage – Authorised Person/ Brokerage- Fixed Deposit/ Arranger Fees Income/Management Fees Income</b> |                    |            |                        |                    |                                |            |
| India Infoline Limited  | -                  | -          | 367.65                 | -                  | -                              | 367.65     |
|   | -                  | -          | (354.87)               | -                  | -                              | (354.87)   |
| India Infoline Housing Finance Limited  | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (8.94)                 | -                  | -                              | (8.94)     |
| IIFL Facilities Services Ltd  | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (2.72)                 | -                  | -                              | (2.72)     |
| India Infoline Finance Limited  | -                  | -          | 52.12                  | -                  | -                              | 52.12      |
|   | -                  | -          | (3.42)                 | -                  | -                              | (3.42)     |
| IIFL Asset Management Limited   | -                  | 143.57     | -                      | -                  | -                              | 143.57     |
|   | -                  | (61.24)    | -                      | -                  | -                              | (61.24)    |
| India Alternatives Investment<br>Advisors Pvt Limited   | -                  | 14.00      | -                      | -                  | -                              | 14.00      |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>Interest Income on Inter Corporate Deposit</b>   |                    |            |                        |                    |                                |            |
| India Infoline Finance Limited  | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (7.27)                 | -                  | -                              | (7.27)     |
| IIFL Alternate Asset Advisors Limited   | -                  | 0.76       | -                      | -                  | -                              | 0.76       |
|   | -                  | (39.17)    | -                      | -                  | -                              | (39.17)    |
| IIFL Investment Adviser and<br>Trustee Services Limited   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (5.29)     | -                      | -                  | -                              | (5.29)     |
| India Alternatives Investment<br>Advisors Pvt Limited   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (1.28)     | -                      | -                  | -                              | (1.28)     |
| IIFL Trustee Limited  | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Facility Services Limited  | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (0.05)                 | -                  | -                              | (0.05)     |
| India Infoline Media &<br>Research Services Ltd   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (1.87)                 | -                  | -                              | (1.87)     |
| IIFL Asset Management Limited   | -                  | 3.99       | -                      | -                  | -                              | 3.99       |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Wealth Finance Limited   | -                  | 7.68       | -                      | -                  | -                              | 7.68       |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>Interest Expense on Inter Corporate Deposit</b>  |                    |            |                        |                    |                                |            |
| IIFL Distribution Services Limited  | -                  | 1.73       | -                      | -                  | -                              | 1.73       |
|   | -                  | (0.51)     | -                      | -                  | -                              | (0.51)     |

(₹ in Million)

| NATURE OF TRANSACTION                                   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL    |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|----------|
| IIFL Asset Management Limited                           | -                  | 10.03      | -                      | -                  | -                              | 10.03    |
|   | -                  | (8.20)     | -                      | -                  | -                              | (8.20)   |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 8.82       | -                      | -                  | -                              | 8.82     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| India Infoline Finance Limited                          | -                  | -          | 0.47                   | -                  | -                              | 0.47     |
|   | -                  | -          | (0.78)                 | -                  | -                              | (0.78)   |
| IIFL Wealth Finance Limited                             | -                  | 34.71      | -                      | -                  | -                              | 34.71    |
|   | -                  | -          | -                      | -                  | -                              | -        |
| IIFL Alternate Asset Advisors Limited                   | -                  | 6.48       | -                      | -                  | -                              | 6.48     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| IIFL Holding Limited                                    | 5.66               | -          | -                      | -                  | -                              | 5.66     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| <b>Interest Expense on NCD</b>                          |                    |            |                        |                    |                                |          |
| IIFL Wealth Finance Limited                             | -                  | 2.61       | -                      | -                  | -                              | 2.61     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| <b>Corporate Social Responsibility Expenses</b>         |                    |            |                        |                    |                                |          |
| India Infoline Foundation Limited                       | -                  | -          | -                      | 7.26               | -                              | 7.26     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| <b>Referral Fees - Expenses</b>                         | -                  | -          | -                      | -                  | -                              | -        |
| India Infoline Finance Limited                          | -                  | -          | 10.25                  | -                  | -                              | 10.25    |
|   | -                  | -          | (226.07)               | -                  | -                              | (226.07) |
| IIFL Facility Services Limited                          | -                  | -          | -                      | -                  | -                              | -        |
|   | -                  | -          | (15.00)                | -                  | -                              | (15.00)  |
| <b>Manpower Outsourcing Expenses</b>                    |                    |            |                        |                    |                                |          |
| IIFL Distribution Services Limited                      | -                  | 67.24      | -                      | -                  | -                              | 67.24    |
|   | -                  | (78.11)    | -                      | -                  | -                              | (78.11)  |
| <b>Rent Expenses</b>                                    |                    |            |                        |                    |                                |          |
| IIFL Facility Services Limited                          | -                  | -          | 135.73                 | -                  | -                              | 135.73   |
|   | -                  | -          | (90.65)                | -                  | -                              | (90.65)  |
| <b>Advisory Fee Expense</b>                             |                    |            |                        |                    |                                |          |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 24.00      | -                      | -                  | -                              | 24.00    |
|   | -                  | (24.00)    | -                      | -                  | -                              | (24.00)  |
| <b>Guest House Expense</b>                              |                    |            |                        |                    |                                |          |
| IIFL Properties Private Limited                         | -                  | -          | 0.29                   | -                  | -                              | 0.29     |
|   | -                  | -          | (0.16)                 | -                  | -                              | (0.16)   |
| <b>Remuneration</b>                                     |                    |            |                        |                    |                                |          |
| Karan Bhagat  | -                  | -          | -                      | -                  | 40.13                          | 40.13    |
|   | -                  | -          | -                      | -                  | (37.86)                        | (37.86)  |
| Yatin Shah  | -                  | -          | -                      | -                  | 31.53                          | 31.53    |
|   | -                  | -          | -                      | -                  | (29.67)                        | (29.67)  |
| <b>Dividend Paid</b>                                    |                    |            |                        |                    |                                |          |
| IIFL Holdings Limited                                   | 270.00             | -          | -                      | -                  | -                              | 270.00   |
|   | (270.00)           | -          | -                      | -                  | -                              | (270.00) |
| Karan Bhagat  | -                  | -          | -                      | -                  | 14.46                          | 14.46    |
|   | -                  | -          | -                      | -                  | (17.76)                        | (17.76)  |
| Yatin Shah  | -                  | -          | -                      | -                  | 14.46                          | 14.46    |
|   | -                  | -          | -                      | -                  | (17.76)                        | (17.76)  |
| Amit Shah   | -                  | -          | -                      | -                  | 10.91                          | 10.91    |
|   | -                  | -          | -                      | -                  | (14.21)                        | (14.21)  |

(₹ in Million)

| NATURE OF TRANSACTION                                   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL      |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|------------|
| <b>Other funds received</b>                             |                    |            |                        |                    |                                |            |
| India Infoline Limited                                  | -                  | -          | 4.19                   | -                  | -                              | 4.19       |
|   | -                  | -          | (0.23)                 | -                  | -                              | (0.23)     |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 2.42       | -                      | -                  | -                              | 2.42       |
|   | -                  | (0.72)     | -                      | -                  | -                              | (0.72)     |
| IIFL Alternate Asset<br>Advisors Limited                | -                  | 0.35       | -                      | -                  | -                              | 0.35       |
|   | -                  | (2.54)     | -                      | -                  | -                              | (2.54)     |
| IIFL Distribution Services Limited                      | -                  | 5.44       | -                      | -                  | -                              | 5.44       |
|   | -                  | (5.71)     | -                      | -                  | -                              | (5.71)     |
| India Alternatives Investment<br>Advisors Pvt Ltd       | -                  | 0.82       | -                      | -                  | -                              | 0.82       |
|   | -                  | (0.72)     | -                      | -                  | -                              | (0.72)     |
| IIFL Asset Management Limited)                          | -                  | 0.40       | -                      | -                  | -                              | 0.40       |
|   | -                  | (1.75)     | -                      | -                  | -                              | (1.75)     |
| IIFL Wealth Finance Limited                             | -                  | 2.22       | -                      | -                  | -                              | 2.22       |
|   | -                  | (0.02)     | -                      | -                  | -                              | (0.02)     |
| <b>Other funds paid</b>                                 |                    |            |                        |                    |                                |            |
| India Infoline Limited                                  | -                  | -          | 0.04                   | -                  | -                              | 0.04       |
|   | -                  | -          | (2.78)                 | -                  | -                              | (2.78)     |
| IIFL Holdings Limited                                   | -                  | -          | -                      | -                  | -                              | -          |
|   | (0.57)             | -          | -                      | -                  | -                              | (0.57)     |
| India Infoline Finance Limited                          | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (0.01)                 | -                  | -                              | (0.01)     |
| IIFL Alternate Asset<br>Advisors Limited                | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (0.82)     | -                      | -                  | -                              | (0.82)     |
| IIFL Asset Management Limited                           | -                  | 1.59       | -                      | -                  | -                              | 1.59       |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Distribution Services Limited                      | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (0.27)     | -                      | -                  | -                              | (0.27)     |
| IIFL Wealth Finance Limited                             | -                  | 0.23       | -                      | -                  | -                              | 0.23       |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 0.02       | -                      | -                  | -                              | 0.02       |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>Inter Corporate Deposit Given</b>                    |                    |            |                        |                    |                                |            |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (358.61)   | -                      | -                  | -                              | (358.61)   |
| IIFL Alternate Asset Advisors Limited                   | -                  | 572.10     | -                      | -                  | -                              | 572.10     |
|   | -                  | (4,782.75) | -                      | -                  | -                              | (4,782.75) |
| India Infoline Finance Limited                          | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (2,750.00)             | -                  | -                              | (2,750.00) |
| India Alternatives Investment<br>Advisors Private Ltd   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (35.00)    | -                      | -                  | -                              | (35.00)    |
| IIFL Trustee Limited                                    | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (0.05)     | -                      | -                  | -                              | (0.05)     |
| India Infoline Media &<br>Research Services Ltd         | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (270.00)               | -                  | -                              | (270.00)   |
| IIFL Asset Management Limited                           | -                  | 457.12     | -                      | -                  | -                              | 457.12     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Wealth Finance Limited                             | -                  | 1,750.00   | -                      | -                  | -                              | 1,750.00   |
|   | -                  | -          | -                      | -                  | -                              | -          |

(₹ in Million)

| NATURE OF TRANSACTION                                   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL      |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|------------|
| IIFL Facility Services Limited                          | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (150.00)               | -                  | -                              | (150.00)   |
| <b>Inter Corporate Deposit Received back</b>            |                    |            |                        |                    |                                |            |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (378.79)   | -                      | -                  | -                              | (378.79)   |
| IIFL Alternate Asset<br>Advisors Limited                | -                  | 572.10     | -                      | -                  | -                              | 572.10     |
|   | -                  | (4,818.21) | -                      | -                  | -                              | (4,818.21) |
| India Alternatives Investment<br>Advisors Private Ltd   | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (92.80)    | -                      | -                  | -                              | (92.80)    |
| IIFL Trustee Limited                                    | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | (0.05)     | -                      | -                  | -                              | (0.05)     |
| India Infoline Media &<br>Research Services Ltd         | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (270.00)               | -                  | -                              | (270.00)   |
| IIFL Facility Services Limited                          | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (150.00)               | -                  | -                              | (150.00)   |
| India Infoline Finance Limited                          | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | (2,750.00)             | -                  | -                              | (2,750.00) |
| IIFL Asset Management Limited                           | -                  | 457.12     | -                      | -                  | -                              | 457.12     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Wealth Finance Limited                             | -                  | 1,750.00   | -                      | -                  | -                              | 1,750.00   |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>Inter Corporate Deposit taken</b>                    |                    |            |                        |                    |                                |            |
| IIFL Distribution Services Limited                      | -                  | 119.50     | -                      | -                  | -                              | 119.50     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Asset Management Limited                           | -                  | 2,545.00   | -                      | -                  | -                              | 2,545.00   |
|   | -                  | (7.50)     | -                      | -                  | -                              | (7.50)     |
| India Infoline Finance Limited                          | -                  | -          | 250.00                 | -                  | -                              | 250.00     |
|   | -                  | -          | (490.00)               | -                  | -                              | (490.00)   |
| IIFL Alternate Asset<br>Advisors Limited                | -                  | 635.00     | -                      | -                  | -                              | 635.00     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Wealth Finance Limited                             | -                  | 9,612.50   | -                      | -                  | -                              | 9,612.50   |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 332.00     | -                      | -                  | -                              | 332.00     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Holdings Limited                                   | 330.00             | -          | -                      | -                  | -                              | 330.00     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| <b>Inter Corporate Deposit Repaid</b>                   |                    |            |                        |                    |                                |            |
| IIFL Distribution Services Limited                      | -                  | 119.50     | -                      | -                  | -                              | 119.50     |
|   | -                  | (20.22)    | -                      | -                  | -                              | (20.22)    |
| IIFL Asset Management Limited                           | -                  | 2,545.00   | -                      | -                  | -                              | 2,545.00   |
|   | -                  | (341.70)   | -                      | -                  | -                              | (341.70)   |
| India Infoline Commodities Limited                      | -                  | -          | -                      | -                  | -                              | -          |
|   | -                  | -          | -                      | -                  | -                              | -          |
| IIFL Holdings Limited                                   | 330.00             | -          | -                      | -                  | -                              | 330.00     |
|   | -                  | -          | -                      | -                  | -                              | -          |
| India Infoline Finance Limited                          | -                  | -          | 250.00                 | -                  | -                              | 250.00     |
|   | -                  | -          | (490.00)               | -                  | -                              | (490.00)   |
| IIFL Alternate Asset Advisors Limited                   | -                  | 635.00     | -                      | -                  | -                              | 635.00     |
|   | -                  | -          | -                      | -                  | -                              | -          |

(₹ in Million)

| NATURE OF TRANSACTION                                   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL    |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|----------|
| IIFL Wealth Finance Limited                             | -                  | 9,612.50   | -                      | -                  | -                              | 9,612.50 |
|   | -                  | -          | -                      | -                  | -                              | -        |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 332.00     | -                      | -                  | -                              | 332.00   |
|   | -                  | -          | -                      | -                  | -                              | -        |
| <b>Allocation / Reimbursement of expenses Paid</b>      |                    |            |                        |                    |                                |          |
| India Infoline Limited                                  | -                  | -          | 77.56                  | -                  | -                              | 77.56    |
|   | -                  | -          | (62.95)                | -                  | -                              | (62.95)  |
| IIFL Holdings Limited                                   | 21.07              | -          | -                      | -                  | -                              | 21.07    |
|   | -                  | -          | -                      | -                  | -                              | -        |
| India Alternatives Investment<br>Advisors Private Ltd   | -                  | 68.80      | -                      | -                  | -                              | 68.80    |
|   | -                  | -          | -                      | -                  | -                              | -        |
| 5 Paisa Capital Limited                                 | -                  | -          | -                      | 0.05               | -                              | 0.05     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| IIFL Distribution Services Ltd                          | -                  | 1.01       | -                      | -                  | -                              | 1.01     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| IIFL Facility Services Limited                          | -                  | -          | 0.01                   | -                  | -                              | 0.01     |
|   | -                  | -          | -                      | -                  | -                              | -        |
| <b>Allocation / Reimbursement of expenses Received</b>  |                    |            |                        |                    |                                |          |
| IIFL Asset Management Company Limited                   | -                  | 31.28      | -                      | -                  | -                              | 31.28    |
|   | -                  | (36.29)    | -                      | -                  | -                              | (36.29)  |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 11.54      | -                      | -                  | -                              | 11.54    |
|   | -                  | (8.66)     | -                      | -                  | -                              | (8.66)   |
| IIFL Alternate Asset Advisors Limited                   | -                  | -          | -                      | -                  | -                              | -        |
|   | -                  | (9.86)     | -                      | -                  | -                              | (9.86)   |
| IIFL Distribution Services Limited                      | -                  | 6.26       | -                      | -                  | -                              | 6.26     |
|   | -                  | (10.12)    | -                      | -                  | -                              | (10.12)  |
| IIFL Wealth Finance Limited                             | -                  | 24.76      | -                      | -                  | -                              | 24.76    |
|   | -                  | (2.27)     | -                      | -                  | -                              | (2.27)   |
| India Alternatives Investment<br>Advisors Pvt Ltd       | -                  | 4.78       | -                      | -                  | -                              | 4.78     |
|   | -                  | (5.15)     | -                      | -                  | -                              | (5.15)   |

**c) Amount due to / from Related Parties (Closing Balances):**

(₹ in Million)

| NATURE OF TRANSACTION                                   | HOLDING<br>COMPANY | SUBSIDIARY | FELLOW<br>SUBSIDIARIES | GROUP<br>COMPANIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL |
|---|--------------------|------------|------------------------|--------------------|--------------------------------|-------|
| <b>Sundry payables</b>                                  |                    |            |                        |                    |                                |       |
| IIFL Distribution Services Limited                      | -                  | 8.33       | -                      | -                  | -                              | 8.33  |
|   | -                  | -          | -                      | -                  | -                              | -     |
| IIFL Investment Adviser and<br>Trustee Services Limited | -                  | 1.30       | -                      | -                  | -                              | 1.30  |
|   | -                  | -          | -                      | -                  | -                              | -     |
| India Infoline Limited                                  | -                  | -          | 7.43                   | -                  | -                              | 7.43  |
|   | -                  | -          | -                      | -                  | -                              | -     |
| <b>Other receivables</b>                                |                    |            |                        |                    |                                |       |
| IIFL Alternate Asset<br>Advisors Limited                | -                  | 0.04       | -                      | -                  | -                              | 0.04  |
|   | -                  | -          | -                      | -                  | -                              | -     |
| IIFL Wealth Finance Limited                             | -                  | 10.48      | -                      | -                  | -                              | 10.48 |
|   | -                  | -          | -                      | -                  | -                              | -     |

(₹ in Million)

| NATURE OF TRANSACTION          | HOLDING COMPANY | SUBSIDIARY | FELLOW SUBSIDIARIES | GROUP COMPANIES | KEY MANAGERIAL PERSONNEL | TOTAL   |
|--------------------------------|-----------------|------------|---------------------|-----------------|--------------------------|---------|
| IIFL Asset Management Limited  | -               | 8.70       | -                   | -               | -                        | 8.70    |
|                                | -               | -          | -                   | -               | -                        | -       |
| <b>Trade Receivables</b>       |                 |            |                     |                 |                          |         |
| IIFL Asset Management Limited  | -               | 39.00      | -                   | -               | -                        | 39.00   |
|                                | -               | -          | -                   | -               | -                        | -       |
| India Infoline Limited         | -               | -          | 15.69               | -               | -                        | 15.69   |
|                                | -               | -          | (28.38)             | -               | -                        | (28.38) |
| India Infoline Finance Limited | -               | -          | 1.88                | -               | -                        | 1.88    |
|                                | -               | -          | -                   | -               | -                        | -       |

**Note :**

- I Figures in bracket represents previous year figures.  
 II Related parties are identified and certified by the management.  
 ## Represents value less than ₹ 5000

**NOTE 36. EARNINGS AND EXPENSES IN FOREIGN CURRENCY:**

(₹ in Million)

| PARTICULARS                         | 2016 - 2017 | 2015 - 2016 |
|-------------------------------------|-------------|-------------|
| <b>Earnings in Foreign Currency</b> |             |             |
| Dividend Income                     | -           | 178.48      |
| <b>Total</b>                        | -           | 178.48      |
| <b>Expenses in Foreign Currency</b> |             |             |
| Advertisement Expense               | 1.33        | 0.5         |
| Legal and professional Charges      | 6.41        | 1.54        |
| Marketing and commission Expense    | 12.55       | 9.27        |
| Office Expense                      | 2.38        | 1.08        |
| Travelling and Conveyance Expense   | 1.31        | 1.56        |
| <b>Total</b>                        | 23.98       | 13.95       |

**NOTE 37.** The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same have been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2017, are as under:

(₹ in Million)

| MINIMUM LEASE RENTALS | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|-----------------------|----------------------|----------------------|
| Up to one year        | 274.62               | 168.54               |
| One to five years     | 266.72               | 299.04               |
| Over five years       | -                    | 0.58                 |

**NOTE 38. CORPORATE SOCIAL RESPONSIBILITY**

During the financial year 2016-17, the Company has spent ₹ 24.01 million (Previous Year ₹ 12.76 million) as against ₹ 23.51 million (Previous Year ₹ 14.15 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects.

**NOTE 39. DETAILS OF INTER CORPORATE DEPOSITS**

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

| PARTICULARS                        | ICD GIVEN | ICD RECEIVED BACK | ICD OUTSTANDING |
|------------------------------------|-----------|-------------------|-----------------|
| Fineworthy Software Solutions Ltd  | 1.45      | 3.30              | 14.33           |
|                                    | (45.10)   | (46.88)           | (16.18)         |
| IIFL Wealth Employee Benefit Trust | 38.74     | 36.91             | 1.83            |
|                                    | -         | -                 | -               |

The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.5% to 11% p.a.), for the purpose of meeting working capital and business requirements.

**NOTE 40.** Previous figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

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For and on behalf of the Board of Directors

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary



# INDEPENDENT AUDITOR'S REPORT

## To the Members of IIFL Wealth Management Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IIFL WEALTH MANAGEMENT LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of 8 subsidiaries whose financial statements reflect total assets of ₹ 1,340,995,630 as at 31 March 2017, total revenues of ₹ 1,122,328,930 and net cash outflow amounting to ₹ 206,693,056 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

All of the above subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India, is disqualified as on 31 March 2017 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and the subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and subsidiary companies

incorporated in India.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

- iv. The Holding Company and its subsidiary companies incorporated in India did not have any holdings or dealings in Specified Bank Notes as defined in the Notification 5.0. 3407 (E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**(Pallavi A. Gorakshakar)**

(Partner)

(Membership No. 105035)

Mumbai, 3 May 2017

PG/SB-2017

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph '1 (f)' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **IIFL Wealth Management Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies 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 (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Holding Company and its subsidiary companies, which are companies incorporated in India, 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 for Holding Company and its subsidiaries, which are companies incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

### **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 and, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2017, based on the internal control over financial reporting criteria established by the respective companies 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)

Mumbai, 3 May 2017

PG/SB-2017

# CONSOLIDATED BALANCE SHEET

## AS AT MARCH 31, 2017

(₹ in Million)

| PARTICULARS  | NOTE NO. | AS AT MAR 31, 2017 | AS AT MAR 31, 2016 |
|--|----------|--------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                    |                    |
| <b>(1) Shareholder's funds</b>   |          |                    |                    |
| (a) Share Capital  | 3        | 155.93             | 147.92             |
| (b) Reserves and Surplus   | 4        | 15,085.69          | 12,144.72          |
| (c) Money received against share warrants  |          | -                  | 0.09               |
| <b>Sub total</b>   |          | <b>15,241.62</b>   | <b>12,292.73</b>   |
| <b>(2) Share application money pending allotment</b>                                       |          | <b>-</b>           | <b>-</b>           |
| <b>(3) Non Current Liabilities</b>   |          |                    |                    |
| (a) Long-term borrowings   | 5        | 19,829.63          | 516.34             |
| (b) Deferred Tax Liability   |          | -                  | -                  |
| (c) Other Long-term liabilities  | 6        | 366.90             | 73.84              |
| (d) Long-term provisions   | 7        | 67.10              | 16.54              |
| <b>Sub total</b>   |          | <b>20,263.63</b>   | <b>606.72</b>      |
| <b>(4) Current liabilities</b>   |          |                    |                    |
| (a) Short-term borrowings  | 8        | 33,970.95          | 910.05             |
| (b) Trade payables   | 9        |                    |                    |
| (A) total outstanding dues of micro enterprises and small enterprises                      |          | -                  | -                  |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises |          | 252.71             | 249.41             |
| (c) Other current liabilities  | 10       | 5,389.36           | 65.49              |
| (d) Short-term provisions  | 11       | 885.49             | 571.22             |
| <b>Sub total</b>   |          | <b>40,498.51</b>   | <b>1,796.17</b>    |
| <b>TOTAL</b>   |          | <b>76,003.76</b>   | <b>14,695.62</b>   |
| <b>ASSETS</b>  |          |                    |                    |
| <b>(1) Non-current assets</b>  |          |                    |                    |
| (a) Fixed assets   |          |                    |                    |
| (i) Tangible Assets  | 12       | 202.85             | 91.16              |
| (ii) Intangible Assets   | 13       | 38.53              | 34.34              |
| (iii) Capital Work-in-Progress   |          | 32.40              | 15.42              |
| (iv) Goodwill on Consolidation   | 41       | 288.32             | 339.60             |
| (v) Intangible Assets under Development  |          | 3.25               | -                  |
| <b>Sub total</b>   |          | <b>565.35</b>      | <b>480.52</b>      |
| (b) Non-current Investments  | 14       | 1,723.10           | 396.21             |
| (c) Deferred Tax Asset   | 15       | 132.97             | 51.04              |
| (d) Long-term Loans & Advances   | 16       | 13,030.65          | 125.80             |
| (e) Other Non-current Assets   | 17       | 56.61              | -                  |
| <b>Sub total</b>   |          | <b>14,943.33</b>   | <b>573.05</b>      |
| <b>(2) Current assets</b>  |          |                    |                    |
| (a) Current investments  | 18       | 17,619.43          | 9,462.04           |
| (b) Inventories  |          | -                  | -                  |
| (c) Trade receivables  | 19       | 3,246.45           | 867.66             |
| (d) Cash and cash equivalents  | 20       | 12,751             | 2,199.94           |
| (e) Short-term loans & advances  | 21       | 23,674.96          | 1,103.88           |
| (f) Other current assets   | 22       | 3,203.24           | 8.53               |
| <b>Sub total</b>   |          | <b>60,495.08</b>   | <b>13,642.05</b>   |
| <b>TOTAL</b>   |          | <b>76,003.76</b>   | <b>14,695.62</b>   |

See accompanying notes forming part of the consolidated 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

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Million)

| PARTICULARS                               | NOTE NO. | 2016 - 2017      | 2015 - 2016     |
|---|----------|------------------|-----------------|
| <b>INCOME :</b>                           |          |                  |                 |
| Revenue from Operations                   | 23       | 10,403.64        | 5,394.47        |
| Other Income                              | 24       | 424.95           | 514.27          |
| <b>Total Revenue</b>                      |          | <b>10,828.59</b> | <b>5,908.74</b> |
| <b>EXPENSES :</b>                         |          |                  |                 |
| Employee Benefit Expenses                 | 25       | 2,564.39         | 1,801.98        |
| Other expenses                            | 26       | 1,754.61         | 1,559.63        |
| Finance Charges                           | 27       | 2,489.83         | 209.32          |
| Depreciation & Amortisation               | 28       | 89.07            | 33.57           |
| Provision & Write off                     | 29       | 300.81           | 40.69           |
| <b>Total Expenditure</b>                  |          | <b>7,198.71</b>  | <b>3,645.19</b> |
| <b>Profit before tax</b>                  |          | <b>3,629.88</b>  | <b>2,263.55</b> |
| Tax expenses :                            |          |                  |                 |
| Current tax                               |          | 1,210.55         | 466.13          |
| Deferred tax expenses                     | 15       | (82.14)          | 82.47           |
| MAT Credit entitlement                    |          | (0.18)           | (2.02)          |
| Short / (excess) provision for income tax |          | (3.05)           | 23.12           |
| <b>Total Tax Expenses</b>                 |          | <b>1,125.18</b>  | <b>569.70</b>   |
| <b>Profit for the year</b>                |          | <b>2,504.70</b>  | <b>1,693.85</b> |
| Earning Per Share- Basic (₹)              | 30       | 33.86            | 28.78           |
| Earning Per Share- Diluted (₹)            | 30       | 30.59            | 25.50           |
| Face Value Per Share (₹)                  |          | 2                | 2               |

See accompanying notes forming part of the consolidated 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

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary



# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Million)

| PARTICULARS  | 2016 - 2017    | 2015 - 2016  |
|--|----------------|--------------|
| <b>A. Cash flows from operating activities</b>               |                |              |
| Net profit before taxation and extraordinary item            | 3,629.88       | 2,263.55     |
| Adjustments for:   |                |              |
| Depreciation   | 89.07          | 33.57        |
| Provisions for Gratuity                                      | 34.08          | 24.65        |
| Provisions for Leave Encashment                              | 15.39          | 6.55         |
| Provision for Doubtful debts                                 | 2.63           | 6.94         |
| Provision for Diminution in Investment                       | 160.61         | 30.72        |
| Provision for Mark to Market on Derivative                   | 12.32          | -            |
| Provision on standard Assets                                 | 125.25         | 3.02         |
| Interest Income  | (3,411.89)     | (82.13)      |
| Interest expenses  | 2,480.60       | 208.29       |
| Loss on Sale of Fixed Assets                                 | 0.91           | -            |
| Dividend Income from Investments                             | (8.23)         | (116.29)     |
| Profit on sale of current investments                        | (1,205.49)     | (283.34)     |
| Profit on sale of non-current investments                    | (93.70)        | (62.44)      |
| Loss on Sale of Subsidiary                                   | 35.87          | -            |
| Interest received  | 2,310.45       | 22.21        |
| Operating profit before working capital changes              | 4,177.75       | 2,055.30     |
| Changes in Working Capital :                                 |                |              |
| (Increase)/ Decrease in Current/Non Current Assets           | (4,070.63)     | 1,900.53     |
| Increase/ (Decrease) in Current/Non Current Liabilities      | 1,617.92       | (31.75)      |
| Cash generated from operations                               | 1,725.04       | 3,924.08     |
| (Increase)/ Decrease in Long Term Loans and Advances         | (12,631.20)    | -            |
| (Increase)/ Decrease in Short Term Loans and Advances        | (22,524.86)    | (1,007.73)   |
| Cash (used in)/generated from operating activities           | (33,431.02)    | 2,916.35     |
| Net income tax (paid) / refunds                              | (1,073.05)     | (760.64)     |
| Net cash (used in) / generated from operating activities (A) | (34,504.07)    | 2,155.71     |
| <b>B. Cash flows from investing activities</b>               |                |              |
| Purchase of Investments                                      | (1,094,150.41) | (206,647.16) |
| Sale of Investments  | 1,085,811.00   | 197,583.97   |
| Sale of Subsidiary   | 0.11           | -            |
| Dividend Income  | 8.23           | 116.29       |
| Interest Received  | 108.39         | 61.56        |
| Fixed Deposit placed   | (3,125.00)     | (10.00)      |
| Loans given  | -              | -            |
| Purchase of fixed assets (includes intangible assets)        | (228.80)       | (98.47)      |
| Sale of fixed assets (includes intangible assets)            | 2.58           | -            |
| Net cash used in investing activities (B)                    | (11,573.90)    | (8,993.81)   |
| <b>C. Cash flows from financing activities</b>               |                |              |
| Issuance of Share Capital                                    | 8.01           | 30.68        |
| Securities Premium including share warrants                  | 1,002.13       | 8,990.72     |
| Issuance of share warrants                                   | (0.09)         | 0.09         |
| Goodwill   | -              | (6.22)       |
| Short Term Borrowings - Borrowed                             | 22,460.20      | 6,711.19     |

(₹ in Million)

| PARTICULARS   | 2016 - 2017      | 2015 - 2016     |
|---|------------------|-----------------|
| Short Term Borrowings - Repaid  | (504.81)         | (7,300.22)      |
| Long Term Borrowings - Borrowed (Net CP)  | 33,083.22        | 5.36            |
| Long Term Borrowings - Repaid   | (22.32)          | (4.4)           |
| Interest Paid   | (1,988.22)       | (144.51)        |
| Dividend Paid (including Dividend Distribution Tax)                                 | (534.09)         | (387.44)        |
| <b>Net cash generated from financing activities (C)</b>                             | <b>53,504.03</b> | <b>7,895.25</b> |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                            | <b>7,426.06</b>  | <b>1,057.15</b> |
| Opening Cash & cash equivalents   | 2,179.94         | 1,122.79        |
| Closing Cash & cash equivalents   | 9,606.00         | 2,179.94        |
| <b>Reconciliation of Cash &amp; Cash equivalents with the Balance Sheet:</b>        |                  |                 |
| Cash and Cash Equivalents as per AS 3 Cash Flow Statements                          | 9,606.00         | 2,179.94        |
| Add: In Fixed deposits with maturity more than 3 months                             | 3,145.00         | 20.00           |
| Cash & Cash equivalents (as per Note 20)  | 12,751.00        | 2,199.94        |
| <b>See accompanying notes forming part of the consolidated financial statements</b> |                  |                 |

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

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2017

## NOTE 1. CORPORATE INFORMATION:

IIFL Wealth Management Limited Consolidated consists of IIFL Wealth Management Limited (Holding Company) and its subsidiaries namely: IIFL Distribution Services Limited, IIFL Investment Advisers and Trustee Services Limited, IIFL Alternate Asset Advisors Limited, IIFL Asset Management Limited, IIFL Trustee Limited, India Alternative Investment Advisors Pvt. Ltd (upto March 31, 2017), IIFL Wealth Finance Ltd, IIFL Private Wealth (Suisse) SA, IIFL (Asia) Pte. Ltd, IIFL Securities Pte. Ltd, IIFL Capital Pte. Ltd, IIFL Private Wealth Management (Dubai) Ltd, IIFL Private Wealth Hongkong Ltd, IIFL Inc. and IIFL Asset Management (Mauritius) Limited (Formerly known as IIFL Private Wealth (Mauritius) Ltd.), (referred to as "the Group"). It provides the Portfolio Management Services to the High Networth clients (HNI segment). It acts as wealth managers, financial consultants, management consultants, advisors and provides counselling services, financial services and facilities of every description and to mobilize funds and assets of various companies, mutual fund, individual Investors, firms, associations, corporate, private and institutional investors.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES:

### 2.1 Basis of Consolidation:

#### i. Basis of Preparation of financial statements:

The individual Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 of IIFL Wealth Management Limited ('the Company') and its subsidiaries ('companies and / or subsidiaries'), collectively referred to as 'Group', have been consolidated as per principles of consolidation enunciated in Accounting Standard (AS) 21 - 'Consolidated Financial Statements'. The financial statements have been prepared under historical cost convention on an accrual basis.

#### ii. Principles of Consolidation:

- a) The financial statements of the group companies of IIFL Wealth Management Limited have been prepared in accordance with the Generally

Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as prescribed under section 133 of Companies Act, 2013 (Act), the provisions of the Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The effects of all inter-group transactions and balances have been eliminated on consolidation. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year by the group.

- b) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2017.
- c) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- d) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the

subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. Goodwill/Capital reserve has been netted off and disclosed in the consolidated financial statements.

- e) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- f) In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

- iii. The list of subsidiaries that have been consolidated are given in Note 39.

## 2.2 Use of Estimates:

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

## 2.3 Fixed Assets and Depreciation:

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

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

| CLASS OF ASSETS          | USEFUL LIFE IN YEARS |
|--------------------------|----------------------|
| Buildings*               | 20                   |
| Computers*               | 3                    |
| Electrical*              | 5                    |
| Office equipment         | 5                    |
| Furniture and fixtures*# | 5                    |
| Vehicles*                | 5                    |
| Software                 | 3                    |

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

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

## 2.4 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non-current investments. Current investments are stated at lower of

cost or market / fair value. Non-current investments are carried at cost. Provision for diminution in value of non – current investments is made, if such diminution is other than temporary. For investment in Mutual funds, the Net Assets value (NAV) declared by the Mutual Funds at the balance sheet date is considered as the fair value.

## **2.5 Cash and cash equivalents:**

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

## **2.6 Cash flow statement**

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

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

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

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("RBI Direction's, 2015) dated March 27, 2015. Provision on standard assets is also made as per the RBI Directions as applicable to Company from time to time.

Contingent provision against standard assets is made at 0.35% of the outstanding standard assets in accordance with the RBI guidelines

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

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

## **2.8 Impairment of assets**

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

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

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

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## 2.9 Taxation:

Tax expense comprises current and deferred tax.

### Income Tax

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

### Deferred Tax

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

### Minimum Alternate Tax (MAT)

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

## 2.10 Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

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

with the terms agreed with the counter party.

- Manpower services/ Advisory/ Trustee fees are accounted on accrual basis.
- Interest income on loan is recognised on the time proportionate basis as per agreed terms.
- Interest income on loan recognised and remaining due for 120 days or more for all the loans is reversed after 120 days and is accounted as income when these are actually realised.
- Processing fees received from customers is recognised when there is no uncertainty of collection.

## 2.11 Other Income Recognition:

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

## 2.12 Transaction and Translation of foreign currency items :

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

## 2.13 Employee Benefits:

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

The Company has provided "Compensated Absences" on the basis of actuarial valuation. Gratuity is post employment benefit and is in

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

#### **2.14 Deferred Employee Stock Compensation:**

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

#### **2.15 Scheme Related Expenses:**

##### **(a) Fund Expenses:**

Expenses of schemes of IIFL Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996 and expenses incurred directly on behalf of schemes of IIFL Mutual Fund are charged to the Statement of Profit and Loss Account.

##### **(b) New Fund Offer Expenses:**

Open-ended fund:- Expenses relating to new open-ended fund offers of IIFL Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred.

Closed-ended fund:- Expenses relating to new Closed-ended fund offers of IIFL Mutual Fund are amortized over the period of scheme tenor.

#### **2.16 Operating Leases:**

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

#### **2.17 Preliminary Expenses**

Preliminary Expenses are written off in same

financial year in which they are incurred.

#### **2.18 Earnings Per Share:**

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

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

#### **2.19 Service tax input credit**

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

#### **2.20 Borrowing cost**

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

#### **2.21 Debenture issue expenses :**

Debenture issue expenses incurred on public issue of Non Convertible Debentures are amortized over tenure of the underlying debenture.

In case of private placement of Non Convertible Debentures the same is charged to the profit and loss account in the year in which they are incurred.

#### **2.22** In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

#### **2.23 Derivative Policy :**

Mark To Market (MTM) valuation of the embedded derivative portion of borrowings by way of Market Linked Bonds and outstanding position in Market Linked derivatives are recorded in accordance with



principles enunciated in Accounting Standard 30 'Financial Instruments: Recognition and Measurement' and Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India. MTM Valuation is determined based on quotes available from exchange/ counter party/ rating agency.

## 2.24 Operating Cycle

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

## 2.25 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns

and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

## NOTE 3. SHARE CAPITAL:

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

(₹ in Million)

| AUTHORISED   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| 85,000,000 Equity Shares of ₹ 2/ each with Voting Rights<br>(Previous Year 85,000,000 Equity Shares of ₹ 2/ each)              | 170.00               | 170.00               |
| Issued, Subscribed and Paid Up:  |                      |                      |
| 77,963,764 (Previous Year 73,958,658 equity shares of ₹ 2/ each)<br>Equity Shares of ₹ 2/ each fully paidup with Voting Rights | 155.93               | 147.92               |
| <b>Total</b>   | <b>155.93</b>        | <b>147.92</b>        |

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

| PARTICULARS                               | AS AT MARCH 31, 2017 |                        | AS AT MARCH 31, 2016 |                        |
|---|----------------------|------------------------|----------------------|------------------------|
|   | NUMBER               | AMOUNT<br>IN MILLION ₹ | NUMBER               | AMOUNT<br>IN MILLION ₹ |
| At the beginning of the year              | 73,958,658           | 147.92                 | 58,618,620           | 117.24                 |
| Add: Issued during the year               | 4,005,106            | 8.01                   | 15,340,038           | 30.68                  |
| Less: Shares bought back                  | -                    | -                      | -                    | -                      |
| <b>Outstanding at the end of the year</b> | <b>77,963,764</b>    | <b>155.93</b>          | <b>73,958,658</b>    | <b>147.92</b>          |

- (c) **Terms/rights attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2017, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 6 (Previous Year ₹ 6).



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

**(d) Details of shares held by holding Company:**

| PARTICULARS           | AS AT MARCH 31, 2017 |           | AS AT MARCH 31, 2016 |           |
|-----------------------|----------------------|-----------|----------------------|-----------|
|                       | NUMBERS              | % HOLDING | NUMBERS              | % HOLDING |
| IIFL Holdings Limited | 45,000,000           | 57.72%    | 45,000,000           | 60.84%    |

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

| PARTICULARS                             | AS AT MARCH 31, 2017 |           | AS AT MARCH 31, 2016 |           |
|---|----------------------|-----------|----------------------|-----------|
|   | NUMBERS              | % HOLDING | NUMBERS              | % HOLDING |
| IIFL Holdings Limited                   | 45,000,000           | 57.72%    | 45,000,000           | 60.84%    |
| General Atlantic Singapore Fund Pte Ltd | 18,053,050           | 23.16%    | 17,257,531           | 23.33%    |
| Karan Bhagat                            | 4,810,526            | 6.17%     | 2,585,826            | 3.50%     |

**(f) Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note. 36

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

**NOTE 4. RESERVES AND SURPLUS:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| <b>Securities Premium Account</b>                                       |                      |                      |
| Opening Balance   | 9,200.18             | 209.46               |
| Premium on shares issued during the year                                | 1,002.13             | 9,006.95             |
| Utilized During The Year*   | -                    | (16.23)              |
| <b>Closing Balance</b>  | <b>10,202.31</b>     | <b>9,200.18</b>      |
| <b>Debenture Redemption Reserve</b>                                     |                      |                      |
| Opening Balance   | 44.85                | 5.95                 |
| Addition During The Year**  | 17.65                | 38.90                |
| Transferred to General Reserve  | (62.50)              | -                    |
| <b>Closing Balance</b>  | <b>-</b>             | <b>44.85</b>         |
| <b>Special Reserve</b>  |                      |                      |
| Opening Balance   | 3.48                 | -                    |
| Addition During The Year  | 200.77               | 3.48                 |
| Utilised During The Year  | -                    | -                    |
| <b>Closing Balance</b>  | <b>204.25</b>        | <b>3.48</b>          |
| <b>Foreign Exchange Fluctuation Reserve</b>                             |                      |                      |
| Opening Balance   | 40.80                | (2.81)               |
| Add / (Less) Effect of foreign exchange rate variations during the year | (31.77)              | 43.61                |
| <b>Closing Balance</b>  | <b>9.03</b>          | <b>40.80</b>         |
| <b>Surplus in the Statement of Profit and Loss</b>                      |                      |                      |
| Opening Balance   | 2,784.41             | 1,520.38             |
| Addition: Profit during the Year  | 2,504.70             | 1,693.85             |

(₹ in Million)

| PARTICULARS                  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|------------------------------|----------------------|----------------------|
| <b>Less: Appropriations</b>  |                      |                      |
| Interim Dividend Paid        | (443.75)             | (351.64)             |
| Dividend Distribution Tax    | (90.34)              | (35.80)              |
| Special Reserve              | (200.77)             | (3.48)               |
| General Reserve              | -                    | -                    |
| Debenture Redemption Reserve | (17.65)              | (38.90)              |
| <b>Closing Balance</b>       | <b>4,536.60</b>      | <b>2,784.41</b>      |
| <b>General Reserve</b>       |                      |                      |
| Opening Balance:             | 71.00                | 71.00                |
| Addition During The Year     | 62.50                | -                    |
| Utilized During The Year     | -                    | -                    |
| <b>Closing Balance</b>       | <b>133.50</b>        | <b>71.00</b>         |
| <b>Total</b>                 | <b>15,085.69</b>     | <b>12,144.72</b>     |

\*During previous year, Securities premium account has been utilized to pay Share issue expenses as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

\*\*Pursuant to Section 71 of Companies Act, 2013 read with Rule 18(7) of The Companies (Share Capital and Debentures) Rules, 2014, the Company is required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹ 17.65 million (PY ₹ 38.90 million) has been transferred to debenture redemption reserve account till the date of buy back of the debentures during the year. On buy back of the debentures, balance in Debenture redemption reserve has been fully transferred to General reserve during the year.

In respect of debentures issued by one subsidiary, there is no Debenture Redemption Reserve (DRR) created as the same is a Non-Banking Financial Company registered with Reserve Bank of India and is not required to create DRR for the privately placed debentures.

## NOTE 5. LONG-TERM BORROWINGS:

(₹ in Million)

| PARTICULARS                                       | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| <b>Secured Loans</b>                              |                      |                      |
| Non Convertible Debentures (Refer Note 5.1 & 5.4) | 15,383.60            | 500.00               |
| Vehicle Loan (Refer Note 5.2 & 5.4)               | 11.03                | 16.34                |
| <b>Subtotal</b>                                   | <b>15,394.63</b>     | <b>516.34</b>        |
| <b>Unsecured Loans</b>                            |                      |                      |
| Perpetual Debt (Refer Note 5.3 & 5.4)             | 4,435.00             | -                    |
| Subordinated Debt (Refer Note 5.3 & 5.4)          | -                    | -                    |
| <b>Total</b>                                      | <b>19,829.63</b>     | <b>516.34</b>        |

### Note:

- 5.1** During the current year, one of the subsidiary of the Company has issued secured debentures amounting to ₹ 15,383.60 million (Previous year ₹ Nil). These debentures are secured by way of first pari passu mortgage and charge over the subsidiary's identified immovable Property and first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time.

During the previous year, Debentures issued by the Company were secured by way of first pari passu charge over the current assets in the form of receivables and inventory. The Company had appointed Milestone Trusteeship Services Private Limited as a Security Trustee. The Security Trustee was responsible

for ensuring that the security cover as required, were being maintained during the tenure of the loan. During the year, the Company has bought back the entire outstanding debentures.

- 5.2** The above loan is secured against hypothecation of fixed asset (Vehicles), repayable in equated monthly installments over a period of five years. The rate of interest of loan ranges from 9% to 10% and is repayable between December 2019 to March 2020.
- 5.3** During the current year, one of the subsidiary of the Company has issued Perpetual debentures amounting to ₹ 1,500.00 million (Previous year Nil) and Subordinated debentures amounting to ₹ 2,935.00 million (Previous Year Nil)

**5.4 Interest and repayment terms of long-term borrowings (including its current maturities):**

| RESIDUAL MATURITY                  | AS AT MARCH 31, 2017   |  | AS AT MARCH 31, 2016   |                            |
|------------------------------------|------------------------|--|------------------------|----------------------------|
|                                    | BALANCE<br>OUTSTANDING | INTEREST RATE<br>% (P.A.)                            | BALANCE<br>OUTSTANDING | INTEREST RATE<br>% (P.A.)  |
| <b>Non- Convertible Debentures</b> |                        |  |                        |                            |
| Above 5 years                      | 12,164.70              | Market Linked  | -                      | -                          |
| 1-3 years                          | 3,218.90               | 8.03% - 10.87%<br>linked to underlying<br>structures | 500.00                 | Effective IRR<br>of 11.25% |
| Less than 1 year                   | 2,641.60               | 9% - 12%   | -                      | -                          |
| <b>Vehicle Loan</b>                |                        |  |                        |                            |
| 3-5 years                          | -                      | -  | 5.17                   | 9% to 10%                  |
| 1-3 years                          | 11.03                  | 9% to 10%  | 11.16                  | 9% to 10%                  |
| Less than 1 year                   | 5.31                   | 9% to 10%  | 4.81                   | 9% to 10%                  |
| <b>Perpetual Debt</b>              |                        |  |                        |                            |
| Above 5 years                      | 1,500.00               | 10%  | -                      | -                          |
| <b>Subordinated Debt</b>           |                        |  |                        |                            |
| Above 5 years                      | 2,935.00               | 9.1% - 11.42%  | -                      | -                          |

\* Interest rates in accordance with the provisions of the respective placement memorandums.

**NOTE 6. OTHER LONG-TERM LIABILITIES:**

(₹ in Million)

| PARTICULARS                         | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|-------------------------------------|----------------------|----------------------|
| Deposits – Trust Corpus             | 0.30                 | 0.30                 |
| Interest accrued but not due on NCD | 366.60               | 73.54                |
| <b>Total</b>                        | <b>366.90</b>        | <b>73.84</b>         |

**NOTE 7. LONG TERM PROVISIONS:**

(₹ in Million)

| PARTICULARS                                  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| Provision for employee benefits:             |                      |                      |
| Provision for Gratuity (Refer Note 25)       | 22.89                | 16.54                |
| Contingent Provision against Standard assets | 44.21                | -                    |
| <b>Total</b>                                 | <b>67.10</b>         | <b>16.54</b>         |

**NOTE 8. SHORT TERM BORROWINGS:**

(₹ in Million)

| PARTICULARS                | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|----------------------------|----------------------|----------------------|
| Commercial Paper           | 34,250.00            | 900.00               |
| Less: Unexpired discount** | (279.05)             | (12.27)              |
| Book Overdraft *           | -                    | 22.32                |
| <b>Total</b>               | <b>33,970.95</b>     | <b>910.05</b>        |

\*includes cheques in hand of ₹ NIL (P.Y ₹ 17.04 million)

\*\* Unexpired discount on commercial paper is net of ₹ 272.14 million (P.Y. ₹ 8.76 million) towards discount accrued but not due.

**NOTE 9. TRADE PAYABLES:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises– Refer note below    | -                    | -                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |                      |                      |
| - Sundry creditors for Expenses  | 116.95               | 76.28                |
| - Payable to Group companies (Refer Note no 38)  | 12.41                | 0.90                 |
| - Accrued Salaries and Benefits  | 2.44                 | 20.34                |
| - Provision for Expenses   | 120.91               | 151.89               |
| <b>Total</b>   | <b>252.71</b>        | <b>249.41</b>        |

Trade payable includes Nil (previous year - Nil) payable to “suppliers” referred under the Micro, Small and Medium Enterprises Development Act, 2006. No Interest has been paid/is payable by the Company during the year to “Suppliers” referred under the said Act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said Act. This has been relied upon by the auditors.

**NOTE 10. OTHER CURRENT LIABILITIES:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| Current maturities of Long term debt - Secured (Refer Note 5.4) | 2,646.91             | 4.81                 |
| Interest accrued but not due on NCD                             | 199.31               | -                    |
| Statutory Liabilities Payable                                   | 154.52               | 42.50                |
| Advances against expenses                                       | 5.00                 | -                    |
| Income received in advance                                      | 21.41                | 18.17                |
| Payable to Clients for trade settlement                         | 2,293.28             | -                    |
| Payable to customers  | 15.44                | -                    |
| Option Premium Received   | 10.81                |                      |
| Less: Option Premium Paid                                       | (10.77)              | 0.04                 |
| Payable to Exchange for trade settlement                        | 47.80                | -                    |
| Payable to Employees  | 5.21                 | -                    |
| Others  | 0.44                 | 0.01                 |
| <b>Total</b>  | <b>5,389.36</b>      | <b>65.49</b>         |

**NOTE 11. SHORT TERM PROVISIONS:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| (a) Provision for employee benefits:  |                      |                      |
| - Provision for Leave Encashment  | 33.16                | 17.77                |
| - Provision for Gratuity (Refer note 25)  | 34.12                | 6.39                 |
| - Bonus Payable   | 558.04               | 525.00               |
| (b) Others:   | -                    | -                    |
| - Contingent Provision against standard assets  | 84.06                | 3.02                 |
| - Provision for Tax (Net of Advance Tax and TDS- ₹1,572.66 million)<br>(Previous Year- ₹ 47.81 million) | 176.11               | 19.04                |
| <b>Total</b>  | <b>885.49</b>        | <b>571.22</b>        |

**NOTE 12. TANGIBLE ASSETS:**

(₹ in Million)

| PARTICULARS                                | FURNITURE<br>FIXTURE | VEHICLES **  | OFFICE<br>EQUIPMENT | AIR<br>CONDITIONER | COMPUTERS    | ELECTRICAL<br>EQUIPMENT | LAND /<br>LEASEHOLD<br>LAND | TOTAL         |
|--|----------------------|--------------|---------------------|--------------------|--------------|-------------------------|-----------------------------|---------------|
| Gross Block as on                          |                      |              |                     |                    |              |                         |                             |               |
| April 01, 2016                             | 76.06                | 29.40        | 10.54               | 2.77               | 61.70        | 9.17                    | -                           | 189.64        |
| Additions                                  | 109.20               | -            | 5.00                | 0.99               | 62.73        | 1.67                    | 1.00                        | 180.59        |
| Deductions/ Adjustments<br>during the year | (18.51)              | -            | (2.30)              | (1.16)             | (3.73)       | (1.95)                  | -                           | (27.65)       |
| As at March 31, 2017                       | 166.75               | 29.40        | 13.24               | 2.60               | 120.70       | 8.89                    | 1.00                        | 342.58        |
| Depreciation                               |                      |              |                     |                    |              |                         |                             |               |
| Upto April 01, 2016                        | 39.25                | 6.90         | 6.26                | 1.93               | 39.38        | 4.76                    | -                           | 98.48         |
| Depreciation for the year                  | 28.86                | 5.88         | 1.81                | 0.42               | 27.03        | 1.42                    | -                           | 65.42         |
| Deductions/Adjustments<br>during the year  | (15.40)              | -            | (1.93)              | (1.14)             | (3.78)       | (1.92)                  | -                           | (24.17)       |
| Upto March 31, 2017                        | 52.71                | 12.78        | 6.14                | 1.21               | 62.63        | 4.26                    | -                           | 139.73        |
| <b>Net Block as at<br/>March 31, 2017</b>  | <b>114.04</b>        | <b>16.62</b> | <b>7.10</b>         | <b>1.39</b>        | <b>58.07</b> | <b>4.63</b>             | <b>1.00</b>                 | <b>202.85</b> |
| <b>Net Block as at<br/>March 31, 2016</b>  | <b>36.81</b>         | <b>22.50</b> | <b>4.28</b>         | <b>0.84</b>        | <b>22.32</b> | <b>4.41</b>             | <b>-</b>                    | <b>91.16</b>  |

**Tangible Assets (Previous Year)**

(₹ in Million)

| PARTICULARS                                      | FURNITURE<br>FIXTURE | VEHICLES **  | OFFICE<br>EQUIPMENT | AIR<br>CONDITIONER | COMPUTERS    | ELECTRICAL<br>EQUIPMENT | TOTAL        |
|--|----------------------|--------------|---------------------|--------------------|--------------|-------------------------|--------------|
| Cost or valuation as at April 01, 2015           | 51.70                | 23.32        | 6.20                | 2.15               | 38.65        | 4.55                    | 126.57       |
| Additions  | 23.31                | 6.08         | 4.23                | 0.62               | 21.59        | 4.62                    | 60.45        |
| Adjustments/Reclassifications<br>during the year | 1.05                 | -            | 0.11                | -                  | 1.46         | -                       | 2.62         |
| As at March 31, 2016                             | 76.06                | 29.40        | 10.54               | 2.77               | 61.70        | 9.17                    | 189.64       |
| Depreciation                                     |                      |              |                     |                    |              |                         |              |
| Upto April 01, 2015                              | 30.04                | 1.06         | 4.70                | 1.60               | 33.20        | 3.31                    | 73.91        |
| Depreciation                                     | 8.45                 | 5.84         | 1.46                | 0.33               | 4.74         | 1.45                    | 22.27        |
| Deductions/Adjustments during<br>the year        | 0.76                 | -            | 0.10                | -                  | 1.44         | -                       | 2.30         |
| Upto March 31, 2016                              | 39.25                | 6.90         | 6.26                | 1.93               | 39.38        | 4.76                    | 98.48        |
| <b>Net Block as at March 31, 2016</b>            | <b>36.81</b>         | <b>22.50</b> | <b>4.28</b>         | <b>0.84</b>        | <b>22.32</b> | <b>4.41</b>             | <b>91.16</b> |
| <b>Net Block as at March 31, 2015</b>            | <b>21.66</b>         | <b>22.26</b> | <b>1.50</b>         | <b>0.55</b>        | <b>5.45</b>  | <b>1.24</b>             | <b>52.66</b> |

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

**NOTE 13. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED):**

(₹ in Million)

| PARTICULARS                              | AMOUNT       |
|--|--------------|
| <b>Software/Intangible assets</b>        |              |
| Gross Block as at April 01, 2016         | 51.10        |
| Additions                                | 27.84        |
| Deductions / Adjustments during the year | (0.08)       |
| As at March 31, 2017                     | 78.86        |
| Amortisation                             |              |
| As at April 1, 2016                      | 16.76        |
| Amortisation for the year                | 23.65        |
| Deductions / Adjustments during the year | (0.08)       |
| Up to March 31, 2017                     | 40.33        |
| <b>Net Block as at March 31, 2017</b>    | <b>38.53</b> |
| <b>Net Block as at March 31, 2016</b>    | <b>34.34</b> |

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

(₹ in Million)

| PARTICULARS                              | AMOUNT       |
|--|--------------|
| <b>Software/Intangible assets</b>        |              |
| Gross Block as at April 01, 2015         | 25.71        |
| Additions                                | 25.39        |
| Deductions / Adjustments during the year | -            |
| As at March 31, 2016                     | 51.10        |
| Amortisation                             |              |
| As at April 1, 2015                      | 5.46         |
| Amortisation for the year                | 11.30        |
| Deductions / Adjustments during the year | -            |
| Up to March 31, 2016                     | 16.76        |
| <b>Net Block as at March 31, 2016</b>    | <b>34.34</b> |
| <b>Net Block as at March 31, 2015</b>    | <b>20.25</b> |

Note: Capital Work in Progress ₹ 32.40 million P.Y ₹15.42 million pertains to assets not yet capitalized.

**NOTE 14. NON CURRENT INVESTMENTS (AT COST):**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31 2017 |          |                | AS AT MARCH 31 2016 |          |                |
|---|---------------------|----------|----------------|---------------------|----------|----------------|
|   | FACE VALUE IN ₹     | QUANTITY | AMOUNT         | FACE VALUE IN ₹     | QUANTITY | AMOUNT         |
| <b>Unquoted: Trade Investments:</b>                                 |                     |          |                |                     |          |                |
| <b>Investment in equity shares of Group Company</b>                 |                     |          |                |                     |          |                |
| India Infoline Limited  | 10                  | 20       | 0.00 ##        | 10                  | 20       | 0.00 ##        |
| <b>Sub Total</b>  |                     |          | <b>0.00 ##</b> |                     |          | <b>0.00 ##</b> |
| <b>Unquoted: Non Trade Investments:</b>                             |                     |          |                |                     |          |                |
| <b>Investment in equity shares</b>                                  |                     |          |                |                     |          |                |
| India Alternatives Investment Advisors Pvt. Ltd.<br>(Refer Note 24) | 10                  | 1        | 0.01           | -                   | -        | -              |
| Less: Provision for Dimunition                                      |                     |          | (0.01)         | -                   | -        | -              |
| MF Utilities India Pvt. Ltd   | 1                   | 500,000  | 0.50           | 1                   | 500,000  | 0.50           |
| Fineworthy Software Solutions Ltd.                                  | 10                  | 10,000   | 0.10           | 10                  | 10,000   | 0.10           |

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31 2017 |            |             | AS AT MARCH 31 2016 |            |             |
|--|---------------------|------------|-------------|---------------------|------------|-------------|
|  | FACE VALUE IN ₹     | QUANTITY   | AMOUNT      | FACE VALUE IN ₹     | QUANTITY   | AMOUNT      |
| <b>Sub Total</b>   |                     |            | <b>0.60</b> |                     |            | <b>0.60</b> |
| <b>Investment in Venture capital fund</b>  |                     |            |             |                     |            |             |
| India Alternatives Private Equity Fund   | -                   | -          | -           | 100                 | 5,500      | 1.65        |
| <b>Sub Total</b>   |                     |            | <b>-</b>    |                     |            | <b>1.65</b> |
| <b>Investment in Alternative Investments fund</b>  |                     |            |             |                     |            |             |
| IIFL Real Estate Fund (Domestic) Series 1 - Class B (NAV - ₹ 10.0000, P.Y. ₹ 10.0000)                      | 10                  | 288        | 0.00 ##     | 10                  | 288        | 0.00 ##     |
| Motilal Oswal Focused Growth Opportunities Fund - Class C (NAV - ₹ 12.1977)                                | 10                  | 20,000     | 0.20        | -                   | -          | -           |
| Sundaram Alternative Opportunities Fund Nano Cap Series 1 - Class E (NAV - ₹100,000)                       | 100,000             | 25.05      | 2.50        | -                   | -          | -           |
| IIFL Income Opportunities Fund Series - Special Situation - Class B Units (NAV - ₹ 9.6750, P.Y. ₹ 11.1491) | 7.46                | 1,684.61   | 0.01        | 10                  | 2,477.36   | 0.03        |
| IIFL National Development Agenda Fund - Class C Units (NAV - ₹ 12.4633, P.Y. ₹ 10.7723)                    | 8.47                | 9,466.56   | 0.09        | 10                  | 9,466.56   | 0.10        |
| IIFL Investment Opportunities Fund - Spl. Series 1 (NAV - ₹ 10.4847, P.Y. ₹ 10.0718)                       | 10                  | 2,500      | 0.03        | 10                  | 5,000,000  | 50.00       |
| IIFL Investment Opportunities Fund- Spl. Series 1 Class S (NAV - ₹ 11.3352, P.Y. ₹ 10.0718)                | 10                  | 7,635,711  | 80.00       | 10                  | 2,978,614  | 30.00       |
| IIFL Cash Opportunities Fund - Class A (NAV - ₹ 11.3851, P.Y. ₹ 10)  | 10                  | 9,326,357  | 100.00      | -                   | -          | -           |
| IIFL Cash Opportunities Fund - Class C (NAV - ₹ 11.3851, P.Y. ₹ 10)  | 10                  | 1000       | 0.01        | 10                  | 1,000      | 0.01        |
| IIFL Real Estate Fund (Domestic) Series 2 - Class B (NAV - ₹ 10.0000, P.Y. NIL)                            | 10                  | 2,370      | 0.02        | -                   | -          | -           |
| IIFL Real Estate Fund (Domestic) Series 3 - Class S (NAV - ₹ 10.6376, P.Y. ₹10)                            | 10                  | 25,000,000 | 250.00      | 10                  | 25,000,000 | 250.00      |
| IIFL Real Estate Fund (Domestic) Series 4 - Class D (NAV - ₹ 10.4699, P.Y. NIL)                            | 10                  | 2,500      | 0.03        | -                   | -          | -           |
| IIFL Real Estate Fund (Domestic) Series 4 - Class S (NAV - ₹ 10.0000, P.Y. NIL)                            | 10                  | 10,000,000 | 100.00      | -                   | -          | -           |
| IIFL Best of Class Fund - Series I - Class C Units (NAV - ₹ 11.4394, P.Y. NIL)                             | 10                  | 2,500      | 0.03        | -                   | -          | -           |
| IIFL Best of Class Fund - Series I - Class S (NAV - ₹ 11.6781, P.Y. NIL)                                   | 10                  | 5,000,000  | 49.67       | -                   | -          | -           |
| IIFL Best of Class Fund - Series II - Class Cs Units (NAV - ₹ 10.7596, P.Y. NIL)                           | 10                  | 2,500      | 0.03        | -                   | -          | -           |
| IIFL Best of Class Fund - Series II - Class S (NAV - ₹ 12.8327, P.Y. NIL)                                  | 10                  | 5,000,000  | 49.38       | -                   | -          | -           |
| IIFL Seed Venture Fund- Class C Units (NAV - ₹ 11.3046, P.Y. ₹ 10)   | 10                  | 2,500      | 0.03        | 10                  | 37,500,000 | 37.50       |
| IIFL Seed Venture Fund- Class S (NAV - ₹ 14.5103, P.Y. NIL)  | 10                  | 6,242,543  | 67.50       | -                   | -          | -           |
| IIFL Asset Revival Fund Series 2- Class C Units (NAV - ₹ 11.0426, P.Y. NIL)                                | 10                  | 2,500      | 0.03        | -                   | -          | -           |
| IIFL Asset Revival Fund Series 2- Class S (NAV - ₹ 13.1915, P.Y. NIL)                                      | 10                  | 10,000,000 | 100.00      | -                   | -          | -           |

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31 2017 |            |                 | AS AT MARCH 31 2016 |          |               |
|--|---------------------|------------|-----------------|---------------------|----------|---------------|
|  | FACE VALUE IN ₹     | QUANTITY   | AMOUNT          | FACE VALUE IN ₹     | QUANTITY | AMOUNT        |
| IIFL Asset Revival Fund Series 3- Class C Units<br>(NAV - ₹ 10.9736, P.Y. NIL)           | 10                  | 2,500      | 0.03            | -                   | -        | -             |
| IIFL Asset Revival Fund Series 3- Class S<br>(NAV - ₹ 12.1916, P.Y. NIL)                 | 10                  | 4,714,192  | 50.00           | -                   | -        | -             |
| IIFL Yield Enhancer Fund- Class D Units<br>(NAV - ₹ 9.8371, P.Y. NIL)                    | 10                  | 2,500      | 0.03            | -                   | -        | -             |
| IIFL Yield Enhancer Fund- Class S<br>(NAV - ₹ 10.224, P.Y. NIL)                          | 10                  | 12,500,000 | 125.00          | -                   | -        | -             |
| IIFL Phoenix Cash Opportunities Fund- Class C<br>(NAV - ₹ 10.239, P.Y. NIL)              | 10                  | 1,002,500  | 10.03           | -                   | -        | -             |
| Blume Ventures Fund (NAV ₹ 20,755,<br>P.Y. ₹ 20,755)                                     | 10,000              | 1,488      | 16.86           | 10,000              | 1,488    | 14.87         |
| IIFL Focused Equity Strategy Fund - Class S1<br>(NAV - ₹ 11.2892, P.Y. NIL)              | 10                  | 833,333    | 8.33            | -                   | -        | -             |
| IIFL Focused Equity Strategy Fund - Class S2<br>(NAV - ₹ 12.1451, P.Y. NIL)              | 10                  | 833,333    | 8.33            | -                   | -        | -             |
| IIFL Focused Equity Strategy Fund - Class S3<br>(NAV - ₹ 10.7403, P.Y. NIL)              | 10                  | 833,333    | 8.33            | -                   | -        | -             |
| IIFL Income Opportunities Series Debt<br>Advantage - Class S (NAV - ₹ 10.2633, P.Y. NIL) | 10                  | 4,956,271  | 50.00           | -                   | -        | -             |
| IIFL Select Series I - Class S<br>(NAV - ₹ 10.9935, P.Y. NIL)                            | 10                  | 1,676,041  | 17.00           | -                   | -        | -             |
| IIFL Select Equity Fund - Class S<br>(NAV - ₹ 10.0000, P.Y. NIL)                         | 10                  | 2,000,000  | 20.00           | -                   | -        | -             |
| IIFL Special Opportunities Fund - Class S<br>(NAV - ₹ 10.0102, P.Y. NIL)                 | 10                  | 1,250,000  | 12.50           | -                   | -        | -             |
| IIFL Income Opportunities Series Regular Income-<br>Class S (NAV - ₹ 10.0074, P.Y. NIL)  | 10                  | 3,695,652  | 36.95           | -                   | -        | -             |
| Global Dynamic Opportunities Fund - Cell 74  | 100                 | 51,000     | 330.63          | -                   | -        | -             |
| IIFL Re Organize India Equity Fund<br>(NAV - ₹ 10.0281, P.Y. NIL)                        | 10                  | 2,500,000  | 25.00           | -                   | -        | -             |
| <b>Sub Total</b>   |                     |            | <b>1,518.58</b> |                     |          | <b>382.51</b> |
| <b>Investments in NCDs</b>   |                     |            |                 |                     |          |               |
| 19% Debentures of Arch Argo<br>Industries Pvt. Ltd.                                      | 10,000              | 7,221      | 36.92           | 10,000              | 2,936    | 23.17         |
| Less: Provision for Diminution   |                     |            | (36.92)         |                     |          | (23.17)       |
| Reliance Capital Limited RCL MLD SERIES<br>B/367 - A 28-NOV-19                           | 100,000             | 137        | 13.70           | -                   | -        | -             |
| Reliance Capital Limited SR-B/359A TYPE III<br>BR NCD 21OT19 FVRS1LAC                    | 100,000             | 629        | 62.90           | -                   | -        | -             |
| Reliance Capital Limited SR-B/359A TYPE IV<br>BR NCD 24OT19 FVRS1LAC                     | 100,000             | 704        | 70.40           | -                   | -        | -             |
| Reliance Capital Limited SR-B/364A TYPE I BR<br>NCD 04NV19 FVRS1LAC                      | 100,000             | 336        | 33.60           | -                   | -        | -             |
| Reliance Capital Limited RCL MLD<br>SERIES B/369-A TYPE II 02-DEC-19                     | 100,000             | 60         | 6.00            | -                   | -        | -             |
| <b>Sub Total</b>   |                     |            | <b>186.60</b>   |                     |          | <b>-</b>      |



(₹ in Million)

| PARTICULARS  | AS AT MARCH 31 2017 |          |                 | AS AT MARCH 31 2016 |          |               |
|--|---------------------|----------|-----------------|---------------------|----------|---------------|
|  | FACE VALUE IN ₹     | QUANTITY | AMOUNT          | FACE VALUE IN ₹     | QUANTITY | AMOUNT        |
| <b>Quoted: Non Trade Investment:</b>   |                     |          |                 |                     |          |               |
| <b>Investments in Mutual Funds</b>   |                     |          |                 |                     |          |               |
| IIFL Mutual Fund Dynamic Bond Fund-Direct Plan - Growth (NAV- ₹ 13.21, P.Y. ₹ 12.3137) | 10                  | 563,625  | 6.12            | 10                  | 563,625  | 6.12          |
| IIFL India Growth Fund – Direct Plan- Growth (NAV- ₹ 13.5651, P.Y. ₹ 10.3330)          | 10                  | 533,063  | 5.33            | 10                  | 533,063  | 5.33          |
| IIFL Liquid Fund – Direct Plan - Growth (NAV – ₹1287.1548)                             | 1000                | 4,769    | 5.87            | -                   | -        | -             |
| <b>Sub Total</b>   |                     |          | <b>17.32</b>    |                     |          | <b>11.45</b>  |
| <b>Grand Total</b>   |                     |          | <b>1,723.10</b> |                     |          | <b>396.21</b> |
| Aggregate Value of Quoted Investments  |                     |          | 17.31           |                     |          | 11.45         |
| Aggregate Value of Unquoted Investments  |                     |          | 1,705.79        |                     |          | 384.76        |
| Market Value of Quoted Investments   |                     |          | 20.81           |                     |          | 12.45         |
| Aggregate Provision for diminution in value of Investments                             |                     |          | 36.92           |                     |          | 17.07         |

## Represents value less than ₹ 5,000

**NOTE 15. DEFERRED TAX LIABILITY/ASSET:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| Depreciation                                       | 0.25                 | 0.23                 |
| Gratuity   | 15.51                | 5.67                 |
| Provision for doubtful debts                       | 2.65                 | 1.75                 |
| Provision for Standard assets                      | 36.99                | 1.00                 |
| Preliminary Expenses                               | -                    | 0.00 ##              |
| Short term/Long Term Capital losses/ Business Loss | 77.57                | 17.30                |
| Provision for Referral fees                        | -                    | 25.09                |
| <b>Total</b>                                       | <b>132.97</b>        | <b>51.04</b>         |

## Represents value less than ₹ 5,000

**NOTE 16. LONG TERM LOANS AND ADVANCES:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| <b>Loans</b>   |                      |                      |
| - Secured, considered good   | 12,278.95            | -                    |
| - Unsecured, considered good   | 357.08               | 0.86                 |
| <b>Others</b>  |                      |                      |
| <b>Unsecured, Considered good</b>  |                      |                      |
| - Deposits Paid  | 65.06                | 45.34                |
| - Deposit with exchange  | 228.73               | 0.03                 |
| - Prepaid Expense  | 6.21                 | 7.19                 |
| - Advance to Vendors   | 0.02                 | 0.57                 |
| <b>Sub Total</b>   | <b>12,936.05</b>     | <b>53.99</b>         |
| Advance Income Tax (Net of provision of tax of ₹ 750.83 million)<br>(Previous year ₹ 1,263.10 million) | 93.12                | 69.79                |
| MAT credit   | 1.48                 | 2.02                 |
| <b>Total</b>   | <b>13,030.65</b>     | <b>125.80</b>        |

**NOTE 17. OTHER NON-CURRENT ASSETS :**

(₹ in Million)

| PARTICULARS                          | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--------------------------------------|----------------------|----------------------|
| Receivable on Market linked products | 56.61                | -                    |
| <b>Total</b>                         | <b>56.61</b>         | <b>-</b>             |

**NOTE 18. CURRENT INVESTMENTS (AT LOWER OF COST AND MARKET VALUE, UNLESS OTHERWISE STATED):**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 |            |               | AS AT MARCH 31, 2016 |            |                 |
|---|----------------------|------------|---------------|----------------------|------------|-----------------|
|   | FACE VALUE IN ₹      | QUANTITY   | AMOUNT        | FACE VALUE IN ₹      | QUANTITY   | AMOUNT          |
| <b>Quoted, Non Trade Investments</b>  |                      |            |               |                      |            |                 |
| <b>Investment in Mutual funds</b>   |                      |            |               |                      |            |                 |
| Franklin India Ultra Short Bond Fund-Super Institutional Plan (P.Y. NAV- ₹ 20.3709)                                   | -                    | -          | -             | 10                   | 500        | 0.01            |
| Reliance Money Manager Fund Direct Plan Growth (P.Y. NAV-₹2,099.6963)   | -                    | -          | -             | 1,000                | 2          | 0.01            |
| Sundaram Ultra Short term Fund-Direct Plan Growth (P.Y. NAV-₹20.9792)   | -                    | -          | -             | 10                   | 243        | 0.01            |
| IIFL Mutual Fund-Liquid Fund Direct Plan Growth (NAV-₹ 1,284.9729 P.Y.₹ 1,204.8678)                                   | 1,000                | 8          | 0.01          | 1,000                | 503,042    | 605.82          |
| ICICI Prudential Liquid Fund-Direct Plan-Growth(NAV- P.Y. ₹ 224.8328)   | -                    | -          | -             | 100                  | 23         | 0.01            |
| ICICI Prudential Flexible Income Fund (NAV-₹ 311.6753)  | 100                  | 8,030      | 2.50          | -                    | -          | -               |
| IIFL India Growth Fund -Regular Plan - Growth (NAV- ₹ 13.2428, P.Y.₹10.333)   | 10                   | 278,028    | 3.01          | 10                   | 278,028    | 3.01            |
| HDFC Liquid Fund - Growth Option (NAV- ₹ 3,208.9181, P.Y.NIL) *   | 1000                 | 8,806      | 28.00         | -                    | -          | -               |
| IIFL India Growth Fund - Regular Plan - Growth Option (NAV- ₹ 13.2428, P.Y.NIL)                                       | 10                   | 38,378,812 | 500.00        | -                    | -          | -               |
| IIFL Dynamic Bond Fund - Regular Plan - Growth Option (NAV- ₹ 12.9627, P.Y.NIL)                                       | 10                   | 3,107,375  | 40.00         | -                    | -          | -               |
| HDFC Floating rate Income Fund Short Term Plan (NAV- NIL, P.Y ₹ 26.1002 )   | -                    | -          | -             | 10                   | 38,313,883 | 1,000.00        |
| HDFC Charity Fund For Cancer Cure - Debt Plan - Regular Option - 50% Dividend Payout Option (NAV- ₹ 10.0265, P.Y.NIL) | 10                   | 1,000,000  | 10.00         |                      |            | -               |
| JPMORGAN FMP SR 38 GR 29AP19(NAV- ₹11.999)  | -                    | -          | -             | 10                   | 100,000    | 1.09            |
| RELIANCE MF XXVI SR 21 GR 30MY17 (NAV- ₹11.9569)  | -                    | -          | -             | 10                   | 100,000    | 1.11            |
| HDFC MF DBTFD FR CNCR CR14(NAV- ₹10.3525)   | -                    | -          | -             | 10                   | 500,000    | 5.50            |
| Less: Provision for Dimunition  |                      |            | -             |                      |            | (0.49)          |
| <b>Sub Total</b>  |                      |            | <b>583.52</b> |                      |            | <b>1,616.08</b> |
| <b>Unquoted, Non Trade Investments</b>  |                      |            |               |                      |            |                 |
| <b>Investment in Equity Shares</b>  |                      |            |               |                      |            |                 |
| Shankara Building Products Limited  | 10                   | 48,769     | 22.43         | -                    | -          | -               |
| <b>Sub Total</b>  |                      |            | <b>22.43</b>  |                      |            | <b>-</b>        |
| <b>Investments in Others (Venture Capital Funds/ Alternate Investment Funds)</b>                                      |                      |            |               |                      |            |                 |

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 |             |                 | AS AT MARCH 31, 2016 |             |                 |
|--|----------------------|-------------|-----------------|----------------------|-------------|-----------------|
|  | FACE VALUE IN ₹      | QUANTITY    | AMOUNT          | FACE VALUE IN ₹      | QUANTITY    | AMOUNT          |
| IIFL Cash Opportunities Fund (NAV- ₹ 11.3851, P.Y. ₹10.6507)                                       | 10                   | 375,197,826 | 4,271.66        | 10                   | 725,875,823 | 7,692.36        |
| Motilal Oswal Focused Growth Opportunities Fund - Class B (NAV- ₹12.3818)                          | 10                   | 604,802     | 6.50            | -                    | -           | -               |
| IIFL Income Opportunities Fund (NAV- ₹ 0.6567, P.Y.NIL)  | 10                   | 57,057,309  | 41.76           | -                    | -           | -               |
| IIFL Income Opportunities Fund Series – Special Situation– Class B (NAV- ₹ 9.6751, P.Y. ₹ 11.1491) | 10                   | 932,923     | 8.13            | -                    | -           | -               |
| IIFL Income Opportunities Series Debt Advantage - Class S (NAV- ₹ 10.2633, P.Y.NIL)                | 10                   | 41,224,092  | 420.21          | -                    | -           | -               |
| IIFL Real Estate Fund(Domestic) Series 1 - Class A (NAV- ₹ 16.0223, P.Y.NIL)                       | 10                   | 136,067     | 2.18            | -                    | -           | -               |
| IIFL Real Estate Fund(Domestic) Series 1 - Class C (NAV- ₹ 16.0223, P.Y.NIL)                       | 10                   | 2,025,000   | 32.46           | -                    | -           | -               |
| IIFL Real Estate Fund(Domestic) Series 3 - Class B (NAV- ₹ 10.6369, P.Y.NIL)                       | 10                   | 970,964     | 10.38           | -                    | -           | -               |
| IIFL Real Estate Fund(Domestic) Series 3 - Class C (NAV- ₹ 9.2645, P.Y.NIL)                        | 10                   | 3,680,000   | 35.54           | -                    | -           | -               |
| IIFL Seed Venture Fund- Class B (NAV- ₹ 14.5103, P.Y.NIL)  | 10                   | 7,206,866   | 89.75           | -                    | -           | -               |
| Malabar Value Fund (NAV- ₹ 108.088, P.Y.NIL)   | 100                  | 386,786     | 40.00           | -                    | -           | -               |
| IIFL Income Opportunities Series Regular Income - Class A3 (NAV- ₹ 10.0074, P.Y.NIL)               | 10                   | 196,304,348 | 1,963.04        | -                    | -           | -               |
| AIF CAT-III IIFL National Development Agenda Fund (NAV- P.Y. ₹10.7699)                             | -                    | -           | -               | 10                   | 5,902,354   | 64.32           |
| AIF CAT-III IIFL Best of Class Fund 1(NAV P.Y. ₹10)  | -                    | -           | -               | 10                   | 5,000,000   | 49.68           |
| AIF CAT-III IIFL Best of Class Fund 2(NAV P.Y. ₹10)  | -                    | -           | -               | 10                   | 5,000,000   | 49.38           |
| Global Dynamic Opportunities Fund  | 100                  | 31,800      | 206.16          | -                    | -           | -               |
| Less: Provision for Dimunition in value of investments   | -                    | -           | -               | -                    | -           | (9.79)          |
| <b>Sub Total</b>   |                      |             | <b>7,127.77</b> |                      |             | <b>7,845.95</b> |
| <b>Quoted, Non Trade, Investments</b>  |                      |             |                 |                      |             |                 |
| <b>Investment in NCD</b>   |                      |             |                 |                      |             |                 |
| ECL FINANCE LTD B9C603 OPTION C 10-APRIL-17 (NAV- ₹ 109338.00, P.Y. NIL)                           | 100,000              | 100         | 10.93           | -                    | -           | -               |
| CORPORATION BANK SR-II 10.28 LOA PERPETUAL FVRS10LAC (NAV- ₹972399.49, P.Y.NIL)                    | 1,000,000            | 1,500       | 1,500.00        | -                    | -           | -               |
| BANK OF INDIA SR-I 11 BD PERPETUAL FVRS10LAC (NAV- ₹ 1052621.08, P.Y.NIL)                          | 1,000,000            | 1,336       | 1,406.43        | -                    | -           | -               |
| ALLAHABAD BANK SR-I 11.15 LOA PERPETUAL FVRS10LAC (NAV- ₹ 999,912.28, P.Y.NIL)                     | 1,000,000            | 275         | 275.00          | -                    | -           | -               |
| ANDHRA BANK SR-III 10.99 LOA PERPETUAL FVRS10LAC (NAV- ₹ 1026443.18, P.Y.NIL)                      | 1,000,000            | 1,385       | 1,440.80        | -                    | -           | -               |
| BANK OF INDIA SR-III 11.5 BD PERPETUAL FVRS10LAC (NAV- ₹ 1,074,580.75, P.Y.NIL)                    | 1,000,000            | 12          | 12.96           | -                    | -           | -               |
| IDBI BANK LIMITED SR-II 10.75 BD PERPETUAL FVRS10LAC (NAV- ₹ 984,553.11, P.Y.NIL)                  | 1,000,000            | 1,417       | 1,468.93        | -                    | -           | -               |
| ORIENTAL BANK OF COMMERCE SR-2 10.95 BD PERPETUAL FVRS10LAC (NAV- ₹ 1,034,034, P.Y.NIL)            | 1,000,000            | 1,400       | 1,457.23        | -                    | -           | -               |

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 |          |                  | AS AT MARCH 31, 2016 |          |                 |
|---|----------------------|----------|------------------|----------------------|----------|-----------------|
|   | FACE VALUE IN ₹      | QUANTITY | AMOUNT           | FACE VALUE IN ₹      | QUANTITY | AMOUNT          |
| PUNJAB NATIONAL BANK SR-VII 9.15<br>LOA PERPETUAL FVRS10LAC<br>(NAV- ₹ 998,173.49, P.Y.NIL) | 1,000,000            | 500      | 487.08           | -                    | -        | -               |
| STATE BANK OF INDIA SR-1 9 BD PERPETUAL<br>FVRS10LAC (NAV- ₹ 1012858.48, P.Y.NIL)           | 1,000,000            | 203      | 210.14           | -                    | -        | -               |
| STATE BANK OF INDIA SR-III 8.39 BD PERPETUAL<br>FVRS10LAC (NAV- ₹ 990987.51, P.Y.NIL)       | 1,000,000            | 730      | 721.43           | -                    | -        | -               |
| SYNDICATE BANK SR-I 11.25 LOA PERPETUAL<br>FVRS10LAC (NAV- ₹ 1047039.23, P.Y.NIL)           | 1,000,000            | 20       | 21.34            | -                    | -        | -               |
| SYNDICATE BANK SR-III 11.25 LOA PERPETUAL<br>FVRS10LAC (NAV- ₹ 1045406.78, P.Y.NIL)         | 1,000,000            | 683      | 726.66           | -                    | -        | -               |
| VIJAYA BANK SR-IV 10.49 LOA PERPETUAL<br>FVRS10LAC (NAV- ₹ 981792, P.Y.NIL)                 | 1,000,000            | 300      | 304.00           | -                    | -        | -               |
| Less : Provision for Diminution   | -                    | -        | (157.23)         |                      |          |                 |
| <b>Sub Total</b>  |                      |          | <b>9,885.70</b>  |                      |          | -               |
| <b>Grand Total</b>  |                      |          | <b>17,619.43</b> |                      |          | <b>9,462.04</b> |
| Aggregate Value of Quoted Investments   |                      |          | 10,469.22        |                      |          | 1,616.08        |
| Aggregate Value of Unquoted Investments   |                      |          | 7,150.22         |                      |          | 7,845.96        |
| Market Value of Quoted Investments  |                      |          | 10,695.83        |                      |          | 1,491.53        |

\* Placed as collateral against Derivative

**Note:** Market Value of Investments in quoted mutual funds represents the repurchase price of the units issued by the mutual funds

**NOTE 19. TRADE RECEIVABLES:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment |                      |                      |
| - Considered good   | 212.69               | 119.96               |
| - Considered doubtful   | 7.65                 | 5.18                 |
| - Provision for doubtful receivables  | (7.65)               | (5.18)               |
| Trade Receivables outstanding for a period less than six months from the date they were due for payment | -                    | -                    |
| - Considered good   | 3,033.76             | 747.70               |
| - Considered doubtful   | -                    | 2.50                 |
| - Provision for doubtful receivables  | -                    | (2.50)               |
| <b>Total</b>  | <b>3,246.45</b>      | <b>867.66</b>        |

**NOTE 20. CASH AND CASH EQUIVALENTS:**

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|--|----------------------|----------------------|
| <b>Cash and Cash equivalents (As per AS-3 Cash Flow Statement)</b>                       |                      |                      |
| Cash In Hand   | 0.66                 | 1.17                 |
| Cheques on Hand  | 8.43                 | 95.18                |
| Balances with Banks  | -                    | -                    |
| - In Current accounts  | 6,181.94             | 1,176.50             |
| - In Client accounts   | 498.00               | -                    |
| - In Deposit accounts (Original Maturity less than 3 months)                             | 2,916.97             | 907.09               |
| <b>Total Cash &amp; Cash Equivalents (a) (As per AS-3 Cash Flow Statement)</b>           | <b>9,606.00</b>      | <b>2,179.94</b>      |
| <b>Other Bank Balances:</b>  |                      |                      |
| - In Deposit account (Original Maturity - 3 to 12 Months)                                | 15.00                | 20.00                |
| - In Deposit account as collateral with Exchange (Original Maturity from 3 to 12 Months) | 265.00               | -                    |
| - In Deposit account under lien (Original Maturity from 3 to 12 Months)*                 | 2,865.00             | -                    |
| <b>Total Other Bank Balances (b)</b>   | <b>3,145.00</b>      | <b>20.00</b>         |
| <b>Total (a+b)</b>   | <b>12,751.00</b>     | <b>2,199.94</b>      |

\*Fixed deposits amounting to ₹ 375.00 million are lien marked with banks to avail Bank guarantee facilities and fixed deposits amounting to ₹ 2,490.00 million are under lien for Overdraft facility.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as required by MCA notification S.O. 3407(E), dated the 8th November, 2016 has been provided in the Table below:

|                                       | SBNs | OTHER<br>DENOMINATION NOTES | TOTAL |
|---------------------------------------|------|-----------------------------|-------|
| Closing cash in hand as on 08.11.2016 | -    | -                           | -     |
| (+) Permitted receipts                | -    | -                           | -     |
| (-) Permitted payments                | -    | -                           | -     |
| (-) Amount deposited in Banks         | -    | -                           | -     |
| Closing cash in hand as on 30.12.2016 | -    | -                           | -     |

The above disclosure excludes foreign currency cash in hand held and transacted between November 8, 2016 to December 30, 2016.

**NOTE 21. SHORT TERM LOANS AND ADVANCES:**

(₹ in Million)

| PARTICULARS   | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| <b>Loans</b>  |                      |                      |
| - Secured, considered good  | 21,197.88            | 1,007.73             |
| - Unsecured, considered good  | 2,334.71             | -                    |
| <b>Inter Corporate Deposits (ICD)(Related Party) (Refer Note 38)</b>  |                      |                      |
| - Unsecured, Considered good  | 32.16                | 16.18                |
| <b>Other Loans and Advances (Unsecured, Considered good)</b>          |                      |                      |
| - Advances recoverable in cash or in kind or for value to be received | 9.77                 | 15.69                |
| - Prepaid Expenses  | 60.96                | 30.67                |
| - Deposit   | 7.40                 | 5.47                 |
| - Service tax credit receivable                                       | 15.07                | 20.23                |
| - Loans & advances to employees                                       | 9.42                 | 0.63                 |
| - Others  | 7.59                 | 7.28                 |
| <b>Total</b>  | <b>23,674.96</b>     | <b>1,103.88</b>      |

**NOTE 22. OTHER CURRENT ASSETS:**

(₹ in Million)

| PARTICULARS                                       | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|---|----------------------|----------------------|
| Interest accrued but not due on Investments       | 450.01               | 0.07                 |
| Interest accrued and due on Investments           | 5.04                 | -                    |
| Interest accrued and due on Loans                 | 485.12               | 1.55                 |
| Advances to Group/Holding Company (Refer Note 38) | 4.47                 | 4.60                 |
| Receivable from Exchange for trade settlement     | 795.41               | -                    |
| Receivable from Client for trade settlement       | 1,384.92             | -                    |
| Interest accrued but not due on Fixed Deposits    | 54.64                | 0.21                 |
| Income accrued on AIFs                            | 21.79                | -                    |
| Others  | 1.84                 | 2.10                 |
| <b>Total</b>                                      | <b>3,203.24</b>      | <b>8.53</b>          |

**NOTE 23. REVENUE FROM OPERATIONS:**

(₹ in Million)

| PARTICULARS                                  | 2016 - 2017 |                  | 2015 - 2016 |                 |
|--|-------------|------------------|-------------|-----------------|
| Distribution Fees                            | 3,912.82    |                  | 3,106.54    |                 |
| Commission Income                            | 543.35      |                  | 507.40      |                 |
| Investment / Fund Management Fees            | 1,304.84    |                  | 1,325.04    |                 |
| Distribution Income from AIF/VCF             | 269.56      |                  | 281.46      |                 |
| Advisory Fees                                | 54.42       |                  | 46.02       |                 |
| Trustee Fees                                 | 15.73       |                  | 7.99        |                 |
| Referral Fees                                | -           |                  | 1.05        |                 |
| Dividend Income                              | 8.11        |                  | 1.89        |                 |
| <b>Profit/ (Loss) from</b>                   |             |                  |             |                 |
| Trading Activities                           | -           |                  | 85.02       |                 |
| Sale of Current Investments                  | 974.50      |                  | 5.32        |                 |
| Sale of Non-Current Investments              | -           | 974.50           | 0.91        | 91.25           |
| <b>Profit/ (Loss) from Commodity Trading</b> |             |                  |             |                 |
| Sale of traded goods                         | 87.06       |                  | 264.94      |                 |
| Less: Purchase of traded goods               | (87.28)     | (0.22)           | (265.10)    | (0.16)          |
| <b>Interest Income on</b>                    |             |                  |             |                 |
| Loans  | 2,584.63    |                  | 3.04        |                 |
| Current Investments                          | 565.36      |                  | 20.71       |                 |
| Long Term Investments                        | 21.45       |                  | -           |                 |
| Inter-Corporate Deposits                     | 0.95        |                  | -           |                 |
| Fixed Deposits                               | 107.86      |                  | 0.07        |                 |
| Commercial Paper                             | 2.77        | 3,283.02         | -           | 23.82           |
| Processing Fees                              |             | 35.38            |             | -               |
| Other Income                                 |             | 2.13             |             | 2.17            |
| <b>Total</b>                                 |             | <b>10,403.64</b> |             | <b>5,394.47</b> |

## NOTE 24. OTHER INCOME:

(₹ in Million)

| PARTICULARS                                   | 2016 - 2017   | 2015 - 2016   |
|---|---------------|---------------|
| <b>Profit/ (Loss) from</b>                    |               |               |
| - Sale of Current Investments                 | 230.99        | 277.12        |
| - Sale of Non - Current Investments           | 93.70         | 62.44         |
| - Sale of shares of subsidiary                | (35.87)       | -             |
| <b>Interest Income</b>                        |               |               |
| - Current Investments                         | 76.64         | 13.63         |
| - Non - Current Investments                   | 6.17          | 28.16         |
| - Fixed Deposits                              | 40.95         | 4.34          |
| - Inter Corporate Deposits (Refer Note no 35) | 3.99          | 11.87         |
| - Staff loan                                  | 0.43          | 0.15          |
| - Income tax refund                           | 0.68          | 0.11          |
| - Others                                      | 0.02          | 0.04          |
| Dividend Income on Investments                | 0.13          | 116.29        |
| Miscellaneous income                          | 7.12          | 0.12          |
| <b>Total</b>                                  | <b>424.95</b> | <b>514.27</b> |

\* During the year the Company sold 7,099 equity shares and 4,046 preference shares of India Alternatives Investment Advisors Private Limited (India Alternatives) for an aggregate consideration of ₹ 0.1 million. The loss on account of sale of above shares amounted to ₹ 35.87 million. India Alternatives ceased to be subsidiary consequent to the sale of equity shares by the Company as on March 31, 2017.

## NOTE 25. EMPLOYEE BENEFIT EXPENSES:

(₹ in Million)

| PARTICULARS                                      | 2016 - 2017     | 2015 - 2016     |
|--|-----------------|-----------------|
| Salaries and Bonus                               | 2,439.80        | 1,726.22        |
| Contribution to Provident Fund and Other Funds** | 54.58           | 33.39           |
| Gratuity Expense*                                | 34.18           | 24.65           |
| Leave Encashment Expenses                        | 18.76           | 11.18           |
| Staff Welfare Expenses                           | 17.07           | 6.54            |
| <b>Total</b>                                     | <b>2,564.39</b> | <b>1,801.98</b> |

\*The Company is recognising and accruing the employee benefit as per accounting standard (AS) - 15 on "Employee Benefits" the disclosures of which are as under:

(₹ in Million)

| ASSUMPTIONS       | 2016 - 2017  | 2015 - 2016  |
|-------------------|--|--|
| Discount rate     | 7.27%  | 7.90%  |
| Salary Escalation | 5.00%  | 5.00%  |
| Attrition rate    | For service 4 years and below<br>7.50% p.a. & thereafter 5% p.a. | For service 4 years and below<br>7.50% p.a. & thereafter 5% p.a. |

(₹ in Million)

| CHANGE IN BENEFIT OBLIGATION  | 2016 - 2017   | 2015 - 2016  |
|---|---------------|--------------|
| Liability at the beginning of the year  | 73.74         | 46.69        |
| Interest Cost   | 5.50          | 3.51         |
| Current Service Cost  | 15.05         | 11.04        |
| Expenses on Transfer in   | 0.76          | -            |
| Liability transferred in  | 5.16          | 3.45         |
| Liability transferred out   | (4.46)        | (1.48)       |
| Benefit paid  | (3.58)        | (0.92)       |
| Actuarial (gain)/ Loss on obligations   | 15.92         | 11.27        |
| Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency | (0.09)        | 0.18         |
| <b>Liability at the end of the year</b>   | <b>108.00</b> | <b>73.74</b> |

(₹ in Million)

| FAIR VALUE OF PLAN ASSETS                               | 2016 - 2017  | 2015 - 2016  |
|---|--------------|--------------|
| Fair Value of Plan Assets at the beginning of the year  | 50.81        | 39.44        |
| Expected return on Plan Assets                          | 3.99         | 3.12         |
| Contributions by the employer                           | -            | 10.20        |
| Benefits paid   | (2.87)       | -            |
| Actuarial Gain / (Loss) on Plan Assets                  | (0.95)       | (1.95)       |
| <b>Fair Value of Plan Assets at the end of the year</b> | <b>50.98</b> | <b>50.81</b> |

(₹ in Million)

| AMOUNT RECOGNISED IN THE BALANCE SHEET                     | 2016 - 2017  | 2015 - 2016  |
|--|--------------|--------------|
| Liability at the end of the year                           | 107.99       | 73.74        |
| Fair Value of Plan Assets at the end of the year           | 50.98        | 50.81        |
| Funded Status - Deficit                                    | 57.01        | 22.93        |
| <b>Amount of Liability Recognised in the Balance Sheet</b> | <b>57.01</b> | <b>22.93</b> |

(₹ in Million)

| EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS ACCOUNT            | 2016 - 2017  | 2015 - 2016  |
|--|--------------|--------------|
| Current Service cost   | 15.06        | 11.04        |
| Interest Cost (net of expected return on plan assets)                    | 1.51         | 0.39         |
| Expenses on Transfer in  | 0.76         | -            |
| Actuarial Gain or Loss   | 16.85        | 13.22        |
| <b>Expenses Recognised in the Statement of Profit &amp; Loss Account</b> | <b>34.18</b> | <b>24.65</b> |

(₹ in Million)

| BALANCE SHEET RECONCILIATION  | 2016 - 2017  | 2015 - 2016  |
|---|--------------|--------------|
| Opening Net liability   | 22.93        | 7.25         |
| Expense as above  | 34.18        | 24.65        |
| Net Transfer In   | 5.16         | 3.45         |
| Net Transfer Out  | (4.46)       | (1.48)       |
| Benefit Paid Directly by the Employer   | (0.71)       | (0.92)       |
| Employers contribution  | -            | (10.20)      |
| Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency | (0.09)       | 0.18         |
| Actuarial (gain) / Loss on obligations  | -            | -            |
| <b>Liability/(Asset) Recognised in Balance sheet</b>  | <b>57.01</b> | <b>22.93</b> |

(₹ in Million)

| EXPERIENCE ADJUSTMENT  | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 |
|--|-----------|-----------|-----------|-----------|-----------|
| Present Value of the Obligation                              | 107.99    | 69.94     | 44.36     | 31.32     | 21.54     |
| Fair Value of Plan Assets                                    | (50.98)   | (50.81)   | (39.44)   | (13.27)   | (12.25)   |
| Deficit  | 57.01     | 19.13     | 4.92      | 18.05     | 9.28      |
| Actuarial (Gains)/ Losses on Obligations - Due to Experience | 9.74      | 22.21     | 7.22      | 2.78      | 0.91      |
| Actuarial Gains/ (Losses) on Plan Assets - Due to Experience | (0.95)    | 1.17      | (0.02)    | 0.05      | (1.09)    |

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

Estimated amount of payment in respect of Gratuity to the fund will be ₹ 33.11 million in FY 2017-2018 (Previous year ₹ 5.34 million)

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



**\*\*Defined Contribution Plans:**

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

(₹ in Million)

| PARTICULARS                                | 2016 - 2017 | 2015 - 2016 |
|--|-------------|-------------|
| Contribution to provident and other fund * | 54.58       | 33.39       |

\*Contribution to Provident and Other fund includes contribution to other funds like Superannuation fund, etc pertaining to employees.

**NOTE 26. OTHER EXPENSES:**

(₹ in Million)

| PARTICULARS   | 2016 - 2017     | 2015 - 2016     |
|---|-----------------|-----------------|
| Advertisement Expenses  | 6.30            | 43.96           |
| Exchange and Statutory Charges                                | 6.36            | 4.88            |
| Marketing and Commission Expenses                             | 319.79          | 293.90          |
| Direct Operating Expenses                                     | 303.98          | 450.62          |
| Bank Charges  | 2.27            | 1.60            |
| Communication Expenses  | 32.92           | 21.19           |
| Donation  | 17.38           | 36.12           |
| Electricity Expenses  | 20.90           | 13.94           |
| Legal and Professional Charges                                | 233.49          | 144.18          |
| Corporate social responsibility(CSR) expenses (Refer Note-38) | 28.72           | 13.66           |
| Office Expenses   | 70.59           | 42.15           |
| Miscellaneous Expenses  | 5.76            | 11.21           |
| Postage and Courier Expenses                                  | 5.28            | 5.03            |
| Printing and Stationery                                       | 17.31           | 14.46           |
| Manpower Outsource expenses                                   | 14.64           | 4.93            |
| Rent Expenses   | 262.12          | 178.51          |
| Insurance charges   | 14.84           | 6.90            |
| Rates and Taxes   | 48.03           | 3.89            |
| Repairs and maintenance:                                      | -               | -               |
| - Computers   | 2.48            | 1.55            |
| - Others  | 2.36            | 3.15            |
| Remuneration to Auditors                                      | -               | -               |
| - Statutory Audit   | 7.19            | 5.40            |
| - Other services (net of service tax input credit)            | 2.40            | 1.15            |
| - Swachh Bharat Cess  | 0.03            | -               |
| - Certification work and other matters                        | 0.69            | -               |
| - Out of Pocket Expenses                                      | 0.39            | 0.11            |
| Software Charges  | 73.19           | 26.49           |
| Subscription & Business promotion                             | 0.73            | 0.28            |
| Commission & sitting fees to non executive directors          | 9.87            | 11.87           |
| (Profit)/Loss on Sale of Assets                               | 0.91            | -               |
| Travelling and Conveyance                                     | 243.69          | 218.50          |
| <b>Total</b>  | <b>1,754.61</b> | <b>1,559.63</b> |

The above costs are inclusive of Related party transactions (Refer Note 37)

**NOTE 27. FINANCE CHARGES:**

(₹ in Million)

| PARTICULARS                                   | 2016 - 2017     | 2015 - 2016   |
|---|-----------------|---------------|
| Interest Expenses                             |                 |               |
| - Non convertible debentures*                 | 543.92          | 63.78         |
| - Commercial papers                           | 1,873.81        | 88.87         |
| - Inter corporate deposits (Refer note no 35) | 10.04           | 43.81         |
| - Term loan & others                          | 1.84            | 11.91         |
| - Delayed payment of taxes                    | 9.06            | 0.93          |
| - Others                                      | 1.13            | -             |
| Bank Guarantee expenses                       | 2.00            | -             |
| Other borrowing cost                          | 48.03           | 0.02          |
| <b>Total</b>                                  | <b>2,489.83</b> | <b>209.32</b> |

\* includes net MTM of ₹ 127.64 million on market linked products (P.Y. NIL)

**NOTE 28. DEPRECIATION & AMORTISATION:**

(₹ in Million)

| PARTICULARS   | 2016 - 2017  | 2015 - 2016  |
|---|--------------|--------------|
| Depreciation on Tangible Assets (Refer Note - 12)   | 65.42        | 22.27        |
| Amortisation of Intangible Assets (Refer Note - 13) | 23.65        | 11.30        |
| <b>Total</b>  | <b>89.07</b> | <b>33.57</b> |

**NOTE 29. PROVISIONS AND WRITE OFF:**

(₹ in Million)

| PARTICULARS                                      | 2016 - 2017   | 2015 - 2016  |
|--|---------------|--------------|
| Provision for diminution in value of investments | 160.61        | 30.72        |
| Mark to Market on Option Contracts (Net)         | 12.32         | -            |
| Contingent Provision against Standard assets     | 125.25        | 3.02         |
| Provision for Doubtful Debts                     | 2.63          | 6.95         |
| <b>Total</b>                                     | <b>300.81</b> | <b>40.69</b> |

**NOTE 30.**

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

(₹ in Million)

| PARTICULARS  |            | 2016 - 2017  | 2015 - 2016  |
|--|------------|--------------|--------------|
| <b>BASIC</b>   |            |              |              |
| Profit after tax as per Statement of Profit and Loss (₹ in Million)            | A          | 2,504.70     | 1,693.85     |
| Weighted Average Number of Shares Subscribed                                   | B          | 73,980,604   | 58,860,782   |
| Face Value of Equity Shares (in ₹) fully paid                                  |            | 2            | 2            |
| <b>Basic EPS (₹)</b>   | <b>A/B</b> | <b>33.86</b> | <b>28.78</b> |
| <b>DILUTED</b>   |            |              |              |
| Profit after tax as per Statement of Profit and Loss (₹ in Million)            | A          | 2,504.70     | 1,693.85     |
| Weighted Number of Shares Subscribed   | C          | 73,980,604   | 58,860,782   |
| Add: Potential Equity Shares on account of conversion of Employee Stock Option | D          | 7,885,716    | 7,557,525    |
| Weighted Average Number of Shares Outstanding                                  | E=C+D      | 81,866,320   | 66,418,307   |
| <b>Diluted EPS (₹)</b>   | <b>A/E</b> | <b>30.59</b> | <b>25.50</b> |

**NOTE 31.**

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for/by the group were identified and recovered

from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

### NOTE 32. CAPITAL AND OTHER COMMITMENTS

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹ 1,225.50 million (Previous year ₹ 64.61 million)

### NOTE 33. CONTINGENT LIABILITIES AT BALANCE SHEET DATE

(₹ in Million)

| PARTICULARS      | As at March 31, 2017 | As at March 31, 2016 |
|------------------|----------------------|----------------------|
| Bank Guarantees* | 750.00               | -                    |

\*Fixed deposits amounting to ₹ 375.00 million are pledged against this.

### NOTE 34.

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

### NOTE 35. UNDISBURSED SANCTIONED LOANS:

As on the balance sheet date there were undisbursed sanctioned loans of ₹ 23,711.33 million (Previous Year ₹ Nil). These sanctioned amounts are cancellable at the option of the subsidiary Company.

### NOTE 36.

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

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

| PARTICULARS   | ESOP 2012   | ESOP 2015   |
|---|---|---|
| No. of options granted                                  | 2,718,050 (A - 1,234,900; B - 758,550; C - 724,600)   | 7,865,945 (A - 6,965,945 & B - 900,000)   |
| Grant Dates   | A - March 28, 2012; B - August 29, 2013; Jun 03, 2014   | A - July 02, 2015, B - November 10, 2016  |
| Method of accounting                                    | Intrinsic Value   | Intrinsic Value   |
| Vesting plan  | Options granted would vest over a period of six years subject to minimum period of one year from the date of grant of options | Options granted would vest over a period of six years subject to minimum period of one year from the date of grant of options |
| Exercise period   | Seven years from the date of grant  | Seven years from the date of grant  |
| Grant Price (₹ Per Share)                               | A - ₹ 10.00, B - ₹ 16.00 and C - ₹ 19.00  | A - ₹ 282.00, B - ₹ 339.00  |
| Fair Value on the date of Grant of Option (₹ Per Share) | ₹ 11.80 - ₹ 18.96   | ₹ 274.00 - ₹ 319.00   |

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

| PARTICULARS  | ESOP 2012    | ESOP 2015 |
|--|--------------|-----------|
| Options outstanding at the beginning of the year                           | 591,580      | 6,965,945 |
| Granted during the year  | -            | 900,000   |
| Exercised during the year  | 449,185      | 3,555,921 |
| Lapsed during the year   | 13,835       | -         |
| Options outstanding at the end of the year                                 | 128,510      | 4,310,024 |
| Exercisable at the end of the year   | 194,835      | 1,214,766 |
| Weighted average exercise price for the options exercised during the year  | ₹ 16.41      | ₹ 282.00  |
| Range of exercise price for the options outstanding at the end of the year | ₹ 10 to ₹ 19 | ₹ 282.00  |

**Fair Value Methodology:**

The fair value of options have been estimated on the date of grant using Black Scholes model. Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| GRANT DATE                          | ESOP 2012       | ESOP 2015     |
|-------------------------------------|-----------------|---------------|
| Risk free interest rate             | 8.38% - 9.47%   | 7.87% - 6.39% |
| Expected average life               | 3 years         | 3 years       |
| Expected volatility of Share Price  | Nil             | Nil           |
| Dividend yield                      | 0% - 38.45%     | 1.25% - 1.64% |
| Fair value on the date of the grant | ₹ 11.80 - 18.96 | ₹ 274 - 319   |

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

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

(₹ in Million)

| PARTICULARS   | CURRENT YEAR    | PREVIOUS YEAR   |
|---|-----------------|-----------------|
| Net Profit as reported  | 2,504.70        | 1,693.85        |
| Less:   |                 |                 |
| Stock-based compensation expenses determined under fair value method net of tax (Pro-forma) [Gross ₹ 76.81 million (Previous year ₹152.72 million)] | 50.24           | 99.87           |
| <b>Net Profit (Pro-forma)</b>   | <b>2,454.46</b> | <b>1,593.98</b> |

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

(₹ in Million)

| PARTICULARS                              | CURRENT YEAR | PREVIOUS YEAR |
|--|--------------|---------------|
| Basic earnings per share (as reported)   | 33.86        | 28.78         |
| Basic earnings per share (pro-forma)     | 33.18        | 27.08         |
| Diluted earnings per share (as reported) | 30.59        | 25.50         |
| Diluted earnings per share (pro-forma)   | 29.98        | 24.00         |

**NOTE 37. DETAILS OF INTER CORPORATE DEPOSITS**

During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note No. 38 and in table below.

(₹ in Million)

| PARTICULARS                        | ICD GIVEN | ICD RECEIVED BACK | ICD OUTSTANDING |
|------------------------------------|-----------|-------------------|-----------------|
| Fineworthy Software Solutions Ltd  | 1.45      | 3.30              | 14.33           |
|                                    | (45.10)   | (46.88)           | (16.18)         |
| IIFL Wealth Employee Benefit Trust | 38.74     | 36.91             | 1.83            |
|                                    | -         | -                 | -               |

The period of ICD's is generally up to 1 year renewable thereafter, placed on arm's length basis at prevailing market interest rates (ranging from 9.5% to 11% p.a.), for the purpose of meeting working capital and business requirements.

**NOTE 38. RELATED PARTY DISCLOSURES.**

Related party disclosures for the year ended March 31, 2017.

**a) List of Related parties:**

| NATURE OF RELATIONSHIP   | NAME OF PARTY  |
|--------------------------|--|
| Holding Company          | IIFL Holdings Limited  |
| Fellow Subsidiaries      | India Infoline Limited<br>India Infoline Commodities Limited<br>India Infoline Finance Limited<br>India Infoline Media and Research Services Limited<br>India Infoline Commodities DMCC<br>India Infoline Insurance Brokers Limited<br>India Infoline Insurance Services Limited<br>IIFL Facilities Services Limited<br>IIFL Capital Limited<br>IIFL Wealth (UK) Limited<br>IIFL Capital Inc<br>India Infoline Foundation<br>IIFL Properties Private Limited |
| Group Company            | India Infoline Housing Finance Limited<br>IIFL Asset Reconstruction Limited  |
| Key Management Personnel | Karan Bhagat - Managing Director<br>Yatin Shah - Whole Time Director   |
| Other related parties    | Mr. Nirmal Jain<br>Mr. R. Venkataraman<br>Mr. Amit Shah<br>Mrs. Shilpa Bhagat<br>Mrs. Ami Shah<br>Mrs. Madhu Jain<br>Mrs. Aditi Athavankar<br>Mrs. Dhara Shah<br>Orpheus Trading Pvt. Limited<br>Ardent Impex Pvt. Limited<br>Probability Sports LLP<br>Naykia Realty Private Limited<br>Kyrush Investments<br>Yatin Investment  |

**b) Significant Transactions with Related Parties**

(₹ in Million)

| NATURE OF TRANSACTION                           | HOLDING<br>COMPANY | FELLOW<br>SUBSIDIARIES | OTHER RELATED<br>PARTIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL    |
|---|--------------------|------------------------|--------------------------|--------------------------------|----------|
| <b>Share Capital Issued:</b>                    |                    |                        |                          |                                |          |
| Karan Bhagat                                    | -                  | -                      | -                        | 4.80                           | 4.80     |
|   | -                  | -                      | -                        | -                              | -        |
| Yatin Shah                                      | -                  | -                      | -                        | 1.80                           | 1.80     |
|   | -                  | -                      | -                        | -                              | -        |
| <b>Purchase of inventories/Investment (Net)</b> |                    |                        |                          |                                |          |
| India Infoline Finance Limited                  | -                  | -                      | -                        | -                              | -        |
|   | -                  | (850.06)               | -                        | -                              | (850.06) |

(₹ in Million)

| NATURE OF TRANSACTION  | HOLDING<br>COMPANY | FELLOW<br>SUBSIDIARIES | OTHER RELATED<br>PARTIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL    |
|--|--------------------|------------------------|--------------------------|--------------------------------|----------|
| India Infoline Media Research Services Ltd   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (64.32)                | -                        | -                              | (64.32)  |
| <b>Sale of inventories (Net)</b>   |                    |                        |                          |                                |          |
| India Infoline Media Research Services Ltd   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (702.50)               | -                        | -                              | (702.50) |
| <b>Dividend Income</b>   |                    |                        |                          |                                |          |
| India Infoline Limited   | -                  | 0.00 ##                | -                        | -                              | 0.00 ##  |
|  | -                  | 0.00 ##                | -                        | -                              | 0.00 ##  |
| India Infoline Finance Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (1.53)                 | -                        | -                              | (1.53)   |
| <b>Arranger Fees Income/ Marketing Support Income/<br/>Referral Fee/ Brokerage - Authorised Person</b> |                    |                        |                          |                                |          |
| India Infoline Limited   | -                  | 381.60                 | -                        | -                              | 381.60   |
|  | -                  | (383.39)               | -                        | -                              | (383.39) |
| IIFL Facilities Services Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (2.72)                 | -                        | -                              | (2.72)   |
| India Infoline Finance Limited   | -                  | 52.12                  | -                        | -                              | 52.12    |
|  | -                  | (3.42)                 | -                        | -                              | (3.42)   |
| India Infoline Commodities Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (0.01)                 | -                        | -                              | (0.01)   |
| India Infoline Housing Finance Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (8.94)                 | -                        | -                              | (8.94)   |
| <b>Interest Income on ICD</b>  |                    |                        |                          |                                |          |
| India Infoline Limited   | -                  | 0.15                   | -                        | -                              | 0.15     |
|  | -                  | -                      | -                        | -                              | -        |
| 5 Paisa Capital Limited  | -                  | 0.80                   | -                        | -                              | 0.80     |
|  | -                  | -                      | -                        | -                              | -        |
| India Infoline Finance Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (7.35)                 | -                        | -                              | (7.35)   |
| IIFL Facilities Services Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (0.05)                 | -                        | -                              | (0.05)   |
| India Infoline Media Research Services Ltd   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (1.87)                 | -                        | -                              | (1.87)   |
| <b>Interest Income on CP</b>   |                    |                        |                          |                                |          |
| IIFL Facilities Services Limited   | -                  | -                      | -                        | -                              | -        |
|  | -                  | (1.08)                 | -                        | -                              | (1.08)   |
| <b>Interest Income on Investment</b>   |                    |                        |                          |                                |          |
| India Infoline Finance Limited   | -                  | 0.64                   | -                        | -                              | 0.64     |
|  | -                  | -                      | -                        | -                              | -        |
| India Infoline Housing Finance Limited   | -                  | 0.20                   | -                        | -                              | 0.20     |
|  | -                  | -                      | -                        | -                              | -        |
| <b>Interest Income on Loan</b>   |                    |                        |                          |                                |          |
| Yatin Investments  | -                  | -                      | 2.83                     | -                              | 2.83     |
|  | -                  | -                      | -                        | -                              | -        |
| <b>Interest Expense on ICD</b>   |                    |                        |                          |                                |          |
| India Infoline Finance Limited   | -                  | 3.92                   | -                        | -                              | 3.92     |
|  | -                  | (49.75)                | -                        | -                              | (49.75)  |
| IIFL Holdings Limited  | 5.66               | -                      | -                        | -                              | 5.66     |
|  | (2.68)             | -                      | -                        | -                              | (2.68)   |
| IIFL Facilities Services Limited   | -                  | 0.45                   | -                        | -                              | 0.45     |
|  | -                  | (0.85)                 | -                        | -                              | (0.85)   |

(₹ in Million)

| NATURE OF TRANSACTION                                 | HOLDING<br>COMPANY | FELLOW<br>SUBSIDIARIES | OTHER RELATED<br>PARTIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL    |
|---|--------------------|------------------------|--------------------------|--------------------------------|----------|
| <b>Brokerage &amp; Commission Expenses</b>            |                    |                        |                          |                                |          |
| India Infoline Limited                                | -                  | 0.47                   | -                        | -                              | 0.47     |
|   | -                  | (0.04)                 | -                        | -                              | (0.04)   |
| <b>Marketing Support Expenditure/ Incentive Fees</b>  |                    |                        |                          |                                |          |
| IIFL Wealth (UK) Ltd                                  | -                  | 45.11                  | -                        | -                              | 45.11    |
|   | -                  | (40.24)                | -                        | -                              | (40.24)  |
| <b>Referral Fees – Expenses</b>                       |                    |                        |                          |                                |          |
| India Infoline Finance Limited                        | -                  | 10.25                  | -                        | -                              | 10.25    |
|   | -                  | (226.07)               | -                        | -                              | (226.07) |
| IIFL Realty Limited                                   | -                  | -                      | -                        | -                              | -        |
|   | -                  | (15.00)                | -                        | -                              | (15.00)  |
| <b>Research Fees – Expenses</b>                       |                    |                        |                          |                                |          |
| IIFL Facilities Services Limited                      | -                  | -                      | -                        | -                              | -        |
|   | -                  | (20.77)                | -                        | -                              | (20.77)  |
| <b>Guest House – Expenses</b>                         |                    |                        |                          |                                |          |
| IIFL Properties Private Limited                       | -                  | 1.02                   | -                        | -                              | 1.02     |
|   | -                  | (0.16)                 | -                        | -                              | (0.16)   |
| <b>Corporate Social Responsibility Expenses (CSR)</b> |                    |                        |                          |                                |          |
| India Infoline Foundation Limited                     | -                  | 11.77                  | -                        | -                              | 11.77    |
|   | -                  | -                      | -                        | -                              | -        |
| <b>Rent Expenses</b>                                  |                    |                        |                          |                                |          |
| IIFL Facilities Services Limited                      | -                  | 166.68                 | -                        | -                              | 166.68   |
|   | -                  | (100.97)               | -                        | -                              | (100.97) |
| <b>Remuneration</b>                                   |                    |                        |                          |                                |          |
| Karan Bhagat  | -                  | -                      | -                        | 40.13                          | 40.13    |
|   | -                  | -                      | -                        | (37.86)                        | (37.86)  |
| Yatin Shah  | -                  | -                      | -                        | 31.53                          | 31.53    |
|   | -                  | -                      | -                        | (29.67)                        | (29.67)  |
| <b>Dividend Paid</b>                                  |                    |                        |                          |                                |          |
| IIFL Holdings Limited                                 | 270.00             | -                      | -                        | -                              | 270.00   |
|   | (270.00)           | -                      | -                        | -                              | (270.00) |
| Karan Bhagat  | -                  | -                      | -                        | 14.46                          | 14.46    |
|   | -                  | -                      | -                        | (17.76)                        | (17.76)  |
| Yatin Shah  | -                  | -                      | -                        | 14.46                          | 14.46    |
|   | -                  | -                      | -                        | (17.76)                        | (17.76)  |
| Amit Shah   | -                  | -                      | -                        | 10.91                          | 10.91    |
|   | -                  | -                      | -                        | (14.21)                        | (14.21)  |
| <b>Other funds received</b>                           |                    |                        |                          |                                |          |
| IIFL Facilities Services Limited                      | -                  | 0.08                   | -                        | -                              | 0.08     |
|   | -                  | (3.73)                 | -                        | -                              | (3.73)   |
| India Infoline Limited                                | -                  | 4.91                   | -                        | -                              | 4.91     |
|   | -                  | (1.17)                 | -                        | -                              | (1.17)   |
| India Infoline Finance Limited                        | -                  | 0.02                   | -                        | -                              | 0.02     |
|   | -                  | -                      | -                        | -                              | -        |
| IIFL Holdings Limited                                 | -                  | 0.13                   | -                        | -                              | 0.13     |
|   | -                  | -                      | -                        | -                              | -        |
| <b>Other funds paid</b>                               |                    |                        |                          |                                |          |
| India Infoline Limited                                | -                  | 0.08                   | -                        | -                              | 0.08     |
|   | -                  | (3.31)                 | -                        | -                              | (3.31)   |

(₹ in Million)

| NATURE OF TRANSACTION                        | HOLDING<br>COMPANY | FELLOW<br>SUBSIDIARIES | OTHER RELATED<br>PARTIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL      |
|--|--------------------|------------------------|--------------------------|--------------------------------|------------|
| India Infoline Finance Limited               | -                  | -                      | -                        | -                              | -          |
|  | -                  | (0.01)                 | -                        | -                              | (0.01)     |
| IIFL Facilities Services Limited             | -                  | -                      | -                        | -                              | -          |
|  | -                  | (2.02)                 | -                        | -                              | (2.02)     |
| <b>Loan Given</b>                            |                    |                        |                          |                                |            |
| Yatin Investments                            | -                  | -                      | -                        | 1,366.87                       | 1,366.87   |
|  | -                  | -                      | -                        | -                              | -          |
| <b>Loan Received Back</b>                    |                    |                        |                          |                                |            |
| Yatin Investments                            | -                  | -                      | -                        | 1,366.87                       | 1,366.87   |
|  | -                  | -                      | -                        | -                              | -          |
| <b>ICD given</b>                             |                    |                        |                          |                                |            |
| India Infoline Limited                       | -                  | 500.00                 | -                        | -                              | 500.00     |
|  | -                  | -                      | -                        | -                              | -          |
| 5 Paisa Capital Limited                      | -                  | 200.00                 | -                        | -                              | 200.00     |
|  | -                  | -                      | -                        | -                              | -          |
| India Infoline Finance Limited               | -                  | -                      | -                        | -                              | -          |
|  | -                  | (2,900.00)             | -                        | -                              | (2,900.00) |
| IIFL Facilities Services Limited             | -                  | -                      | -                        | -                              | -          |
|  | -                  | (150.00)               | -                        | -                              | (150.00)   |
| India Infoline Media & Research Services Ltd | -                  | -                      | -                        | -                              | -          |
|  | -                  | (270.00)               | -                        | -                              | (270.00)   |
| <b>ICD received back</b>                     |                    |                        |                          |                                |            |
| India Infoline Limited                       | -                  | 500.00                 | -                        | -                              | 500.00     |
|  | -                  | -                      | -                        | -                              | -          |
| 5 Paisa Capital Limited                      | -                  | 200.00                 | -                        | -                              | 200.00     |
|  | -                  | -                      | -                        | -                              | -          |
| India Infoline Finance Limited               | -                  | -                      | -                        | -                              | -          |
|  | -                  | (2,900.00)             | -                        | -                              | (2,900.00) |
| IIFL Facilities Services Limited             | -                  | -                      | -                        | -                              | -          |
|  | -                  | (150.00)               | -                        | -                              | (150.00)   |
| India Infoline Media & Research Services Ltd | -                  | -                      | -                        | -                              | -          |
|  | -                  | (270.00)               | -                        | -                              | (270.00)   |
| <b>ICD taken</b>                             |                    |                        |                          |                                |            |
| IIFL Holdings Limited                        | 330.00             | -                      | -                        | -                              | 330.00     |
|  | (366.80)           | -                      | -                        | -                              | (366.80)   |
| India Infoline Finance Limited               | -                  | 1,750.00               | -                        | -                              | 1,750.00   |
|  | -                  | (5,324.00)             | -                        | -                              | (5,324.00) |
| IIFL Facilities Services Limited             | -                  | 500.00                 | -                        | -                              | 500.00     |
|  | -                  | (472.40)               | -                        | -                              | (472.40)   |
| <b>ICD repaid</b>                            |                    |                        |                          |                                |            |
| IIFL Holdings Limited                        | 330.00             | -                      | -                        | -                              | 330.00     |
|  | (366.80)           | -                      | -                        | -                              | (366.80)   |
| India Infoline Finance Limited               | -                  | 1,750.00               | -                        | -                              | 1,750.00   |
|  | -                  | (5,324.00)             | -                        | -                              | (5,324.00) |
| IIFL Facilities Services Limited             | -                  | 500.00                 | -                        | -                              | 500.00     |
|  | -                  | (472.40)               | -                        | -                              | (472.40)   |
| <b>Advances repaid/given</b>                 |                    |                        |                          |                                |            |
| India Infoline Limited                       | -                  | -                      | -                        | -                              | -          |
|  | -                  | (4.48)                 | -                        | -                              | (4.48)     |



(₹ in Million)

| NATURE OF TRANSACTION                                  | HOLDING<br>COMPANY | FELLOW<br>SUBSIDIARIES | OTHER RELATED<br>PARTIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL   |
|--|--------------------|------------------------|--------------------------|--------------------------------|---------|
| IIFL Holdings Limited                                  | -                  | -                      | -                        | -                              | -       |
|  | -                  | (0.13)                 | -                        | -                              | (0.13)  |
| <b>Allocation / Reimbursement of expenses Paid</b>     |                    |                        |                          |                                |         |
| IIFL Holdings Limited                                  | 21.07              | -                      | -                        | -                              | 21.07   |
|  | -                  | -                      | -                        | -                              | -       |
| India Infoline Limited                                 | -                  | 79.65                  | -                        | -                              | 79.65   |
|  | -                  | (64.19)                | -                        | -                              | (64.19) |
| IIFL Capital Inc.                                      | -                  | 1.71                   | -                        | -                              | 1.71    |
|  | -                  | (2.60)                 | -                        | -                              | (2.60)  |
| 5 Paisa Capital Limited                                | -                  | 0.05                   | -                        | -                              | 0.05    |
|  | -                  | -                      | -                        | -                              | -       |
| IIFL Facilities Services Limited                       | -                  | 0.01                   | -                        | -                              | 0.01    |
|  | -                  | -                      | -                        | -                              | -       |
| India Infoline Commodities Limited                     | -                  | 0.03                   | -                        | -                              | 0.03    |
|  | -                  | -                      | -                        | -                              | -       |
| <b>Allocation / Reimbursement of expenses Received</b> |                    |                        |                          |                                |         |
| IIFL Capital Inc.                                      | -                  | 5.01                   | -                        | -                              | 5.01    |
|  | -                  | (6.09)                 | -                        | -                              | (6.09)  |

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

(₹ in Million)

| NATURE OF TRANSACTION            | HOLDING<br>COMPANY | FELLOW<br>SUBSIDIARIES | OTHER RELATED<br>PARTIES | KEY<br>MANAGERIAL<br>PERSONNEL | TOTAL   |
|----------------------------------|--------------------|------------------------|--------------------------|--------------------------------|---------|
| <b>Sundry payables:</b>          |                    |                        |                          |                                |         |
| IIFL Cap Inc. (US)               | -                  | -                      | -                        | -                              | -       |
|                                  | -                  | (0.90)                 | -                        | -                              | (0.90)  |
| India Infoline Limited           | -                  | 7.43                   | -                        | -                              | 7.43    |
|                                  | -                  | -                      | -                        | -                              | -       |
| IIFL Wealth (UK) Limited         | -                  | 6.22                   | -                        | -                              | 6.22    |
|                                  | -                  | (5.71)                 | -                        | -                              | (5.71)  |
| IIFL Properties Private Limited  | -                  | 0.12                   | -                        | -                              | 0.12    |
|                                  | -                  | -                      | -                        | -                              | -       |
| <b>Sundry receivables:</b>       |                    |                        |                          |                                |         |
| India Infoline Finance Limited   | -                  | 1.88                   | -                        | -                              | 1.88    |
|                                  | -                  | -                      | -                        | -                              | -       |
| IIFL Facilities Services Limited | -                  | 0.05                   | -                        | -                              | 0.05    |
|                                  | -                  | -                      | -                        | -                              | -       |
| India Infoline Limited           | -                  | 20.30                  | -                        | -                              | 20.30   |
|                                  | -                  | (35.54)                | -                        | -                              | (35.54) |
| <b>Loans &amp; Advances</b>      |                    |                        |                          |                                |         |
| India Infoline Limited           | -                  | -                      | -                        | -                              | -       |
|                                  | -                  | (4.48)                 | -                        | -                              | (4.48)  |
| IIFL Holdings Limited            | -                  | -                      | -                        | -                              | -       |
|                                  | -                  | (0.13)                 | -                        | -                              | (0.13)  |

## Represents value less than ₹ 5,000

Note:

- I) Figures in bracket represents previous year figures.  
 II) Related parties are identified and certified by the management.

**NOTE 39. EARNINGS AND EXPENSES IN FOREIGN CURRENCY:**

(₹ in Million)

| PARTICULARS                         | 2016 - 2017  | 2015 - 2016   |
|-------------------------------------|--------------|---------------|
| <b>Earnings in Foreign Currency</b> |              |               |
| Advisory fees                       | 1.67         | -             |
| Dividend income                     | -            | 178.48        |
| <b>Sub Total</b>                    | <b>1.67</b>  | <b>178.48</b> |
| <b>Expenses in Foreign Currency</b> |              |               |
| Travelling Expense                  | 1.31         | 0.30          |
| Advertisement Expense               | 1.33         | 0.50          |
| Legal and professional Charges      | 6.41         | 3.00          |
| Marketing and commission Expense    | 13.02        | 9.27          |
| Office Expense                      | 2.38         | 1.09          |
| <b>Sub Total</b>                    | <b>24.45</b> | <b>14.16</b>  |

**NOTE 40.**

The summary of Consolidated Financial Statements represents consolidation of accounts of the Company with its following subsidiaries, as detailed below:

| SUBSIDIARY   | COUNTRY OF INCORPORATION | PROPORTION OF OWNERSHIP INTEREST |                      |
|--|--------------------------|----------------------------------|----------------------|
|  |                          | AS ON MARCH 31, 2017             | AS ON MARCH 31, 2016 |
| IIFL Distribution Services Limited   | India                    | 100%                             | 100%                 |
| IIFL Investment Adviser and Trustee Services Limited   | India                    | 100%                             | 100%                 |
| IIFL Alternate Asset Advisors Limited  | India                    | 100%                             | 100%                 |
| IIFL Asset Management Limited  | India                    | 100%                             | 100%                 |
| IIFL Trustee Limited   | India                    | 100%                             | 100%                 |
| India Alternatives Investment Advisors Private Limited (Upto 31st March, 2017)               | India                    | 71%                              | 71%                  |
| IIFL Wealth Finance Limited  | India                    | 100%                             | 100%                 |
| IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Limited) | Mauritius                | 100%                             | 100%                 |
| IIFL Private Wealth (Suisse) SA  | Switzerland              | 100%                             | 100%                 |
| IIFL Inc   | New York                 | 100%                             | 100%                 |
| IIFL (Asia) Pte Limited  | Singapore                | 100%                             | 100%                 |
| IIFL Securities Pte. Limited   | Singapore                | 100%                             | 100%                 |
| IIFL Capital Pte. Limited  | Singapore                | 100%                             | 100%                 |
| IIFL Private Wealth Management (Dubai) Limited   | Dubai                    | 100%                             | 100%                 |
| IIFL Private Wealth Hong Kong Limited  | Hongkong                 | 100%                             | 100%                 |

**NOTE 41. GOODWILL ON CONSOLIDATION**

(₹ in Million)

| PARTICULARS     | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|-----------------|----------------------|----------------------|
| Goodwill        | 293.41               | 344.69               |
| Capital Reserve | 5.09                 | 5.09                 |
| <b>Net</b>      | <b>288.32</b>        | <b>339.60</b>        |

**NOTE 42.**

The financial position and results (after eliminations) of India Alternatives Investment Advisors Private Limited (IAIA) which ceased to be a subsidiary during the year ended March 31, 2017 and IIFL Wealth Finance Limited (Wealth Finance) which became subsidiary during the year ended March 31, 2016 are given below:

(₹ in Million)

| PARTICULARS  | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016  |
|--|----------------------|-----------------------|
| <b>Name of the subsidiary</b>                          | <b>IAIA</b>          | <b>Wealth Finance</b> |
| <b>Liabilities</b>                                     |                      |                       |
| Non-current liabilities                                | 2.77                 | -                     |
| Current liabilities                                    | 24.69                | 4.89                  |
| <b>Total</b>   | <b>27.46</b>         | <b>4.89</b>           |
| <b>Assets</b>  |                      |                       |
| Non-current assets                                     | 8.30                 | 281.00                |
| Current assets   | 3.95                 | 8,742.64              |
| <b>Total</b>   | <b>12.25</b>         | <b>9,023.64</b>       |
| Revenue for the period ended                           | 22.71                | 71.99                 |
| Expenses for the period ended                          | 60.65                | 33.64                 |
| <b>Profit / (Loss) before tax for the period ended</b> | <b>(37.94)</b>       | <b>38.35</b>          |
| <b>Profit / (Loss) after tax for the period ended</b>  | <b>(37.94)</b>       | <b>17.67</b>          |

**NOTE 43.**

The Company has taken office premises on operating lease at various locations. Lease rent in respect of the same has been charged to Statement of Profit and Loss. The agreements are executed for a period ranging 1 to 5 years with a renewable clause. Some agreements have a clause for a minimum lock-in period. The agreements also have a clause for termination by either party giving a prior notice period between 30 to 90 days. The Company has also taken some other assets under operating lease. The minimum Lease rentals outstanding as at March 31, 2017, are as under:

(₹ in Million)

| MINIMUM LEASE RENTALS | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 |
|-----------------------|----------------------|----------------------|
| Up to one year        | 335.49               | 221.69               |
| One to five years     | 325.18               | 396.87               |
| Over five years       | -                    | 0.58                 |

**NOTE 44. CORPORATE SOCIAL RESPONSIBILITY**

During the financial year 2016-17, the Group has spent ₹ 28.72 million (P.Y. ₹ 13.66 million) as against ₹ 28.22 million (P.Y. ₹ 15.09 million) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects. The Company had substantially utilised the amount required to be spent on CSR projects and an amount of ₹ NIL (P.Y. ₹ 1.44 million) remain as unspent. The Company has many ongoing projects and plans to further increase the spend in the years to come through its impact driven projects.

**NOTE 45.**

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(As on/for the year ended March 31, 2017)

(₹ in Million)

| PARTICULARS   | NET ASSETS, i.e., TOTAL ASSETS<br>MINUS TOTAL LIABILITIES |                  | SHARE OF PROFIT OR LOSS               |                 |
|---|---|------------------|---------------------------------------|-----------------|
|   | AS % OF<br>CONSOLIDATED<br>NET ASSETS                     | AMOUNT           | AS % OF<br>CONSOLIDATED<br>NET ASSETS | AMOUNT          |
| <b>Parent</b>   |   |                  |                                       |                 |
| IIFL Wealth Management Limited  | 12.10%  | 1,844.65         | 39.04%                                | 977.91          |
| <b>Subsidiaries</b>   |   |                  |                                       |                 |
| <b>Indian</b>   |   |                  |                                       |                 |
| IIFL Wealth Finance Limited   | 69.81%  | 10,639.46        | 38.18%                                | 956.38          |
| IIFL Asset Management Limited   | 6.75%   | 1,028.64         | 12.68%                                | 317.60          |
| IIFL Distribution Services Limited  | 0.18%   | 27.59            | (5.67%)                               | (142.04)        |
| IIFL Alternate Asset Advisors Limited   | 1.02%   | 154.95           | 1.45%                                 | 36.38           |
| IIFL Investment Adviser and Trustee Services Limited  | 2.24%   | 341.07           | (0.95%)                               | (23.74)         |
| IIFL Trustee Limited  | 0.05%   | 6.88             | 0.15%                                 | 3.77            |
| India Alternatives Investment Advisors Private Limited<br>(Upto 31st March, 2017)               |   | -                | (1.51%)                               | (37.94)         |
| <b>Foreign</b>  |   |                  |                                       |                 |
| IIFL Asset Management (Mauritius) Limited<br>(Formerly IIFL Private Wealth (Mauritius) Limited) | 4.68%   | 713.11           | 21.16%                                | 530.08          |
| IIFL Inc  | 0.31%   | 47.85            | (0.98%)                               | (24.43)         |
| IIFL Private Wealth (Suisse) SA   | 0.05%   | 6.99             | (0.02%)                               | (0.51)          |
| IIFL Private Wealth Management (Dubai) Limited  | 0.44%   | 66.98            | (2.37%)                               | (59.34)         |
| IIFL Private Wealth Hong Kong Limited   | 0.39%   | 59.64            | (0.65%)                               | (16.16)         |
| IIFL (Asia) Pte Limited   | 1.99%   | 303.79           | (0.53%)                               | (13.26)         |
| <b>Total</b>  | <b>100.00%</b>  | <b>15,241.60</b> | <b>100.00%</b>                        | <b>2,504.70</b> |

**NOTE 46. SEGMENT REPORTING:**

In the opinion of the management, there are three reportable business segments as envisaged by AS 17 'Segment Reporting', as prescribed by Companies (Accounting Standard) Rules, 2006 as given below

(₹ in Million)

|                          | DISTRIBUTION | FUND<br>MANAGEMENT/<br>ADVISORY | FINANCING<br>& LENDING | UNALLOCATED | TOTAL      |
|--------------------------|--------------|---------------------------------|------------------------|-------------|------------|
| <b>I Segment Revenue</b> |              |                                 |                        |             |            |
| a External               | 5,090.63     | 1,216.92                        | 4,521.04               | -           | 10,828.59  |
|                          | (4,945.00)   | (891.75)                        | (71.99)                | -           | (5,908.74) |
| b Inter Segment Revenue  | -            | -                               | -                      | -           | -          |
|                          | -            | -                               | -                      | -           | -          |
| c Total Revenue          | 5,090.63     | 1,216.92                        | 4,521.04               | -           | 10,828.59  |
|                          | (4,945.00)   | (891.75)                        | (71.99)                | -           | (5,908.74) |
| <b>II Results</b>        |              |                                 |                        |             |            |
| a Segment Result         | 1,617.88     | 662.06                          | 3,839.77               | -           | 6,119.71   |
|                          | (1,899.95)   | (534.57)                        | (38.35)                | -           | (2,472.87) |
| b Interest Expense       | 149.16       | 0.04                            | 2,340.63               | -           | 2,489.83   |
|                          | (205.40)     | (3.91)                          | -                      | -           | (209.31)   |

(₹ in Million)

|                        | DISTRIBUTION | FUND<br>MANAGEMENT/<br>ADVISORY | FINANCING<br>& LENDING | UNALLOCATED | TOTAL       |
|------------------------|--------------|---------------------------------|------------------------|-------------|-------------|
| c Profit before Tax    | 1,468.72     | 662.03                          | 1,499.13               | -           | 3,629.88    |
|                        | (1,694.55)   | (530.66)                        | (38.35)                | -           | (2,263.56)  |
| d Provision for Tax    | 477.22       | 76.81                           | 571.16                 | -           | 1,125.19    |
|                        | (450.68)     | (98.35)                         | (20.68)                | -           | (569.71)    |
| e Net Profit after Tax | 991.50       | 585.22                          | 927.97                 | -           | 2,504.69    |
|                        | (1,243.87)   | (432.31)                        | (17.67)                | -           | (1,693.85)  |
| III Segment Assets     | 9,493.17     | 1,794.12                        | 64,141.52              | 574.95      | 76,003.76   |
|                        | (4,525.82)   | (684.70)                        | (9,022.64)             | (462.44)    | (14,695.60) |
| IV Segment Liabilities | 6,977.15     | 192.18                          | 53,416.70              | 176.11      | 60,762.14   |
|                        | (2,232.66)   | (148.22)                        | (3.79)                 | (18.20)     | (2,402.87)  |
| V Capital Expenditure  | 222.01       | 0.11                            | 6.67                   | -           | 228.79      |
|                        | (97.95)      | (0.52)                          | -                      | -           | (98.47)     |
| VI Depreciation        | 86.98        | 1.42                            | 0.67                   | -           | 89.07       |
|                        | (32.00)      | (1.57)                          | -                      | -           | (33.57)     |
| VII Non Cash Expenses  | (4.31)       | (0.02)                          | 304.80                 | -           | 300.47      |
|                        | (37.64)      | -                               | (3.02)                 | -           | (40.66)     |

## Secondary segmentation information based on geography is as per below:

(₹ in Million)

|                     | India       | Mauritius | Others   | Unallocated | Total       |
|---------------------|-------------|-----------|----------|-------------|-------------|
| Segment Revenue     | 9,886.28    | 663.25    | 279.06   | -           | 10,828.59   |
|                     | (4,753.83)  | (852.74)  | (302.17) | -           | (5,908.74)  |
| Segment Assets      | 74,123.45   | 750.77    | 554.59   | 574.95      | 76,003.76   |
|                     | (13,317.00) | (427.05)  | (489.11) | (462.44)    | (14,695.60) |
| Capital Expenditure | 228.15      | 0.08      | 0.56     | -           | 228.79      |
|                     | (97.27)     | (0.56)    | (0.64)   | -           | (98.47)     |

Figures in bracket represents previous year figures.

**NOTE 47.**

Previous year figures have been re-grouped, re-classified & rearranged, wherever considered necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

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

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

Place: Mumbai  
Date: May 03, 2017

**Mihir Nanavati**  
Chief Financial Officer

**Ashutosh Naik**  
Company Secretary

## Annexure A

"Form AOC-I (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)"  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
Part "A" : Subsidiaries

| Sr. No | Particulars   | Reporting Currency | Share Capital | Reserves & Surplus | Exchange Rate | Total Assets | Total Liabilities | Total Investments | Total Turnover/Income | Profit/ (Loss) Before Taxation | Provision for Taxation (including Deferred Tax) | Profit After Taxation | Proposed Dividend | % of Share Holding |
|--------|---|--------------------|---------------|--------------------|---------------|--------------|-------------------|-------------------|-----------------------|--------------------------------|---|-----------------------|-------------------|--------------------|
| 1      | IIFL Trustee Limited  | INR                | 5.00          | 1.88               | 1.00          | 7.41         | 7.41              | 2.50              | 10.33                 | 5.38                           | 1.61  | 3.77                  | -                 | 100.00%            |
| 2      | IIFL Distribution Services Limited  | INR                | 0.51          | 45.47              | 1.00          | 80.16        | 80.16             | 0.10              | 144.41                | 1.48                           | 0.81  | 0.67                  | -                 | 100.00%            |
| 3      | IIFL Asset Management Ltd   | INR                | 321.00        | 654.90             | 1.00          | 1,185.93     | 1,185.93          | 18.17             | 861.94                | 217.44                         | 68.59   | 148.85                | -                 | 100.00%            |
| 4      | IIFL Alternate Asset Advisors Limited   | INR                | 0.50          | 154.41             | 1.00          | 155.55       | 155.55            | -                 | 57.01                 | 9.26                           | (0.04)  | 9.30                  | -                 | 100.00%            |
| 5      | IIFL India Alternatives Investment Advisors Private Limited (up to 31 March 2017) | INR                | -             | -                  | 1.00          | -            | -                 | -                 | 91.51                 | 10.81                          | -   | 10.81                 | -                 | 71.00%             |
| 6      | IIFL Investment Adviser and Trustee Services Limited                              | INR                | 352.25        | (11.05)            | 1.00          | 355.79       | 355.79            | -                 | 99.28                 | 6.56                           | 3.09  | 3.47                  | -                 | 100.00%            |
| 7      | IIFL Wealth Finance Limited   | INR                | 2,624.50      | 8,018.12           | 1.00          | 64,229.96    | 64,229.96         | 18,787.65         | 4,614.72              | 1,574.86                       | 570.99  | 1,003.86              | -                 | 100.00%            |
| 8      | IIFL (Asia) Pte. Limited  | INR                | 473.17        | (174.57)           | 1.00          | 299.17       | 299.17            | 293.58            | 0.17                  | (0.75)                         | -   | (0.75)                | -                 | 100.00%            |
|        |   | S \$               | 14.00         | (7.56)             | 46.38         | 6.45         | 6.45              | 6.33              | 0.00                  | (0.02)                         | -   | (0.02)                | -                 |                    |
| 9      | IIFL Securities Pte. Limited  | INR                | 49.15         | 52.19              | 1.00          | 115.64       | 115.64            | 38.90             | 99.91                 | 10.10                          | -   | 10.10                 | -                 | 100.00%            |
|        |   | S \$               | 1.03          | 1.15               | 46.38         | 2.49         | 2.49              | 0.84              | 2.09                  | 0.21                           | -   | 0.21                  | -                 |                    |
| 10     | IIFL Capital Pte. Limited   | INR                | 252.91        | (42.81)            | 1.00          | 253.31       | 253.31            | 142.63            | 239.26                | 34.47                          | 3.28  | 31.20                 | -                 | 100.00%            |
|        |   | S \$               | 5.30          | (0.77)             | 46.38         | 5.46         | 5.46              | 3.08              | 5.01                  | 0.72                           | 0.07  | 0.65                  | -                 |                    |

| Sr. No | Particulars  | Reporting Currency | Share Capital | Reserves & Surplus | Exchange Rate | Total Assets | Total Liabilities | Total Investments | Total Turnover/Income | Profit/ (Loss) Before Taxation | Provision for Taxation (including Deferred Tax) | Profit After Taxation | Proposed Dividend | % of Share Holding |
|--------|--|--------------------|---------------|--------------------|---------------|--------------|-------------------|-------------------|-----------------------|--------------------------------|---|-----------------------|-------------------|--------------------|
| 11     | IIFL Inc   | INR                | 61.69         | (13.83)            | 1.00          | 58.04        | 58.04             | -                 | 45.41                 | (4.78)                         | 0.00##  | (4.78)                | -                 | 100.00%            |
|        |  | USD                | 1.03          | (0.29)             | 64.83         | 0.90         | 0.90              | -                 | 0.69                  | (0.07)                         | 0.00##  | (0.07)                | -                 |                    |
| 12     | IIFL Private Wealth Management (Dubai) Limited                                       | INR                | 57.99         | 21.94              | 1.00          | 91.03        | 91.03             | -                 | 78.59                 | 19.20                          | -   | 19.20                 | -                 | 100.00%            |
|        |  | AED                | 3.37          | 1.16               | 17.65         | 5.16         | 5.16              | -                 | 4.41                  | 1.08                           | -   | 1.08                  | -                 |                    |
| 13     | IIFL Private Wealth Hong Kong Limited  | INR                | 51.90         | 7.74               | 1.00          | 62.94        | 62.94             | 24.64             | 20.24                 | 4.68                           | 0.11  | 4.57                  | -                 | 100.00%            |
|        |  | HKD                | 6.48          | 0.67               | 8.34          | 7.54         | 7.54              | 2.95              | 2.40                  | 0.55                           | 0.11  | 0.44                  | -                 |                    |
| 14     | IIFL Asset Management (Mauritius) Ltd (Formerly IIFL Private Wealth (Mauritius) Ltd) | INR                | 4.19          | 683.30             | 1.00          | 750.77       | 750.77            | 330.64            | 663.25                | 361.57                         | 0.17  | 361.41                | -                 | 100.00%            |
|        |  | USD                | 0.07          | 10.53              | 64.83         | 11.58        | 11.58             | 5.10              | 10.11                 | 5.52                           | 0.17  | 5.35                  | -                 |                    |
| 15     | IIFL Private Wealth (Suisse) SA  | INR                | 6.68          | 0.31               | 1.00          | 7.38         | 7.38              | -                 | 2.01                  | 1.50                           | -   | 1.50                  | -                 | 100.00%            |
|        |  | CHF                | 0.10          | 0.01               | 64.75         | 0.11         | 0.11              | -                 | 0.03                  | 0.02                           | -   | 0.02                  | -                 |                    |

## Represents value less than ₹ 5000

Part B: Associates and Joint Ventures : Not applicable

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Nirmal Jain, *Chairman and Non-Executive Director*

R. Venkataraman, *Non-Executive Director*

Karan Bhagat, *Managing Director*

Yatin Shah, *Whole-Time Director*

Nilesh Vikamsey, *Independent Director*

Geeta Mathur, *Independent Director*

Amit Shah, *Non-Executive Director*

Sandeep Naik, *Non-Executive Director*

Shantanu Rastogi, *Non-Executive Director*

## COMMITTEE OF BOARD

### AUDIT COMMITTEE

Geeta Mathur, *Chairman, Independent Director*

Nilesh Vikamsey

Shantanu Rastogi

### NOMINATION AND REMUNERATION COMMITTEE

Nilesh Vikamsey, *Chairman, Independent Director*

Geeta Mathur

Nirmal Jain

Sandeep Naik

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Karan Bhagat, *Chairman*

Nirmal Jain

Nilesh Vikamsey

Sandeep Naik



#### CHIEF FINANCIAL OFFICER

Mihir Nanavati

#### COMPANY SECRETARY

Ashutosh Naik

#### AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants

#### INTERNAL AUDITORS

KPMG

#### REGISTERED OFFICE

IIFL House, Sun Infotech Park, Road No. 16, Plot No. B-23, MIDC,  
Thane Industrial Estate, Wagle Estate, Thane - 400604

#### CORPORATE OFFICE

IIFL Centre, Kamala City, Lower Parel (West), Mumbai - 400013

#### BANKERS

Axis Bank Limited, CITIBANK, HDFC Bank Limited

#### COMPANY IDENTIFICATION NUMBER

U74140MH2008PLC177884

#### CAUTIONARY STATEMENT:

This document contains forward-looking statement and information. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risk and uncertainties. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary. IIFL Wealth Management Limited does not intend to assume any obligation or update or revise these forward-looking statements in light of developments, which differs from those anticipated.



