

ANNUAL REPORT 2015-16

IIFL WEALTH MANAGEMENT LIMITED

ANNUAL REPORT 2015 - 16

WE BELIEVE NO TWO CLIENTS ARE THE SAME

OUR CONCEPT

Wealth never exists in isolation.

Every part of the system - from loans to investments, from deposits to dividends - is part of a larger picture. The movement of each faction changes the ebb and flow of the financial world. Although most individuals may be knowledgeable about the aspects that they interact with, it takes an expert to understand how it all comes together.

At IIFL Wealth, we are conscious of the changing aspects of our clients' wealth. We ensure that each receives individual attention and seek to provide the best risk-adjusted return. We delve into every tiny detail of their financial plans to ensure they receive superior risk adjusted returns.

This approach is best reflected in our annual report, where we take inspiration from the revered ₹1,000 note and artistically re-create hundreds of individual pieces, that accentuate the intricate details of the currency. In line with our bespoke offerings, we have customized a cover for every shareholder.

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FROM THE CEO'S DESK

Dear Shareholder,

The fiscal year 2015-16 was a stellar year for IIFL Wealth. Backed by improved investment sentiment and buoyant markets we saw our revenue jump 29.2% yoy to ₹590.87 cr; Profit after Tax came in at ₹169.38 cr, up 51.8 % over the previous year. The growth for the year was broad-based with contribution from all our business segments - Distribution Services, Asset Management, Investment Advisory and Wealth Structuring Solutions. We recorded our best year ever and achieved our financial performance objectives by registering strong EPS growth, high ROE & ROCE, strong capital ratios and stable dividend payout ratio. Since our inception, our revenues clocked a CAGR of 45.33% (FY10-FY16) whereas assets clocked a CAGR of 56%.

During the year, we launched innovative products, entered into new partnerships, won new clients and gained market share in key businesses. In our distribution business, we offered our clients innovative products - we are the largest distributor of Alternative Investment Funds (AIFs). We entered into partnerships with top performing asset managers and were instrumental in getting our clients to increase allocation towards equity - the best performing asset class of the year.

In our Advisory and Wealth Management Business, we have worked with more than 250 families to streamline their estate and create a plan for seamless succession and transmission. These initiatives have enabled us to gain market share across our key businesses and client segments, increasing our client's wallet share.

In the beginning of 2016, a significant transaction of note was the investment into IIFL Wealth by

General Atlantic, one of the largest PE firms in the world. General Atlantic has invested ₹904 cr as fresh equity into the Company and ₹159.1 cr for acquisition of shares from employees of the company, for a stake of 21.61% of equity capital on a fully diluted basis. As a leading investor with deep expertise in financial services and wealth management, General Atlantic is well-aligned with our vision and their investment is testimony to the quality of the team that we have built over the years.

During the year, we obtained Reserve Bank of India's permission to acquire Chephis Capital Market Ltd, an NBFC. We renamed it as IIFL Wealth Finance Ltd and this entity primarily engages in providing funding to wealth clients against their investment portfolio. The NBFC has been capitalized at ₹900 cr.

When we look back at the key reasons for our success, we firmly believe it is our client first philosophy and our ability to marry the interest of our clients with ours, which has held us in good stead. Notably, 24.53% of IIFL Private Wealth is owned by our employees on fully diluted basis and that has been a key factor in achieving this alignment of interests. Besides, innovation in fee structure, products, independent fixed-income trading platform and pioneering first-in-class products have propelled our spectacular growth and enabled us to emerge as a leader in such a short span of time.

We remain confident of achieving healthy growth in the coming years. We intend to achieve the same by sticking to the guiding principles that have ensured our success since inception. Simultaneously, we will adapt ourselves to meet the evolving needs of our clients. Our key pillars for growth include

A SIGNIFICANT TRANSACTION OF NOTE WAS INVESTMENT INTO IIFL WEALTH BY GENERAL ATLANTIC. GA HAS INVESTED ₹904 CR AS FRESH EQUITY INTO THE COMPANY AND ₹159.1 CR FOR ACQUISITION OF SHARES FROM EMPLOYEES OF THE COMPANY, FOR A STAKE OF 21.61% OF EQUITY CAPITAL ON A FULLY DILUTED BASIS

expanded distribution strength, providing access to new and innovative products, being a one-stop shop for all our clients' financial and structuring requirements and leveraging technology to provide an even better experience for our clients.

Over the past few years, we have expanded our distribution strength considerably. From 7 bankers, which started the company in FY08, our private banker strength has grown to 209 as of end of March 2016. We intend to build on this strength significantly, as we expect the pace of wealth creation in India to remain unabated, which presents a plethora of growth opportunities. According to a recent study by BCG, the population of Ultra High Net Worth Individuals (UHNWI) in India will grow at 21.5% until 2019, the highest projected growth rate in the world. The report also says that UHNWI who have more than \$1 million own 36% of overall private wealth. This figure may grow up to 38% by 2019. We seek to leverage the voluminous growth opportunities that will unravel in the space, especially for the rising number of discerning UHNWI.

We are the only Private Wealth Management firm, which provides a comprehensive suite of services to its clients. An in-house asset management business allows us to launch innovative products for clients without worrying about distribution costs. Our wealth structuring business allows us to manage an entire set of client requirements.

Technology has emerged as a key differentiator in the wealth management industry. With wealth creation happening at a younger age, and a decreasing average HNI age, a company that can adapt to rapid

technological changes will emerge a winner. We have been at the forefront of providing new technology solutions to our clients. Our proprietary app allows clients to access their portfolio, including the holding statement, gain and loss statement, and portfolio IRR. Clients can seamlessly access all the information online without depending on relationship managers.

We take this opportunity to thank our employees whose tireless commitment enables us to gain our clients' trust and business, making us the first port of call for their investment needs. We are grateful to our board of directors for their valuable insights and guidance, and to our shareholders for the confidence vested in us.

We have come a long way in the past few years and believe that we are yet to realize the best of our potential. The wealth management business is likely to see exponential growth in the coming years and we are ready to capture opportunities that will unravel in the process.

Look forward to building together a great business where wealth meets advice.



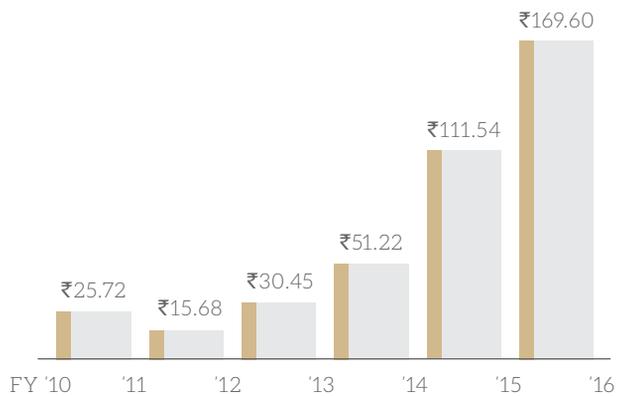
KARAN BHAGAT

Founder, MD and CEO

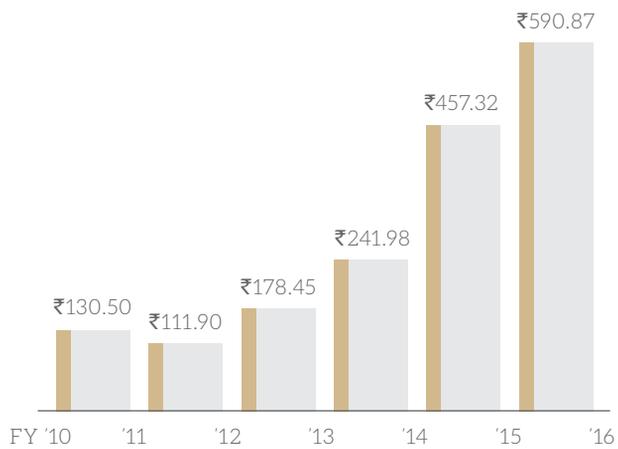
KEY FINANCIALS

From humble beginnings, IIFL Wealth has come a long way and is today the leading wealth manager in India and is taking rapid strides overseas as well. It has seen a magnificent turnaround after the global financial crisis of 2008-2009 hit the markets. Starting-off as a seven employee firm, its current employee strength is over 480. We always strive to grow faster than the industry and encourage risk taking and empowerment.

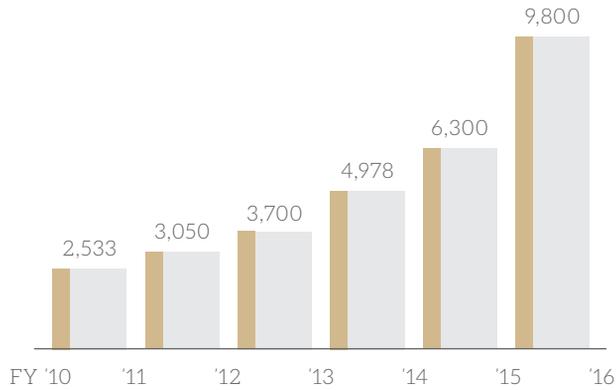




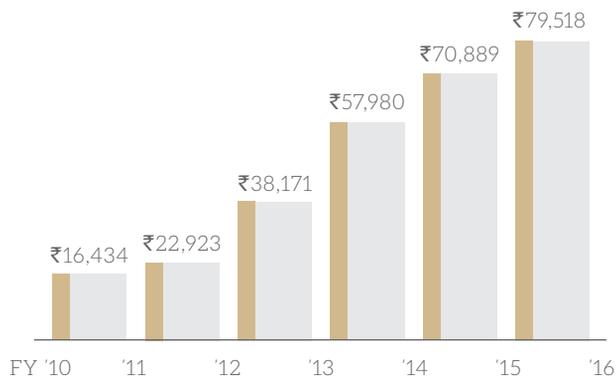
PROFIT AFTER TAX (CR.)



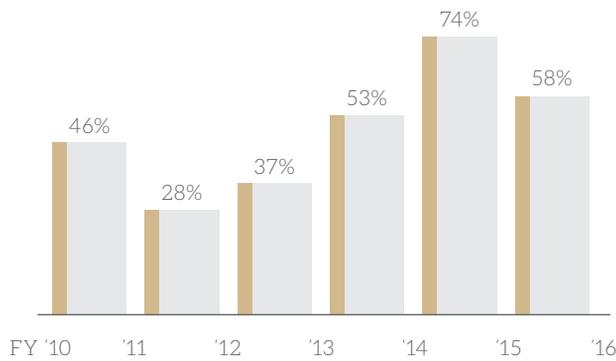
REVENUE (CR.)



NO. OF FAMILIES



ASSETS (CR.)



RETURN ON EQUITY

The shareholders equity increased from ₹192 cr in FY14-15 to ₹1229 cr in FY15-16 due to the General Atlantic transaction, leading to a drop in RoE.

KEY HIGHLIGHTS

WEALTH MANAGEMENT

IIFL Wealth, along with its subsidiaries, offers Advisory & Wealth Structuring Solutions, Broking & Distribution Services, Asset Management and Credit Solutions.

IIFL Wealth has a holistic approach towards managing a client's portfolio, which includes not only advice 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.

KEY HIGHLIGHTS 2015-16

- Total assets under advice, distribution, and management grew 12% y-o-y to ₹79,518 cr
- Top line Revenues have grown by 29.20% to ₹590.87 cr and PAT has grown by 52% to ₹169 cr
- Strategic investment by General Atlantic, acquiring 21.61% stake in the Company on a fully diluted basis
- Acquired new NBFC and infused ₹900 cr of capital.
- Enhanced client engagement through launch of the Advisory proposition & Direct Code Offerings

ROAD AHEAD

- Continue to increase footprint across international & domestic locations
- Increase investible client assets and provide a larger pool of clients access to innovative investment ideas at competitive fee structures
- Continue to invest heavily in technology to increase employee efficiency and delivery of products and best in class services to clients.
- Focus on capital market related lending through the NBFC



VISION

TO BECOME THE LEADING GLOBAL WEALTH
AND ASSET MANAGEMENT COMPANY,
ALIGNING INTERESTS OF CLIENTS,
SHAREHOLDERS AND EMPLOYEES



BIG OPPORTUNITY IN INDIA

India's economy, defying weakness in developed countries and elsewhere in emerging Asia, has been growing at a steady rate of 7%. It is one of the world's fastest-growing markets.

With a blossoming working class population that is digitally-enabled, India is primed to become an economic superpower – one that could build a shared prosperity for its 1.25 billion citizens. As the government invests in innovation and policy

change, the nation's economy is being propelled towards growth and opportunity, both at home and abroad. If India continues on its present growth trajectory, it could have a US\$5.6 trillion economy in 20 years. IIFL Wealth manages the assets of individuals at the forefront of this progress, and as such, plays a key role in shaping that progress. By guiding the vibrant entrepreneurial sector, we hope to secure a prosperous future for our clients as well as the economy at large.



Even as global headwinds are playing out throughout the world, India is seen as a beacon of the 21st century. Given the country's high savings rate, its aspirational entrepreneurial class and its increasingly young population – India unarguably has a bright future.

At IIFL Wealth, we work together with our clients to develop strategies that use competitive market conditions to create sustainable portfolio growth.

WHAT IS OUR STRATEGY FOR SUCCESS?



THE 4Ps THAT DRIVE
OUR GROWTH

WE ARE POSSIBLY THE YOUNGEST TEAM IN THE WEALTH MANAGEMENT SPACE AND YET BOAST OF THE HIGHEST WORK EXPERIENCE. THIS HAS BEEN MADE POSSIBLE BY ATTRACTING THE RIGHT SET OF PEOPLE WITH RELEVANT WORK EXPERIENCE

PEOPLE

We are possibly the youngest team in the wealth management space and yet boast of the highest work experience. This has been made possible by attracting the right set of people with relevant work experience.

People remain the core focus of our business and people development continues to be of importance. Over the past eight years, we have emerged as the employer of choice in the wealth management space in India. Transparent processes, an evolved performance plan and skill development clubbed with employee ownership ensures that our resources

perform, grow and stay with us for long periods of time.

Nobody has explained it as eloquently as N. R. Narayana Murthy when he said, "Our assets walk out of the door each evening. We have to make sure that they come back the next morning." Hence, employee development has become one of our top priorities. We ensure that our employees receive training on new products and processes through weekly huddles, industry-approved certifications, and various eLearning courses.

THE HUMAN CAPITAL TODAY

Our investment in people has yielded rich results. As of March, 2016, we have a young, dynamic and dedicated team comprising more than 180 financial advisors, bringing in over 1,100 man-years of wide-ranging financial services experience. A total number of 134 people (66 in sales and 68 in non-sales function)

were recruited in FY 2015-2016, taking the total number of team members to 487 at the end of the financial year. A new office was added in Houston - our second in the US - taking the total number of IIFL Wealth offices to 22 worldwide. Additionally, the attrition rate of < 2 % is one of the lowest in the industry and in India.

PLATFORM

An in-depth study of the wealth management landscape in India has revealed that a significant percentage of India's wealthy is relatively young. This presents an opportunity for us to create innovative products that significantly utilize new technologies such as social and mobile-enabling investing applications.

Clients seek ease of access and flexibility in how, where, and when they can access their information and demand greater levels of transparency and compliance.

IIFL Wealth digital platform includes - an enhanced website, www.iiflw.com and a mobile App, which enables on-the-go access with tools such as 'single-touch' access to their dedicated relationship advisors.

These efforts have been supplemented by the launch of the IIFL Markets App. At the Euromoney Innovations in Wealth Management Technology Awards, in 2014, our website and App have won the 'Best Private Bank for Innovation in Wealth Management Technology - Asia.'

IN-DEPTH USAGE

We launched Caliber, an intranet software with a single sign-on (SSO) feature for all internal applications to achieve faster client mapping. We are also leveraging 'Salesforce' to handle all customer-related and internal queries with re-assignment and resolution. This provides a single 360° view of a client, tracking all interactions including the history of our relationship with the client and client preferences. Moreover, Salesforce provides us the ability to pitch products that might be ideally suited for a particular client, and enable collaboration across teams.

The Human Resource Department implemented HRMS (HR Management System) has made it easier to acquire and analyse employee data. This was deemed necessary with the rising number of employees and increase in the number of offices. Innovative technology has also been used at our client events, which helped ease the registration process, and thus create a WOW experience. Our initiative to 'go green' and save printouts through better technological initiatives has earned the appreciation of our customers.

AN IN-DEPTH STUDY OF THE WEALTH MANAGEMENT LANDSCAPE IN INDIA HAS REVEALED THAT A SIGNIFICANT PERCENTAGE OF INDIA'S WEALTH IS RELATIVELY YOUNG. THIS PRESENTS AN OPPORTUNITY FOR US TO CREATE INNOVATIVE PRODUCTS THAT SIGNIFICANTLY UTILIZE NEW TECHNOLOGIES SUCH AS SOCIAL AND MOBILE-ENABLING INVESTING APPLICATIONS

PROPOSITION

Globally, the trend in wealth management has seen a gradual shift away from a day-to-day transactional relationship to a more holistic advice-driven relationship. In this context, we hope to lead this trend in India. We believe that a disciplined approach is the cornerstone of successful wealth management. Our comprehensive Engagement Touch Points encompass Distribution & Broking, Discretionary Services (pooled and customized), Estate and Succession Planning (Wealth Structuring Solutions), Credit Solutions, and Corporate Advisory.

Clients benefit from professional and unbiased advice, a scientific investment process, consolidated reporting across advisors, and cutting-edge portfolio analytics. One of the most essential components of a successful wealth management plan is defining an appropriate investment approach. IIFL Wealth draws on broad, comprehensive knowledge across the globe when making important financial decisions for our clients. Backed by a proficient research team, we are able to provide advice that mitigates risks, enhances returns, and yields long-term results. We provide investment advice based on the overall financial goals, risk tolerance, short-term to long-term liquidity needs and investment objectives. We believe that a disciplined approach to investing is the cornerstone of successful wealth management. IIFL Wealth ensures that our clients are backed by an experienced team, who help them achieve their financial objectives.

The first step is to create a formal investment strategy document to ensure that the portfolio is always in line with client requirements. We assess the risk and investment profile and update clients on the strategies that we will employ to meet their

objectives. We provide end-to-end solutions for NRIs with Indian assets. Besides, we also act as professional Trustees, acting in a fiduciary capacity and take up administrative responsibilities. NRIs can benefit from the expertise and support of a professional entity like ours, well-versed with the complexities of multi-generational and multi-country wealth management.

IIFL can also engage and liaise with some leading tax/legal firms in India and overseas to help clients get the best advice with regards to structuring investments. We believe that it is important to provide clients with a consolidated view of all investments held with IIFL Wealth, Direct Plan investments as well as investments through multiple advisors, wealth managers or brokers. This facilitates smoother decision-making and enables us to provide clients with holistic advice. Our periodic reviews ensure any portfolio deviations are promptly corrected. The reviews pertain to asset allocation, performance, risk control metrics and cost of management.

One of our industry-leading practices is a specialized Audit Report provided annually, which contains Audited Balance sheet of clients investments held with IIFL, Consolidated Profit and Loss Statement and other audited reports on Realized gain/loss, dividends and corporate action for investments held with IIFL. These reports are audited by a certified Chartered Accountant and are useful while filing tax returns.

PRINCIPLES

We have grown to be the most trusted wealth management firm in the country today by adhering to strict standards and maintaining consistency in processes. IIFL Wealth combines the analytical rigour of quantitative research with qualitative analysis to build allocated client portfolios optimally and provide reliable advice to our clients. We identify risk and opportunity across investors' entire financial landscape, and measure our success by our ability to meet their financial goals. Our clients bank on our sound advice to navigate life's expected and unexpected events.

We depend on a few key principles:



TRANSPARENCY

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



COMMITMENT

We are focused on identifying optimal investments to meet our clients' financial aspirations and have a comprehensive ecosystem coupled with a range of offerings, which allows us to keep our commitment made to clients.



ADAPTABILITY

We provide services that are comprehensive and tailored to address the individual needs of a client. IIFL Wealth ensures continued access to a diverse range of products that adapt to clients' evolving needs.



EXPERTISE

We ensure that our clients are backed by an experienced team, who are experts in the domain. We develop a comprehensive overview of each case after carefully considering the client's interests and requirements and subsequently, recommend the future course of action.

RESEARCH

KNOWLEDGE IS THE EDGE

The award-winning research team of IIFL provides unparalleled research coverage on 250+ companies. After achieving recognition for its depth, our research has now covered the breadth as investors look for credible alpha generating stock ideas. The focus is on actionable research for customers and effective servicing through analyst interactions, model portfolios, management roadshows, fund manager interactions, portfolio restructuring, webinars and concalls post results. Our Research coverage includes all major asset classes like fixed income, commodity, currency, mutual funds and real estate research.

OPEN DECLARATION OF CALL SUCCESS REPORTS

We possibly the only one amongst the large names to publish 'Call Success' reports for recommendations based on fundamental research. This is in sync with the Company's stated goal of enhancing client servicing and transparency.

RESEARCH INSIGHTS ON THE WEB AND ON MOBILE APP

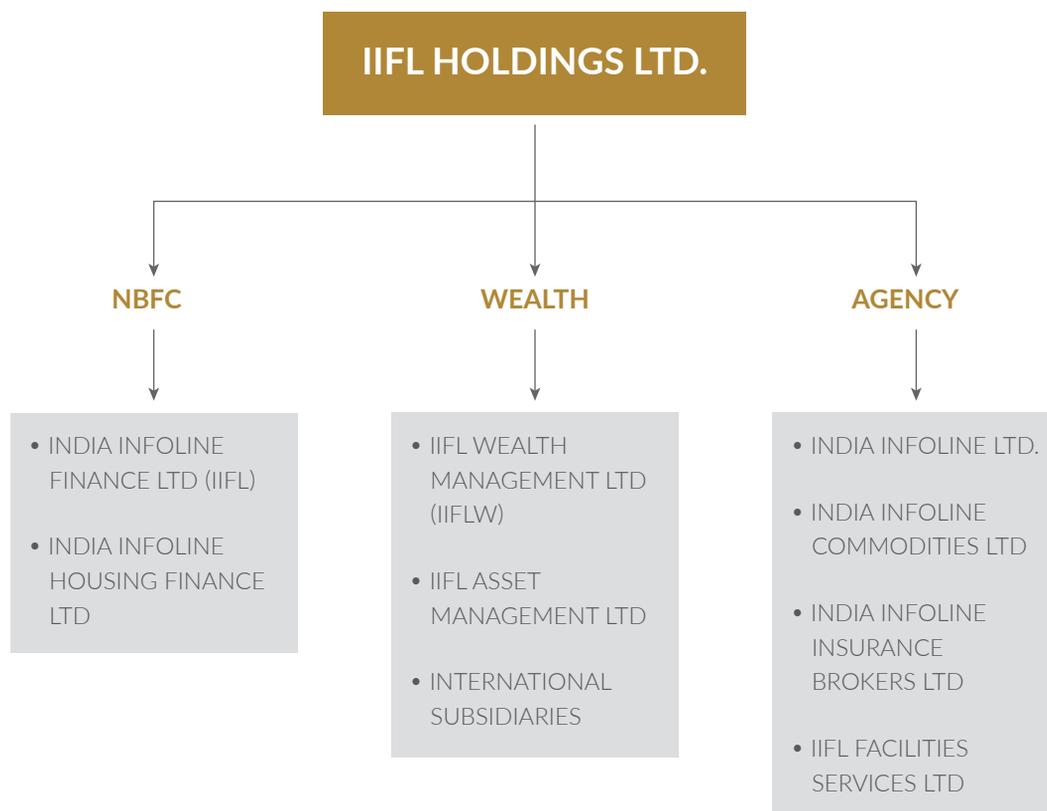
Our research on 500 companies is available on the Mobile App for our clients. The offering comprises a succinct fundamental report along with an investment view. Importantly, the research view is tracked on an ongoing

basis and modified, if required, by the team. This dynamism allows existing investors and prospective investors to take an informed decision before buying or selling a stock. Further, a host of basic supportive information on the company is available along with peer comparison and financial analysis. For traders, the important trading levels are also shared.

CONNECTING INVESTORS AND CORPORATES

Continuing with our endeavor to bridge the information gap and facilitating a more efficient investment decision making, we organized Management Roadshows through the year. Few large-cap companies and many promising mid-cap and small-cap corporates participated in our roadshows. The client response too was overwhelming.

PARENTAGE



FINANCING

NBFC

- A diversified financing company, offering home and property loans, gold loans, commercial vehicle finance, loan against securities and SME business loans
- Assets under Management of ₹19,500 cr as at March 31, 2016
- Aggregate loan book of ₹17,800 cr and income stood at ₹1,200 cr as at March 31, 2016

HOUSING FINANCE COMPANY

- Offers affordable financing solutions and is focused on retail home loans
- Target priority sector customers, both for home loans and property mortgage

WEALTH

WEALTH MANAGEMENT

- One of the largest and fastest growing wealth management companies in India
- Offers advisory, wealth structuring solutions, asset management and distribution services
- Assets under advice, management and distribution of close to ₹80,000 cr as at March 31, 2016
- Presence in 22 offices across major countries and Indian cities

ASSET MANAGEMENT COMPANY

- AMC is a wholly-owned subsidiary of IIFL Wealth
- Investment manager of IIFL Mutual Fund and Alternative Investment Funds (AIFs)
- Largest AIF platform in country across Debt, Equity & Real Estate

WEALTH NBFC

- IIFL Wealth Finance focuses on capital market related lending to its HNI clientele
- During the year, IIFL Wealth Finance commenced its lending business and total loan assets as on March 31, 2016 were about ₹100 cr.

AGENCY

FINANCIAL ADVISORY & BROKING

- Leading broking house offering equity, commodities, currency broking in retail and institutional segment

- Well-known for quality research
- IIFL Markets (mobile trading platform) is the best rated and highest downloaded app among peer group on Google Play Store with more than 500,000 downloads

FINANCIAL PRODUCT DISTRIBUTION

- Among India's top six mutual fund distributors
- Leading non-bank distributor for life insurance in the country
- Online interface and mobile applications, to comprehend, compare, and buy products from different insurance and mutual fund companies

INSTITUTIONAL RESEARCH AND INVESTMENT BANKING

- Pedigreed institutional equities team
- Premier broker for FIIs/FPIs, DIIs, private equity funds, banks, mutual funds, and insurance companies
- Investment Banking has a stellar track record of executing transactions. During the year, IIFL completed 10 transactions - the largest number of transactions executed by IIFL in a single fiscal year

GEOGRAPHICAL REACH AND CORPORATE STRUCTURE



LOCATIONS IN INDIA

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



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 Private Wealth (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 Trustee Ltd.
- IIFL Investment Adviser & Trustee Services Ltd.

ADMINISTRATION

- IIFL Distribution Services Ltd.

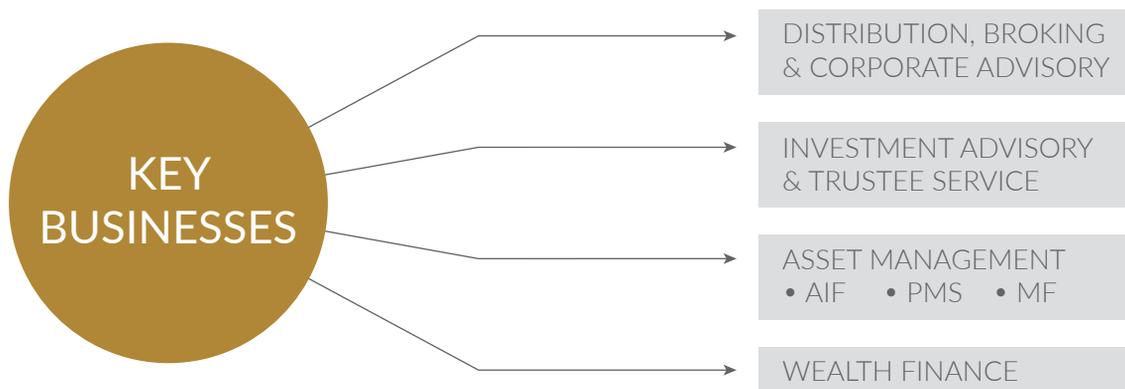
ASSET MANAGEMENT

- IIFL Alternate Asset Advisors Ltd.
- IIFL Asset Management Limited
- India Alternatives Investment Advisors Private Limited

NBFC

- IIFL Wealth Finance Limited

KEY BUSINESSES



KEY BUSINESS AREAS

DOMESTIC BUSINESS

In 2015-16, we have taken a momentous decision of gradually moving away from a product distribution led business to a more Advice and Discretionary mandate led business. Recent trends by global wealth management firms and Global regulators, as well as recent Indian regulations have all been veering towards advice driven wealth management business, and we believe we should and will lead the trend in India.

The firm will thus have three major ways of engagement with the client:

- 1) Brokerage/distribution business, which is transactional in nature, and client engages with IIFLW on a transaction/product level.
- 2) Advisory business, wherein client signs up to receive holistic financial planning based advice.
- 3) Discretionary mandate wherein client allocates all or part of wealth to be managed fully by IIFLW and its subsidiary.

The advisory business will also incorporate our Trust services offering for clients, and the corporate advisory investment banking business.

The asset management business will continue offering products in AIF/PMS/MF format, and we continue being one of the largest AIF providers in the country. In addition to the brokerage, advisory and the AMC business, IIFLW Finance (a NBFC) will offer leverage solutions for client investment needs.

GLOBAL BUSINESS

The global business is currently an AMC business where we are one of the premier access providers to institutions around the world seeking India exposure. This will be expanded to include an NRI offering for UHNWI's to access India, as well as offshore offering for Indians wanting to invest outside using the Liberalized Remittance Scheme (LRS).

REVIEW OF KEY BUSINESSES

EQUITY PLATFORM	FIXED INCOME PLATFORM	REAL ESTATE	ALTERNATIVES	LIQUID/CASH PLATFORM
MUTUAL FUNDS	PRIMARY AND SECONDARY MARKET BONDS	RE PMS AND AIF	PRIVATE EQUITY	MUTUAL FUNDS
ETFs	MUTUAL FUNDS	RE ADVISORY	PRODUCTS WITH LEVERAGE	MONEY MARKET INSTRUMENTS (CPs, CDs)
DIRECT EQUITIES	DEBT PMS AND AIF		LONG SHORT STRATEGIES (AIF)	
EQUITY PMS AND AIF	RE NCDs		COMMODITIES/ CURRENCIES	
EQUITY IPOs	STRUCTURED PRODUCTS			
STRUCTURED PRODUCTS				

DISTRIBUTION

Our distribution platform is anchored on the client-first philosophy. Its key tenets are best-in-class products, customized solutions, and seamless execution. We distribute multiple products to meet specific client requirements across equity, fixed income and real estate. Our product suite is the widest in the industry.

Product innovation has been a strong driving force at IIFL Wealth. This is well reflected in our comprehensive product platform with expertise across asset classes and products. Mutual Funds remains the single most important product for IIFL

Wealth from a distribution perspective. Average mutual fund AUM for FY15-16 stands at ₹27,192 cr vs ₹20,660 cr for FY14-15, a growth of 31.62%. The focus in mutual fund is increasingly moving towards earning retention or trail-based revenue. In FY15-16, we moved to an all-trail fee model in mutual funds.

Our distribution platform provides investors with access to differentiated products – managed account (AIF/PMS), direct investments both in fixed income as well as equity and structured notes, which helps investors maximize returns under certain estimated

scenarios. We launched a host of unique ideas under the AIF platform. IIFL Wealth continues to remain at the forefront of product innovations through the AIF platform.

Our Managed Account business (AIF/PMS) had stellar growth last year. We raised ₹2,000 cr of managed account assets in FY15-16 and distributed a significant portion of the money raised through the AIF in the last couple of years. The revenue in managed account business has more than doubled to ₹112.25 cr in FY15-16. Over the past couple of years, our managed account platform has provided investors an opportunity to invest in concentrated long-only equity strategies, long-shot strategies, high-yielding short-term fixed income funds, real estate, other high-yield lending strategies and private equity.

The key to the success of our distribution business is our ability to identify the right asset class and right products/asset managers for our clients. We evaluate the relative attractiveness of the different asset classes through a proprietary model which recommends equity allocation based on index valuations.

IIFL Wealth, has the largest products team in the country and this enables us to do a detailed and thorough research on asset managers as well as product features. In addition, we have tied up with independent specialist firms, which allows us to perform enhanced scrutiny of the products being distributed. A combination of right asset class recommendation and high-performing products enabled us to emerge as a leader in the distribution of financial products.

ASSET MANAGEMENT

Even though the equity markets were volatile and the global environment was challenging, retail as well as HNIs continued to increase their exposure to financial assets, resulting in continued inflows for the industry.

During the year, overall AUM of the Mutual Fund industry grew by ~14% and stood at ~₹12,32,800 cr year ending 31st March 2016. Overall, net sales across mutual fund were ~₹1,50,000 cr, a 67% jump from last financial year.

Led by improved investor sentiment towards equity markets and appreciation in portfolio values, equity mutual funds' AUM saw a growth of 12% and increased from ~₹3,45,100 cr to ~₹3,86,400 cr. Net sales of the Equity Mutual Fund schemes witnessed turnaround and saw net sales of ~₹75,000 cr as compared to sales of ~₹68,100 cr last year. Equity net sales accounted ~28% of total MF net sales for the year 2015-16. Equity AUM stood at ~32% of overall Mutual Fund AUM. After decreasing for the last 5 years, Mutual Fund folios grew by 14% in FY15-16 to end the year at ~₹4.77 cr.

Alternative Investment Funds (AIFs) continued to gain strength and have made investments to the tune of more than ₹18,200 cr during January-March quarter, a surge of 30% from the preceding three months. More than 200 AIFs have been registered with Securities and Exchange Board of India (Sebi) since 2012. IIFL Asset Management Company, a pioneer in this space, has an AUM of ~₹3,920 cr (21% of the industry) across Category I, II, and III.

IIFL Asset Management Ltd (IIFL AMC) presently has 3 business verticals with total AUM of ~₹5,620 cr as

on 31st March 2016. IIFL AMC manages ~₹3,920 cr under Alternate Investment/Venture Capital Fund and ~₹490 cr under Mutual Funds. Portfolio Management Services which has started last year only has now AUM of ~₹1,210 cr.

IIFL AMC was started in 2011 and has since then grown slowly but steadily through the years.

At IIFL AMC we have grown by launching differentiated products. Whether it is in terms of product strategy, product characteristic, fees structure we have been innovative and have offered unique opportunities to investors. This has helped us carve a niche for ourselves in the minds of investors. IIFL AMC, currently, offers 19 products across asset classes viz. equity, debt, money market and real estate.

MUTUAL FUNDS

On the Mutual Funds (MF) platform, unlike other MFs, we have consciously restricted ourselves to a limited number of focused schemes. The idea is to generate market-beating returns for investors through the launch of targeted high-conviction products rather than a multitude of undifferentiated products. During last year, we launched our first actively managed scheme on the equity side under the mutual fund platform. IIFL India Growth Fund's AUM stands at ~₹155.21 cr as on 31st March 2016. As part of our focused strategy, we merged the existing IIFL Dividend Opportunities Index Fund into IIFL India Growth Fund during last year. We also merged our other existing scheme IIFL Nifty ETF into IIFL India Growth Fund during the current year. Consequently, we have a single flagship equity scheme instead of multiple schemes launched by other Asset Management companies.

We see continued growth in this scheme and believe that with a stronger performance, it could grow significantly from current levels.

On the fixed income side, we are concentrating on raising AUMs in our flagship schemes – IIFL Liquid Fund and IIFL Dynamic Bond Fund. The total debt AUM of Mutual Fund stands at ~₹337 cr compared with ₹180 cr last year, a growth of 87%.

ALTERNATIVE INVESTMENT FUND (AIF)

Buoyed by the success of our existing products, the AMC launched new products both in equity as well as fixed income during FY15-16 under the AIF platform. During FY15-16, IIFL AMC became the only AIF manager to return more than ₹1,000 cr of investor money invested in its products.

IIFL AMC successfully closed its first listed equity fund Cat III AIF, Asset Revival Fund, during the year. The fund generated a post fees and tax IRR of 17% p.a. for clients. Simultaneously, it launched another fund – a closed ended Cat III AIF Asset Revival Fund 2. The fund would explore investment in companies that are likely to see substantial improvement in the earnings trajectory over the next few years and have reasonable valuations. The fund received a stupendous response from the investors and we raised ~₹450 cr in ARF-2 as against ~₹255 cr generated in ARF-1.

During the year, we also forayed into private equity and launched our first fund, the IIFL Seed Ventures Fund-I. The fund will provide early stage as well as growth capital to unlisted companies. Through this fund, investors will be able to enjoy diversified exposure to unlisted space, which was not easily

available to individual investors. We received a strong response and gained commitment of ~₹380 cr from investors.

On the fixed income side, we successfully closed Income Opportunities Fund and IIFL Real Estate Fund and returned more than ₹650 cr to our investors. We drew down ~₹800 cr on our existing funds and also launched a closed-ended Cat II AIF - IIFL Real Estate Fund -3, which got a commitment of ~₹330 cr. We continued to generate post fee mid-teen returns on these products on the back of our unique investment strategy and strong execution capabilities.

We launched IIFL Cash Opportunities Fund (an alternative to liquid fund), during the year. The fund generated a post-tax return of 9.29% (which is among the highest in the industry) since its launch in August 2015. It has seen sharp growth in AUM, crossing ~₹1,200 cr. During the year, AIF & Venture Capital AUM grew 54% from ~₹2,542 cr to ~₹3,920 cr.

INVESTMENT ADVISORY & WEALTH STRUCTURING SOLUTIONS

With rising volatility and uncertainty seeming to be the new world order, wealth earners increasingly prefer to achieve protection, preservation of asset and passing them on to identified beneficiaries while mitigating the global tax impact. We at IIFL Wealth understand how appropriate forms of holding a business and personal wealth would go a long way in insulating our clients from predatory interests and drive tax efficiency. We introduced Wealth Structuring Solutions, a holistic service, to assist clients with bespoke solutions in succession planning, asset protection and administration services integrated with our family office proposition.

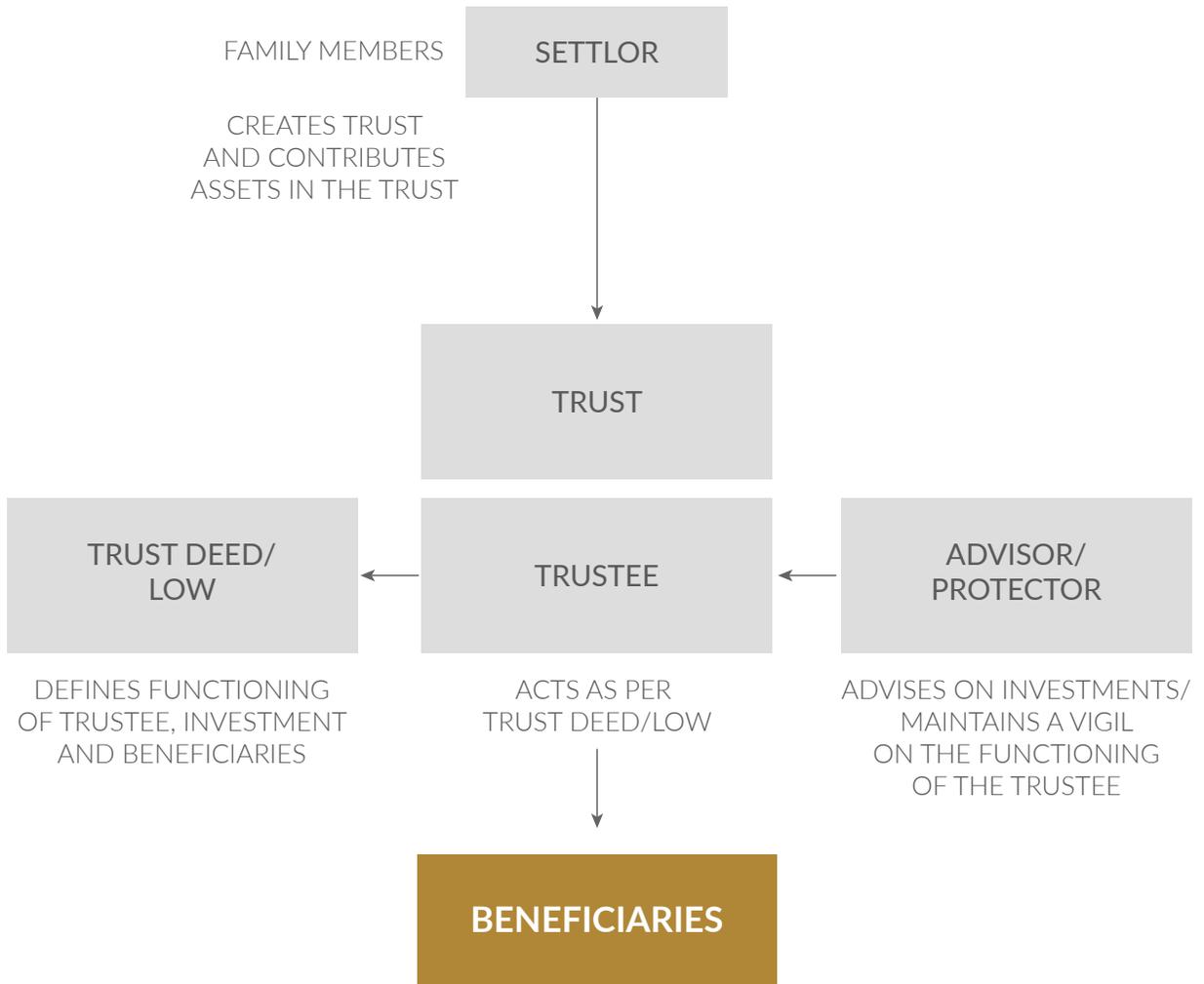
Wealth Structuring and Estate Planning is a process of organizing assets, financial and non-financial, in an effective, efficient and compliant manner so that it achieves seamless inter-generational wealth transfer and other objectives of estate owners, during their lifetime and beyond. While safeguarding assets and passing them to intended beneficiaries could be the main objective of an Estate Plan, it may be driven by various other objectives:

- Ring fencing personal assets from business/professional exigencies
- Reducing chances of dispute within family over succession
- Maintaining confidentiality of wishes
- Safeguarding interests of minors and special family members
- Tax optimization

In India, intestate succession (when an individual dies without an estate plan) is enumerated in various community specific laws (which treat Hindus, Muslims, Christians, Parsis, and other religions differently for the purposes of succession). This process involves court intervention and may not be in line with the distribution desired by the deceased.

Execution of a Will is the first step towards planning succession of wealth. Although a Will can direct transfer of property to the beneficiaries after the demise of the author (Testator) of the Will, it cannot achieve some of the other objectives of the Estate holder; such as asset protection and discretionary transfers. A Will can be contested by aggrieved parties and jurisdictional Estate taxes may apply.

However, with the interplay of a combination of other tools such as Trust, corporate holding structures, LLPs, nomination and gifting, the desired objectives can be achieved. Among these, a Trust Structure is the most popular tool.



Trusts are legal arrangements that can provide incredible flexibility for ownership of assets, enabling the family to achieve a number of significant personal goals that may not be achieved otherwise. The term 'Trust' describes the holding

of property by a trustee, which may be one or more persons or a corporate trust company, in accordance with the provisions of the Trust deed, the written trust instrument, for the benefit of one or more persons called beneficiaries.

An asset protection structure is an estate planning structure that enables the family to ring fence the assets from business/professional exigencies. An asset protection trust splits the beneficial enjoyment of trust assets from their legal ownership. Typically, such structures are irrevocable and discretionary in nature. A study of the Indian law and case studies

suggest that such a structure should be created without any malicious intention to evade tax or creditor claims. For the validity of transfer of assets, it is imperative that the transfer takes place 'during good times'.

HOW DO WE HELP?

We specialize in providing appropriate structures that protect, preserve and pass on clients' wealth efficiently. Our approach not only serves the need of preserving and devolving clients' wealth the way they want, but also addresses their aspirations and values such as:

- Provide clients with confidentiality and minimize the possibility of disputes and litigation
- Provide clients with the flexibility of future planning besides ensuring end-use monitoring of wealth both during and after Settlor's lifetime
- Providing clients with a single platform to address control and succession issues
- Protect their asset from any external risk/ third party claims. Insulating the family from liabilities which may arise from unfortunate events
- Consolidation of holdings within global legal and tax framework and planning for global tax efficiency
- Consolidation of wealth resulting in ease of administration and economies of scale

We help clients organize the ownership, management and distribution of their assets with an aim to ensure that they and their family are best placed to financially deal with changing circumstances or unexpected events.

IIFL Investment Adviser and Trustee Services Limited has created a niche for itself in this space by providing bespoke solutions to marquee families with diverse requirements. We have worked with more than 300 families to streamline their Estate and create a plan for seamless succession plan. We have also worked with families to have in place a strategy for Business Succession with execution path which is clearly defined. Apart from a deep understanding of Succession and Tax laws in India the team at IIFL has developed competencies in UK, US, Australia and Canadian Succession laws as well as tax laws, which enables us to create an Estate Plan that ring fences from avoidable tax liabilities across various jurisdictions.

WEALTH FINANCE

During the year, IIFL Wealth obtained the permission of the Reserve Bank of India to acquire Chephis Capital Market Ltd, a NBFC. The new entity has been renamed as IIFL Wealth Finance Ltd.

A sum of ₹900 cr was infused as capital. IIFL Wealth Finance focuses on capital-market-related lending to its HNI clientele. During the year, IIFL Wealth Finance commenced its lending business and total loan assets as on March 31, 2016 were about ₹100 cr. The purpose of setting up of IIFL Wealth is to primarily provide funding to wealth clients against their investment portfolio.

NBFC business does meticulous evaluation of its client base and has a comprehensive risk assessment process in place coupled with a robust risk remediation procedure. We aim to achieve steady earnings growth through conservative risk management techniques. As a service-driven organisation, we offer our customers the ease and flexibility of transacting with us. Our strategy is to

invest in technology, build capacity and grow client base keeping risk under control. We value nothing more than the client's trust and believe in complete transparency and honesty with all our stakeholders.

Rising financial awareness, India's growing economy, liberal policies, and positive regulatory changes will boost growth of capital markets and generate new opportunities for participants in the financial services industry. For the coming year, IIFL Wealth will focus on capital market related lending through IIFL Wealth Finance.

IIFL GLOBAL

IIFL Global offers one-stop solutions to global investors for their investments in India. We make available holistic research, strong advisory platform, and high-conviction products. We manage India money and are proud of our extensive expertise across asset classes. Our strategies are well-thought out and tailored to suit the needs of our investors. We present a choice of focused schemes to generate market-beating returns after assessing the fund structure, regulatory requirements, tax regulations, and foreign portfolio investors' requirements. We leverage our global footprint to service our client base at their doorstep in the fastest possible time.

CORE-STRENGTHS

ONE-STOP SOLUTIONS TO MANAGE MULTIPLE ASSET CLASSES

We manage investments across various asset classes viz. fixed income securities, equity & equity linked securities, structured notes and real estate. Our product and service offerings have been consistently rated among the top quartile over a long period of time.

OPEN ARCHITECTURE

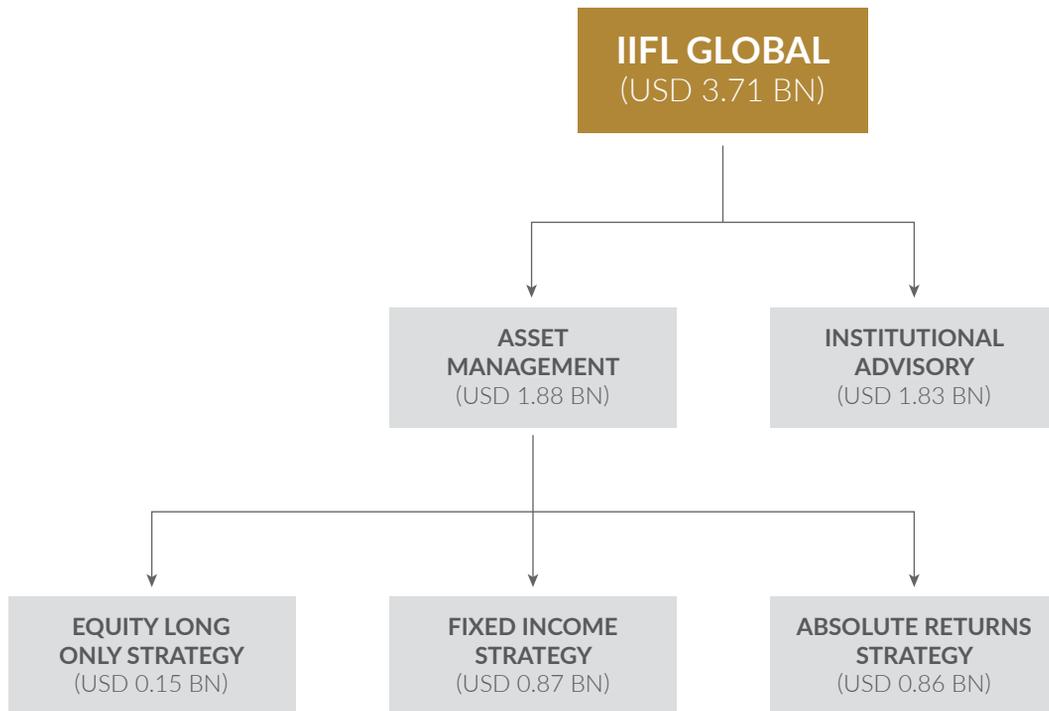
We have well-qualified in-house fund managers who are in the top quartile when it comes to managing investments in India. Our open architecture lends us with an added flexibility to partner quality managers and institutions in the industry. Thus, we are able to source investment options across asset classes and run the same on our integrated platform, and deliver superior risk-adjusted returns.

GLOBAL PRESENCE, LOCAL EXPERTISE

We have two regulated Investment Management Licenses in Mauritius and Singapore. We manage/advise approximately USD 3.85 bn through these offices. We make available our services to clients at their doorstep. We have developed expertise in structuring investments into India for global investors. Backed by sound footprint across the globe, we are well-versed with regulatory setups in international markets. Clients across geographies can benefit from our global presence and local expertise.

WORKERS OWN, OWNERS WORK

We have a unique rewarding model of employee ownership, which attracts the best talent in the industry and ensures that our resources perform, grow, and stay with us for long periods of time. We have emerged as the employer of choice in India in the wealth management space. We have one of the lowest attrition rates within the industry.



THE AUM FIGURES ARE AS ON MARCH 31, 2016.

ALIGNMENT OF INTERESTS

We align the interests of our clients and employees. We co-invest in most of the products along with our clients to show our commitment and confidence. Managers own equity in the company and their interests remain aligned with those of clients, which ensures clients' success.

FIXED INCOME CAPABILITIES

Total assets under management by IIFL Capital in fixed income strategies is approximately \$850 million as of 31 March 2016.

The company has been successfully running USD fixed income portfolio strategies for its clients across various funds and several separately managed strategies.

The fixed income proposition was inceptioned in Nov 2011 and since then the fixed income portfolio has grown at a rapid pace.

KEY PEOPLE



KARAN BHAGAT

FOUNDER, MANAGING DIRECTOR AND CEO

Karan is the Founder CEO of IIFL Wealth and has more than 15 years of experience in private wealth management. Prior to IIFL, he head the Mumbai office of Kotak Wealth Management. His rich experience and established product structuring skills have been instrumental in making him one of the pioneers in implementing the 'Family Office' proposition in India. Under his leadership, IIFL Wealth evolved from a start-up to one of India's leading private wealth management and 'Family Office' outfits. Karan holds a PGDBM from IIM Bangalore and is a Bachelor of Commerce from St. Xavier's College, Kolkata.



YATIN SHAH

CO-FOUNDER AND EXECUTIVE DIRECTOR

Yatin is a Founder Director at IIFL Wealth and possesses more than 15 years of experience in equity research and private wealth management. As Executive Director, Yatin focuses on the domestic wealth advisory practice. Under Yatin's leadership, IIFL Wealth has emerged as a pre-eminent leader in the domestic private wealth management space, advising more than 8,000 ultra-high-net-worth families. He started his career in equity research with Khandwala Securities, after which he was associated with Kotak's wealth management division. Yatin did M.Sc. in Finance from Cass Business School, London.

OUR UNIQUE MODEL OF INNOVATIVE CO-OWNERSHIP, AN OPEN CULTURE UNDERPINNED BY CORE VALUES OF TRANSPARENCY AND INTEGRITY, HAS HELPED US ATTRACT THE BEST TALENT IN THE INDUSTRY. OURS IS A COMPANY WHERE OWNERS WORK AND WORKERS OWN



AMIT SHAH

CO-FOUNDER AND EXECUTIVE DIRECTOR

Amit is a Founder Director at IIFL Wealth and has more than 15 years of experience in the financial services industry. He advised institutional investors in North America and Singapore for nine years. Amit has worked with Kotak Mahindra Inc. and Citigroup and is a Chartered Financial Analyst (CFA) from ICFAI; he also holds a degree in Commerce. As Executive Director, Amit focuses on IIFL Wealth's international business. He is responsible for securing key institutional relationships for the group, across the US, the UK, Singapore, Hong Kong, and Dubai. Under his leadership, IIFL's international business has reached a level where it advises institutions and HNI families on assets worth more than \$1 billion.



PRAVIN BHALERAO

MANAGING PARTNER

Pravin, a Managing Partner at IIFL Wealth, has spent more than two decades in corporate treasury and wealth management. Pravin has been with IIFL since October 2010 and in the current role, he focuses on growth across business verticals and geographies. He brings extensive corporate and entrepreneurial experience to the fore. Previously, he founded 'Finest Wealth Managers' in Pune and has presided on the board of Kalyani Forge Ltd from 1988-2000. Pravin has also been a member of the Investment Advisory Panel of the University of Pune. He is a qualified Chartered Accountant with a Bachelor's Degree in Commerce and an LLB (Gen).



ANIRUDHA TAPARIA

MANAGING PARTNER

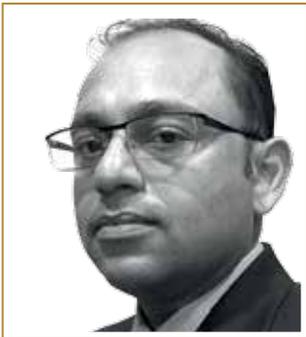
Anirudha is a Managing Partner at IIFL Wealth and has more than 15 years of experience in the financial services industry across consumer, commercial, and private banking. As Managing Partner, Anirudha focuses on bringing growth across business verticals and geographies. He possesses rich commercial banking experience and has helped IIFL Wealth forge strong client relationships. Prior to IIFL, Anirudha was associated with Citibank for close to a decade as Senior VP and Head for North India. He was also associated with the ICICI Group and IL&FS. Anirudha has an MBA from Symbiosis Institute, Pune and a Bachelor's degree from Shri Ram College of Commerce, Delhi.



VINAY AHUJA

MANAGING PARTNER

Vinay has more than 15 years of experience in the financial services industry across wealth and asset management. As Managing Partner, Vinay focuses on achieving growth across business verticals and geographies. Prior to IIFL Wealth, 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 setup and strengthened their presence across South India. Vinay holds a post graduate diploma from Symbiosis Institute, Pune.



HIMANSHU BHAGAT

MANAGING PARTNER

Himanshu has more than 15 years of experience in the wealth management industry. As Managing Partner, he oversees non-sales functions such as process improvement and technology. 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. Himanshu did his MBA from Boston College and is a Chartered Accountant.



GIRISH VENKATARAMAN

CEO, IIFL INVESTMENT ADVISER & TRUSTEE SERVICES

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



PANKAJ FITKARIWALA

CHIEF FINANCIAL OFFICER

Pankaj Fitkariwala has more than 14 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 satisfaction, and building and enhancing the technology platform. He is also a member of the executive committee. Prior to IIFL Wealth, Pankaj was a part of Kotak Mahindra Group, ABN AMRO BANK N.V, and Barclays Bank, wherein he handled various functions domestically and internationally. Pankaj is a qualified Chartered Accountant.



UMANG PAPNEJA

CHIEF INVESTMENTS OFFICER

Umang has more than 15 years of experience straddling multiple asset classes. As part of the Executive Committee, he provides guidance in research, fund selection, and asset allocation. He is responsible for product innovation, deal sourcing, client interaction, third-party relationship management, and support to sales team. Umang started his career with Motilal Oswal Securities and was part of their institutional sales desk; later, he worked with HSBC in their wealth management unit and with 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. Umang holds a Master's degree in Management from Jamnalal Bajaj Institute, Mumbai.



PRASHASTA SETH

CEO, IIFL ASSET MANAGEMENT COMPANY

Prashasta has more than 15 years of experience in financial services. In his current role, he is responsible for growing IIFL's AMC assets, launching innovative products, and ensuring optimal performance of its ongoing schemes. 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) and started his career as a Senior Analyst with JP Morgan Securities, London. Prashasta holds a PGDBM from IIM Ahmedabad and B.Tech from IIT Kanpur.



ANIRBAN BANERJEE

CHIEF PEOPLE OFFICER

Anirban has more than 12 years of experience in human resources across the wealth management and FMCG industries. His primary responsibility is to enhance the human resource quotient of IIFL Wealth. Anirban was part of ITC Limited for four years prior to IIFL Wealth. 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. Anirban received his post-graduation diploma from XLRI, Jamshedpur and is an alumnus of St. Stephen's College, Delhi.



BALAJI RAGHAVAN

CIO - REAL ESTATE

Balaji has more than twenty years of experience in industries such as Real Estate Finance, Banking, and Financial Services. In his current role, Balaji raises, Deploys, and manages risk in the real estate portfolio. He also formulates the overall investment strategy in the real estate asset class. Since joining IIFL in 2010, he built the investment book of more than \$1 billion with over 70 transactions. Prior to IIFL, Balaji head the mortgage finance business of ICICI Bank Ltd. Balaji successfully managed the portfolio across distribution, risk, and relationship domains in the industry. He was also involved with corporate banking, retail Loans, and SME businesses. He has been a key participant in several reputed real estate industry forums. Balaji holds a post-graduation diploma from T. A. Pai Management Institute, Manipal.

CORPORATE SOCIAL RESPONSIBILITY



ASTICH IN TIME : The career counseling and pre-livelihood programme of IIFL Foundation in Walvanda, Jawhar has seen enthusiastic growth. Over 5,000 people have taken advantage of this programme over the last one year.

EMPOWERMENT AT THE GRASSROOTS

As a responsible corporate citizen, we undertake numerous initiatives that empower the underprivileged sections of society and help uplift the communities we work with.

KEY FOCUS AREA

- Integrated Rural Development
- Education & Financial Literacy
- Health
- Economic Empowerment of Women
- Sustainable Livelihood

IIFL FOUNDATION

IIFL Group's CSR arm, IIFL Foundation aims to alleviate poverty and facilitate economic development through focused and need-based programmes. What started as a financial literacy programme has now blossomed into a holistic intervention. IIFL Foundation has always followed a bottom-up approach. The Foundation's core activities

are in Maharashtra and it is conducting programmes in Rajasthan too.

During the year, Dr. Sarika Kulkarni, CEO of IIFL Foundation, was honoured as '100 Most Impactful CSR Leaders Award (Global Listing)' at the World CSR Day.

KEY PROJECTS

TRIBAL DEVELOPMENT

IIFL Group has adopted 32 tribal locations in three villages (Walvanda, Shiroshi and Kasatwadi) of Jawhar Taluka in Palghar district, Maharashtra under IIFL's flagship programme '*Gram Vardhan Yojana*'. This entails working on various social parameters, which include building check dams and other rainwater harvesting structures, to ensure year-long water supply and support agri-based livelihoods.

Furthermore, we focus on income generation and skill development programmes for women, vocational training for tribal

boys and community sanitation units for hamlets. Our sanitation units aim to achieve **Open Defecation Free** tribal areas, contributing to the government's **Swachh Bharat** initiative.

CHECK DAMS AND OTHER RAINWATER-HARVESTING STRUCTURES

IIFL Foundation has vowed to make the tribal areas of Jawhar taluka drought free. In 2015-16, we constructed two big check dams and over 50 other rainwater-harvesting structures. Consequently, the groundwater table rose substantially in these areas. Therefore, during 2015-16, over 40 farmers did not have to migrate, and are cultivating flowers and vegetables throughout the year.

WOMEN EMPOWERMENT PROGRAMMES

Over and above training, skilling, and supporting 1,000 tribal women to start micro-enterprises, we have also supported a 'Women's Development Centre' in Kankroli, Rajsamand district, one of the most backward areas in Rajasthan. IIFL Foundation will be conducting several skill-training and income-generation programmes for women. A nursing school for underprivileged girls was also supported in Ponda, Goa. This school will train 250 young girls and support them with sustainable employment opportunities.

EDUCATION AND FINANCIAL LITERACY

Financial literacy is one of the flagship programmes of IIFL Group. Under our Financial Literacy Agenda for Mass Empowerment Initiative (FLAME) initiative, we have been undertaking several programmes for people from different walks of life. In 2015-16 the focus was on financial literacy in rural areas and over 150,000 people from Maharashtra's tribal belt

undertook this programme. In addition, we have conducted several programmes in India's various other states.

FINANCIAL SERVICES HACKATHON

In association with the Centre for Innovation and Incubation (CIIE) at IIM Ahmedabad, we hosted a one-of-its-kind financial services business-plan competition. The top three ideas would be incubated at IIM Ahmedabad.

SMART CLASS PROGRAMME

In association with Sarva Shiksha Abhiyaan and Sampark Foundation, we have supported the smart class programme. It is aimed at improving the quality of education in primary schools of Uttarakhand. Sampark Smart Class Programme for mathematics and English is a first-of-its-kind to use three new innovations:

1. 3D teaching learning aids
2. Audio lessons with music and songs
3. Stories and games to add fun to learning

This approach helps in creating excitement around learning and has found worldwide acceptance.

HEALTHCARE INTERVENTIONS

We have undertaken various projects to provide healthcare services to the rural poor. Among various measures, free health check-up camps were conducted in rural areas (Pandharpur, Maharashtra; Barsana, UP; and Jawhar, Maharashtra). Over 200,000 people were checked and screened at these camps and over 15,000 eye surgeries were performed. We have also supported a cancer screening camp for rural Karnataka, where over 100,000 people were checked.

MEDIA



BUSINESS STANDARD

FEBRUARY, 2016

Managing Partner Anirudha Taparia speaks to Business Standard about the complex needs of UHNI clients

REUTERS

OCTOBER, 2015

General Atlantic to invest \$173 million in IIFL Wealth Management

U.S. buyout group General Atlantic has agreed to buy a 21.6 percent stake in India's IIFL Wealth Management for 11.2 billion rupees (\$173 million), the first private equity investment in the country's fast-growing wealth management business.



BUSINESS TODAY

FEBRUARY, 2015

Business Today features our MD and CEO Karan Bhagat as one of the 'Hottest Young Executives 2015'. Apart from his stupendous success, Karan's story is extremely motivational as it focuses on the optimism and never-say-die attitude that are the hallmarks of winners.



LIVE MINT

MAY, 2016

Karan Bhagat, managing director and CEO, IIFL Wealth, discussed issues facing the sector, including the regulatory framework, technology, challenges and disruption in banking at the Mint Marketplace Lending Summit

OUTLOOK BUSINESS

OCTOBER, 2014

Where The Rich Are Investing

Outlook Business provides insights into the investment preferences of the affluent along with an exclusive round table with India's biggest private wealth advisors featuring Mr. Yatin Shah, Executive Director at IIFL Wealth.

CAN DRONES REVOLUTIONISE BUSINESS? Page 09



EXCLUSIVE INTERVIEW

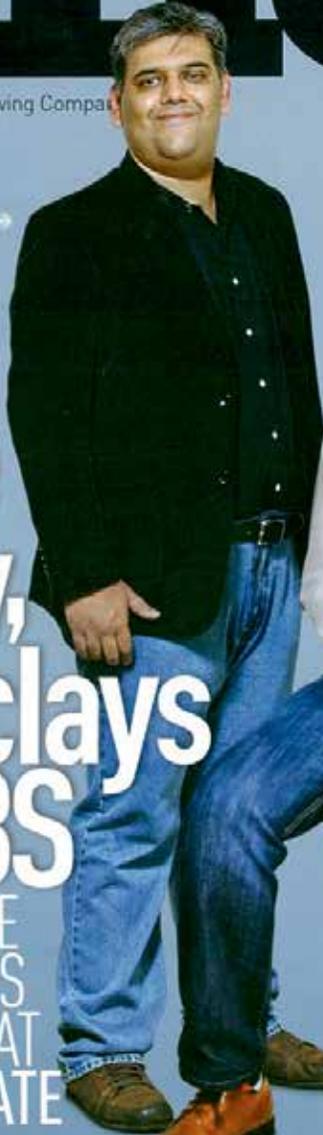
Facebook COO
Sheryl Sandberg

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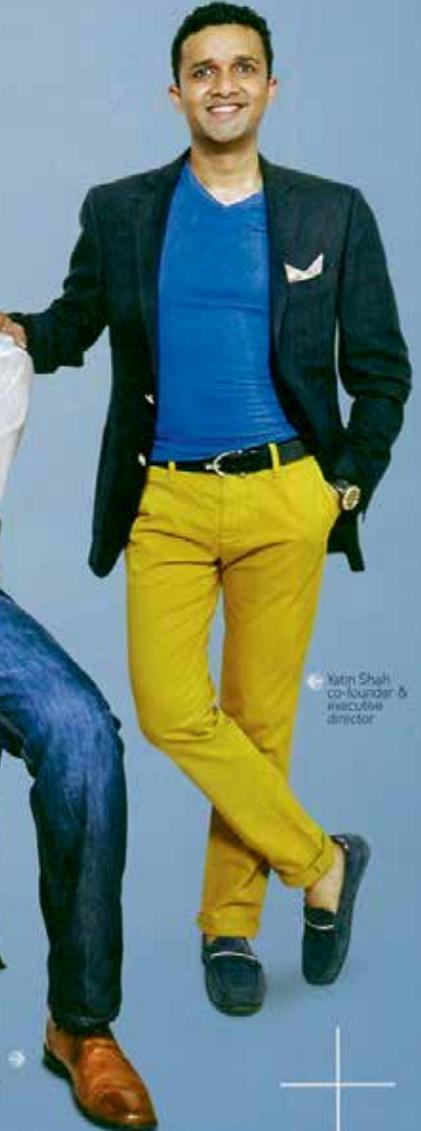
Inc.

The Magazine for Growing Companies

Karan Bhargat
MD & CEO



Anil Shah
co-founder &
executive director



Yatin Shah
co-founder &
executive director

Give Way, Barclays & UBS

INSIDE THE
FEROCIOUS
GROWTH AT
IIFL PRIVATE
WEALTH

SAY HELLO TO A
NEW BOYS CLUB!

Page 28

IS YOUR COMPANY
DESTROYING YOUR
MARRIAGE?

Page 46

AWARDS



WE ARE KNOWN
TO EXCEED
EXPECTATIONS

YEAR	INSTITUTION	AWARD
2016	EUROMONEY PRIVATE BANKING AND WEALTH MANAGEMENT SURVEY	<ul style="list-style-type: none"> • Best Private Banking Services Overall, India • Best Research and Asset Allocation Advice, India • Best Net-worth-specific services, India • Best Family Office Services, India
	APAC INSIDER INVESTMENT AWARDS	<ul style="list-style-type: none"> • Best Wealth Management Firm – India
	CAPITAL FINANCE INTERNATIONAL AWARDS	<ul style="list-style-type: none"> • Best Independent Wealth Management Team, India
	ALTERNATIVE INVESTMENT AWARDS	<ul style="list-style-type: none"> • Best Private Wealth Manager, India • Best India Start-Up Fund: Seed Venture Fund
	ASIAN PRIVATE BANKER AWARDS OF DISTINCTION	<ul style="list-style-type: none"> • Best Domestic Private Bank, India
	THE ASSET TRIPLE A DIGITAL ENTERPRISE AWARDS	<ul style="list-style-type: none"> • Best Online Wealth Management Experience
2015	THE PRIVATE BANKER INTERNATIONAL (PBI) GLOBAL WEALTH AWARDS	<ul style="list-style-type: none"> • Outstanding Private Bank - South Asia
	THE ASSET TRIPLE A INVESTMENT AWARDS	<ul style="list-style-type: none"> • Best Private Bank - India
	EUROMONEY PRIVATE BANKING SURVEY	<ul style="list-style-type: none"> • Best Private Bank for Research and Asset Allocation • Best Private Bank for High Net Worth Clients
	ASIAMONEY PRIVATE BANKING POLL	<ul style="list-style-type: none"> • Best Domestic Private Bank in India-Overall • Best Domestic Private Bank in India >\$25
	INTERNATIONAL FINANCE MAGAZINE (IFM AWARDS)	<ul style="list-style-type: none"> • Best Wealth Management Advisory Firm - India • Best Private Bank for Innovation in Technology - India
	ASIAN PRIVATE BANKING AWARDS	<ul style="list-style-type: none"> • Best Private Bank-India

YEAR	INSTITUTION	AWARD
2014	EUROMONEY PRIVATE BANKING & WEALTH MANAGEMENT SURVEY	<ul style="list-style-type: none"> • Best Private Banking Services Overall - India • Best Relationship Management • Range of investment products • Specialized services – For Entrepreneurs • Fixed income portfolio management • Real estate investment • Corporate advisory for Private Banking Clients • Managed Futures • Hedge Fund Investment
	EUROMONEY INNOVATIONS IN WEALTH MANAGEMENT TECHNOLOGY AWARDS	<ul style="list-style-type: none"> • Best Private Bank for Innovation in Technology in Asia
	THE ASSET TRIPLE A INVESTMENT AWARDS	<ul style="list-style-type: none"> • Best Wealth Management Specialist - Asia • Best Wealth Manager - India
	UTI & CNBC-TV18 FINANCIAL ADVISOR AWARDS	<ul style="list-style-type: none"> • Best Performing National Financial Advisor Wealth Distributor
2013	THE ASSET TRIPLE A INVESTMENT AWARDS	<ul style="list-style-type: none"> • The Best Wealth Management House in India
	WEALTH BRIEFING ASIA AWARDS	<ul style="list-style-type: none"> • Best Wealth Management Company in India (>50 employees) • Highly Commended Private Bank in India
	WEALTH FORUM ADVISORS AWARDS	<ul style="list-style-type: none"> • Distributor of the Year • Highest Asset Growth Champion • Net Sales Champion - Equity + Hybrid Investments • Net Sales Champion - Fixed Income Investments
	EUROMONEY PRIVATE BANKING SURVEY	<ul style="list-style-type: none"> • Best Commodities Investment in India • Best Real Estate Investment in India • Best Equity Portfolio Management in India
2012	EUROMONEY PRIVATE BANKING SURVEY	<ul style="list-style-type: none"> • Best Fixed Income Portfolio Management in India • Best Commodities Investment in India
	THE ASSET TRIPLE A INVESTMENT AWARDS	<ul style="list-style-type: none"> • The Best Wealth Management House in India
	PRIVATE BANKER INTERNATIONAL	<ul style="list-style-type: none"> • Outstanding Private Bank - South Asia
2011	THE ASSET TRIPLE A INVESTMENT AWARDS	<ul style="list-style-type: none"> • The Best Wealth Management House in India
	WEALTH FORUM ADVISORS AWARDS	<ul style="list-style-type: none"> • Best Net Sales Equity Funds • Best National Distributors

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Ninth Annual Report of IIFL Wealth Management Limited ("the Company") together with the Audited Financial Statements for the year ended March 31, 2016.

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

STANDALONE FINANCIAL RESULTS -

(₹In millions)

PARTICULARS	2015-2016	2014-2015
Gross Total Income	4,046.95	3,705.54
Less: Expenditure	2,615.46	2,227.48
Profit/(Loss) Before Taxation	1,431.49	1,478.06
Less: Taxation - Current	321.66	573.91
- Deferred	54.56	(75.62)
- Short or Excess Provision of Income Tax	21.21	(11.99)
Net Profit / (Loss) After Tax	1034.06	991.75

CONSOLIDATED FINANCIAL RESULTS -

(₹In millions)

PARTICULARS	2015-2016	2014-2015
Gross Total Income	5,908.73	4,573.24
Less: Expenditure	3,645.18	2,931.29
Profit/(Loss) Before Taxation	2,263.55	1,641.95
Less: Taxation - Current	466.13	609.30
- Deferred	82.47	(80.48)
- MAT Credit Gains	(2.02)	9.15
- Short or Excess Provision of Income Tax	23.12	(11.45)
Net Profit / (Loss) After Tax	1,693.85	1,115.43

2. REVIEW OF BUSINESS AND OPERATIONS:

During FY 2015-2016, the Company made considerable progress in all its business segments. The Company's revenues grew by 29.20% to ₹5908.7 million, while Net Profit (after tax) increased by 51.85% to ₹1693.8 million. Assets under advice, distribution and Management(AUA) grew by 12.02% and the company now manages around ₹800,000 million in Client assets. Mutual Fund AUA increased 8.50% YoY to ₹258,000 million. The Company through its asset management subsidiary manages over ₹39,000 million of AIF Assets making it one of the largest AIF platforms in the country. It is the only AIF manager to return more than ₹10,000 million of investor money invested in its products upto March 31, 2016.

Strategic Investment by General Atlantic:

General Atlantic Singapore Fund Pte. Ltd (GA), a leading global growth equity firm, made a strategic investment in the company, the wealth management subsidiary of the Company. GA invested ₹9,038 million in IIFLW, through fresh issue of equity shares and additionally ₹1,591 million for acquisition of shares from employees of the company. Pursuant to this, GA holds a total stake of 21.61% in the equity of the company, on fully diluted basis (assuming full conversion of outstanding ESOP's of the company). GA's investment will help to support the company continued growth and platform expansion as the premier wealth management Company in India.

NBFC Acquisition: The Company has acquired

100% equity and management of Chephis Capital Markets Limited, a Non Deposit Taking Systemically Important NBFC [ND - SI] in February, 2016 after obtaining necessary RBI approval. The name of the Company was subsequently changed to IIFL Wealth Finance Limited (IIFLW Finance). IIFLW Finance provides Loan against Securities and Loan against Property facilities to IIFL Wealth clients. The Company has invested ₹9000 million out of investments received from GA towards equity into IIFLW Finance. IIFLW Finance has commenced its lending business and the total loan asset(s) as on March 31, 2016 was about ₹1000 millions.

During the year, the name of India Infoline Asset Management Company Limited (IIFL AMC) was changed to IIFL Asset Management Limited.

Under IIFL Mutual Fund Platform, the assets under management have increased from ₹352.39 Crore to ₹492.46 Crores. During the year, the IIFL Dividend Opportunities Index Fund and IIFL Nifty ETF were merged with IIFL India Growth Fund.

Under IIFL's Alternative Investment Fund(s) platform (IIFL AIF), IIFL AMC launched following funds during the year:

- IIFL Best of Class Fund;
- IIFL Cash Opportunities Fund;
- IIFL Investment Opportunities Fund Series 1;
- IIFL Asset Revival Fund Series 2,
- IIFL Seed Ventures Fund 1, and
- IIFL Real Estate Fund Domestic Series III

The total assets managed by IIFL AMC under Mutual Fund, AIF and Portfolio Management Services has increased to ₹5620 Crore as on March 31, 2016 vis-s-vis ₹2895 Crore as on March 31, 2015.

3. MACROECONOMIC OVERVIEW:

Indian macro indicators have showed a strong improvement in the last couple of years and in FY16-17. India is likely to be the fastest growing economy in the world. FY15-16 saw a divergence between the macro-economic performance and equity market performance. Though significant improvement was seen in macro-economic fundamentals of India, the same was not reflected in the performance of equity markets. From

a phase of low growth and high inflation few quarters back, we have transitioned to a period of low inflation and improving growth. Twin deficits of Fiscal Deficit and Current Account Deficit which started improving in FY14-15, continued to show improvement. Sharp decline in crude prices and reduction in gold import bill lead to a significant improvement in current account deficit. Inflation (both CPI and WPI) remained within the permissible limits and gave the much needed room to RBI to cut rates after several years.

GDP growth for FY15-16 is expected around 7.6% levels, which would make India the fastest growing major economy. This has been possible in spite of our rural economy has been a big drag on the overall economic sentiment in the country in last two years due to back-to-back El Nino in the two years.

EQUITY

FY15-16 has been a lackluster year for Indian equities. Though the first half of the year began strong, persistent selling from the FIIs in the second half on the back of Fed rate hike and Chinese Yuan devaluation, led to erosion of all gains and closed the year down by around 9%. An elusive recovery in earnings growth for corporate India, has been the single biggest disappointment for investors. As India was already trading at significant premium to other emerging market peers lack of improvement in earnings lead to a sharp selloff in the markets.

We expect this trend to change and foresee an economic recovery and earnings growth over the course of FY2016-2017 based on (1) 7th Pay Commission related payouts (about 50 bps of GDP in FY2016-2017), (2) likely normal monsoons and (3) low base of activity in several sectors and of earnings. We do acknowledge downgrade risks but note that the risks are lower after significant downgrades over the past few quarters.

DEBT

FY 15-16 saw RBI continuing its stance of cutting interest rates in order to spur economic growth amidst sluggish credit off-take. RBI has cut repo rates cumulatively by 150 bps since the start of the easing cycle, however only half of that has been transmitted through to the end borrowers.

To ensure better transmission the RBI narrowed the policy rate corridor from +/-100 basis points to +/- 50 bps. We expect RBI to maintain its easing bias as growth environment is weak and inflation is under control. However, the pace of cuts is likely to be slower and the RBI would be focusing on ensuring better transmission. A better than expected monsoon would be keenly watched as RBI could base its future monetary stance depending on the monsoon outcome.

FUTURE OUTLOOK OF THE BUSINESS:

India is expected to become the 3rd largest economy in the world by 2030. With a robust growth rate and easier liquidity conditions we expect to see a strong pace of wealth generation in India. The company intends to tap into this pool by continuing to increase its footprint and by increase its share of investible client assets. This would be achieved by providing clients access to innovative investment ideas at competitive fee structures. With the acquisition of our NBFC and approvals for Broking license in place we are now one of the most extensive product platforms in the country. We continue to invest heavily in technology to increase employee efficiency, delivery of products and best in class services to clients.

With regulatory changes constantly signaling a move from a commission based model to a more transparent and regulated advisory fee model, the coming year promises to be one of transition. While imposition of service tax, capping of commissions and focus on no load schemes means that there will continue to be pressures on commissions it also opens the possibility to build a robust annuity based business model with focus on a fee + performance structure which offers greater transparency to clients.

4. DIVIDEND:

During the period under review, your Company has declared an interim dividend of ₹3 each (On July 28, 2015 and on October 15, 2015), per equity share with face value ₹2, involving a total outlay of ₹39,46,17,719/- (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:

The paid up share capital of the Company has increased from ₹117,237,240/- to ₹147,917,316/- during the year under review, pursuant to allotment of 15,340,038 equity shares of ₹2/- each to General Atlantic Singapore Fund Pte. Ltd.

6. TRANSFER TO RESERVES:

During the FY 2015-2016, the Company has transferred an amount of ₹38.90 million (P.Y. ₹5.95 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 acquired 100% equity share capital of IIFL Wealth Finance Limited (formerly Chephis Capital Markets Limited) to engage into the NBFC activities for lending against securities/ IPO/ margin funding, property, etc. Pursuant to the said acquisition, your Company currently has 7 (seven) Indian subsidiaries and 8 (eight) overseas subsidiaries. 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 posted 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 our 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 and 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 (appointed w.e.f. February 25, 2016).

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. Nirmal Jain and Mr. Amit Shah are liable to retire by rotation and being eligible, offers themselves for re-appointment.

i. Meetings of the Board of Directors -

The Board met nine times during the period under review to discuss and approve various matters including financials, appointment of auditor, declaration of interim dividend, appointment of KMP, 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.

- (i) Audit Committee.
- (ii) Nomination and Remuneration Committee.
- (iii) Corporate Social Responsibility Committee.

(i) Audit Committee:

The Audit Committee comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur and Mr. Shantanu Rastogi, (appointed w.e.f. February 25, 2016). Mr. Karan Bhagat has resigned as member of the Audit Committee w.e.f. February 25, 2016 and will be present as a permanent invitee in all the meetings 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 eight 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.

(ii) Nomination And Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. Nilesh Vikamsey, Ms. Geeta Mathur, Mr. Nirmal Jain and Mr. Sandeep Naik (appointed w.e.f. February 25, 2016). 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.

(iii) 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 (appointed w.e.f. February 25, 2016). 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. 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 (HELD ON MAY 6, 2015, JULY 28, 2015, OCTOBER 15, 2015, OCTOBER 24, 2015, DECEMBER 07, 2015 & JANUARY 29, 2016, FEBRUARY 13, 2016, FEBRUARY 25, 2016, MARCH 30, 2016)		AUDIT COMMITTEE MEETINGS (HELD ON MAY 6, 2015, JULY 28, 2015, OCTOBER 24, 2015, DECEMBER 07, 2015, JANUARY 29, 2016, FEBRUARY 13, 2016, FEBRUARY 25, 2016 & MARCH 30, 2016)		CSR COMMITTEE MEETING (HELD ON MAY 6, 2015, MARCH 31, 2016)		NOMINATION AND REMUNERATION COMMITTEE MEETING (HELD ON MAY 6, 2015, JULY 02, 2015 AND FEBRUARY 25, 2016)		WHETHER PRESENT AT PREVIOUS AGM HELD ON JULY 29, 2015
Mr. Nirmal Jain	9	8	-	Not a member	2	1	3	2	Yes
Mr. R Venkataraman	9	9	-	Not a member	-	Not a member	-	Not a member	Yes
Mr. Nilesh Vikamsey	9	5	8	4	2	1	3	1	Yes
Ms. Geeta Mathur	9	9	8	8	-	Not a member	3	2	No
Mr. Karan Bhagat	9	9	8	7 (Not a member w.e.f. 25.02.16)	2	1	-	Not a member	Yes
Mr. Yatin Shah	9	8	-	Not a member	-	Not a member	-	Not a member	Yes
Mr. Amit Shah	9	5	-	Not a member	-	Not a member	-	Not a member	No
Mr. Sandeep Naik (appointed w.e.f Feb 25, 2016)	1	-	-	Not a member	1	-	-	-	-
Mr. Shantanu Rastogi (appointed w.e.f Feb 25, 2016)	1	1	1	1	-	Not a member	-	Not a member	-

iii. 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.

iv. 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. Pankaj Fitkariwala 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 1.80% 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 FY15-16, the Company undertook a number of projects in the core areas of encouraging entrepreneurship, tribal developments, woman 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 – I.

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 2015-16 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 Scheme has not allotted equity shares. The details of options granted, vested, exercised, etc. are as follows:

PARTICULARS										
A	Options granted during the year	69,65,945								
B	Exercise Price (per share)	₹282/-								
C	Options Vested during the year	237,750								
D	Options Exercised during the year	Nil								
E	Total no. of shares arising as result of exercise of Options	Nil								
F	Options lapsed	50								
G	Variation in terms of Options	Nil								
H	Money realised by exercise of Options (In ₹)	Nil								
I	Total number of options in force	75,57,475								
J	Employee wise details of options granted to:									
	- Key Managerial Personnel	33,70,000								
	- any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year									
		<table border="1"><thead><tr><th>NAME</th><th>OPTIONS</th></tr></thead><tbody><tr><td>Karan Bhagat</td><td>24,00,000</td></tr><tr><td>Yatin Shah</td><td>9,00,000</td></tr><tr><td>Amit Shah</td><td>9,00,000</td></tr></tbody></table>	NAME	OPTIONS	Karan Bhagat	24,00,000	Yatin Shah	9,00,000	Amit Shah	9,00,000
NAME	OPTIONS									
Karan Bhagat	24,00,000									
Yatin Shah	9,00,000									
Amit Shah	9,00,000									
	- 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									
		<table border="1"><thead><tr><th>NAME</th><th>OPTIONS</th></tr></thead><tbody><tr><td>Karan Bhagat</td><td>24,00,000</td></tr><tr><td>Yatin Shah</td><td>9,00,000</td></tr><tr><td>Amit Shah</td><td>9,00,000</td></tr></tbody></table>	NAME	OPTIONS	Karan Bhagat	24,00,000	Yatin Shah	9,00,000	Amit Shah	9,00,000
NAME	OPTIONS									
Karan Bhagat	24,00,000									
Yatin Shah	9,00,000									
Amit Shah	9,00,000									

The Board of Directors and Shareholders of the Company approved grant of employee stock option(s) under IIFL Wealth Employee Stock Option Scheme – 2015. On July 2, 2015, the Company granted 69,65,945 option(s) to its employees at a grant price of ₹282/- 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 systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

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 - II.

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, is placed for ratification by the shareholders.

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 - III. 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, 15 & 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, 2016.

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 saves power,
- Light Emitting Diode (LED) lights,
- Automatic power shutdown of idle monitors,
- Creating environmental awareness by way of distributing the information in electronic form,
- Minimising 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 the 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 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 safe guarded 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: ₹178.48 million (P.Y. ₹0.86 million)
- b.) The Foreign exchange expenditure: ₹12.70 million (P.Y. ₹5.65 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:

- Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16 – Annexure - I.
- Form No. MGT-9 – Extract of Annual Return as on the financial year ended March 31, 2016 – Annexure – II.
- Secretarial Audit Report for the financial year ended March 31, 2016 – Annexure – III.

For and on behalf of the Board of Directors

Karan Bhagat
Managing Director
DIN: 03247753

Date: May 5, 2016
Place: Mumbai

R. Venkataraman
Director
DIN: 00011919

ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE – I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2015-16

[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 http://www.indiaonline.com/aboutus/iifl-csr-policy
2.	The Composition of the CSR Committee	CSR Committee of the Company comprises of: (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	₹707,229,527/-
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹14,144,591/-
5.	Details of CSR spent during the financial year	
a)	Total amount to be spent for the financial year;	₹14,144,591/-
b)	Amount Spent; and	₹12,755,000/-
c)	Amount unspent, if any.	₹1,389,591/-

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	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS	CUMULATIVE EXPENDITURE UPTO REPORTING PERIOD	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY
1	Supporting the establishment of a centre learning for higher education	Promotion of Education	Gurgaon; Haryana	5000000	Direct- 5000000	5000000	50,00000 Through International Foundation for Research & Education
2	Supporting infrastructure development of a dilapidated school in Uttarakhand	Promotion of Education	Uttarakhand	1,80,000	Direct-1,80,000	180000	180000 Through Agrani Foundation
3	Organizing educationm programs in rural areas	Promotion of Education	Chennai Tamil Nadu	60000	Direct-60000	60000	60000 Through MRT No 1 Charitable Trust
4	Organizing and supporting health initiatives in Mumbai slums	Promotion of Education	Mumbai Maharashtra	500000	Direct- 500000	500000	500000 Through Bhamla Foundation

SR. NO.	PROJECTS/ ACTIVITIES	SECTOR	LOCATIONS	AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS	CUMULATIVE EXPENDITURE UPTO REPORTING PERIOD	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY
5	Supporting Education of Street Children	Promotion of Education	Mumbai; Maharashtra	75000	Direct- 75000	75000	75000 Through Rotary Club of Bombay - Andheri E
6	Supporting Education Initiatives of under privileged communities	Promotion of Education	Coimbatore; Tamil Nadu	240000	Direct - 240000	240000	240000 Through Isha Education
7	Supporting Education of Out of School Girls	Promotion of Education	Gurgoan Haryana	500000	Direct 500000	500000	500000 Through Iimpact Foundation
8	Supporting Education of Special Children	Promotion of Education	Bangalore Karnataka	500000	Direct 500000	500000	500000 Through V Excel Trust
9	Supporting Education of Street children	Promotion of Education	Mumbai Maharashtra	500000	Direct 500000	500000	500000 Through IAPACW
10	Supporting Education of Street Children	Promotion of Education	Mumbai Maharashtra	400000	Direct 400000	400000	400000 Through J.K. Somani Trust
11	Supporting Education of Tribal children	Promotion of Education	Kolkatta West Bengal	200000	Direct 200000	200000	200000 Through Friends of Tribals
12	Supporting incubation activity at IIM Ahmedabad for financial inclusion	Promotion of Education	Ahmedabad Gujarat	1500000	Direct 1500000	1500000	1500000 Through CIIE IIM Ahmedabad
13	Supporting Preventive Health Check up Camp	Promotion of Health	Solapur Maharashtra	1000000	Direct - 1000000	1000000	1000000 Through Sri Chaitanya Trust
14	Supporting Cancer awareness drive & preventive check up	Promotion of Preventive Health	Bangalore Karnataka	600000	Direct 600000	600000	600000 Through HCG Foundation
15	Supporting Eye Surgeries of under privileged people	Promotion of Health	Mumbai Maharashtra	500000	Direct 500000	500000	500000 Through One Vision Health & Research Foundation

SR. NO.	PROJECTS/ ACTIVITIES	SECTOR	LOCATIONS	AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS	CUMULATIVE EXPENDITURE UPTO REPORTING PERIOD	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY
16	Supporting Disaster Relief and Rehabilitation	Medical Camps for Disaster Relief	Chennai Tamil Nadu	1000000	Direct 1000000	1000000	1000000 Through Americares India 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 2015-16, the Company successfully deployed 1.80% 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. The Company has utilized part of the accrued CSR expenses and is reviewing new projects, to enable substantial CSR activities in financial year 2016-17.

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.

Karan Bhagat

Chairman, CSR Committee & Managing Director
DIN: 03247753

Date: May 5, 2016

Place: Mumbai

ANNEXURE - II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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 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 No.C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Road, Bhandup (West), Mumbai - 400078 Tel: +91-22-2596 3838 Fax: +91-22-2594 6969 E-mail : mumbai@linkintime.co.in 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	6619	78.87%

* 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	60.84	2(87)
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)
6.	IIFL Alternate Asset Advisors Limited	U74120MH2011PLC219930	Subsidiary Company	100	2(87)
7.	India Alternatives Investment Advisors Private Limited	U74140MH2010PTC198879	Subsidiary Company	71	2(87)
8.	IIFL Wealth Finance Limited	U65990MH1994PLC080646	Subsidiary Company	100	2(87)
9.	IIFL Private Wealth Management (Dubai) Limited	Not Applicable	Subsidiary Company	100	2(87)

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
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)

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

I) CATEGORY-WISE SHARE HOLDING

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01ST APRIL 2015)				NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2016)				% CHANGE DURING THE YEAR	
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES		
A. Promoters										
(1) Indian										
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.	44999970	30	45000000	76.77	44999970	30	45000000	60.84	-15.93	
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	
Sub-total (A)(1):-	44999970	30	45000000	76.77	44999970	30	45000000	60.84	-15.93	
(2) Foreign										
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
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	
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	44999970	30	45000000	76.77	44999970	30	45000000	60.84	-15.93	
B. Public Shareholding										
1. Institutions										
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	

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (01ST APRIL 2015)				NO. OF SHARES HELD AT THE END OF THE YEAR (31ST MARCH 2016)				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
i)Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2.Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	17257531	0	17257531	23.33	23.33
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	537675	0	537675	0.92	422045	0	422045	0.57	-0.35
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13080945	0	13080945	22.31	11279082	0	11279082	15.25	-7.06
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	13618620	0	13618620	23.23	28958658	0	28958658	39.15	-15.93
Total Public Shareholding (B)=(B)(1)+(B)(2)	13618620	0	13618620	23.23	28958658	0	28958658	39.15	-15.93
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	58618590	30	58618620	100	73958628	30	73958658	100	0.00

II) SHAREHOLDING OF PROMOTERS

SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR (01ST APRIL 2015)			SHAREHOLDING AT THE END OF THE YEAR (31ST MARCH 2016)			% CHANGE IN SHAREHOLDING DURING THE YEAR
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	
IIFL Holdings Limited	45000000	76.77	Nil	45000000	60.84*	Nil	-15.93
Total	45000000	76.77	Nil	45000000	60.84*	Nil	-15.93

*Note: There is no change in the total shareholding of promoters between 01-04-2015 and 31-03-2016. The decrease in % of total shares of the Promoter from 76.77% to 60.84% is pursuant to allotment of 1,53,40,038 equity shares to General Atlantic Singapore Fund Pte. Ltd.

III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

	SHAREHOLDING AT THE BEGINNING OF THE YEAR (AS ON 01-04-2015)		CUMULATIVE SHAREHOLDING DURING THE YEAR (31-03-2016)	
	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
At the beginning of the year	45000000	76.77	45000000	76.77
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	45000000	60.84*	45000000	60.84*

*Note: There is no change in the total shareholding of promoters between 01-04-2015 and 31-03-2016. The decrease in % of total Promoters' Shareholding from 76.77% to 60.84% is pursuant to allotment of 1,53,40,038 equity shares to General Atlantic Singapore Fund Pte. Ltd.

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 (01-04-15)/ END OF THE YEAR (31-03-16)		DATE	INCREASE/ DECREASE IN SHARE-HOLDING	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-15 TO 31-03-16)	
	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	-	-	01-04-15	-	-	-	-
	17257531	23.33	31-03-16	17257531	Acquisition of shares	17257531	23.33
2. Anirudha Taparia	570000	0.97	01-04-15				
	-	-	25-02-16	114000	Transfer to General Atlantic Singapore Fund Pte Ltd	456000	0.61
	456000	0.61	31.03.16	-	-	456000	0.61
3. Vinay Ahuja	500000	0.87	01-04-15	0	Nil Movement during the year	0	0.00
	500000	0.68*	31-03-16			500000	0.68
4. Jiten Surtani	499650	0.85	01-04-15				
	-	-	25-02-16	20000	Transfer to General Atlantic Fund Pte Ltd	479650	0.65
	479650	0.65	31-03-16	-	-	479650	0.65
5. Umang Papneja	364177	0.62	01-04-15	-	-	-	-
	-	-	25-02-16	72835	Transfer to General Atlantic Fund Pte Ltd	291342	0.39
	291342	0.39	31-03-16	-	-	291342	0.39
6. Prashasta Seth	157555	0.27	01-04-15	-	-	-	-
	-	-	-	-	Nil Movement during the year	157555	0.21
	157555	0.21*	31-03-16	-	-	157555	0.21
7. V Girish	229460	0.39	01-04-15	-	-		
	-	-	25-02-16	45892	Transfer to General Atlantic Fund Pte Ltd	183568	0.25
	183568	0.25	31-03-16	-	-	183568	0.25
8. Kuber Bhalla	187875	0.32	01-04-15	-	-	-	-
	-	-	25-02-16	8,500	Transfer to General Atlantic Fund Pte Ltd	179375	0.24
	1,79,375	0.24	31-03-16	-	-	179375	0.24
9. Pravin Bhalerao	500000	0.85	01-04-15	-	-	-	-
	-	-	25-02-16	35,000	Transfer to General Atlantic Fund Pte Ltd	465000	0.63
	465000	0.63	31-03-16	-	-	465000	0.63
10. Sandeep Jethwani	193180	0.33	01-04-15	-	-	-	-
	-	-	25-02-16	38,636	Transfer to General Atlantic Fund Pte Ltd	154544	0.21
	154544	0.21	31-03-16	-	-	154544	0.21

NOTE: * Decrease in the % of total shares held by Vinay Ahuja and Prashasta Seth is pursuant to allotment of equity shares to General Atlantic Singapore Fund Pte Ltd.

V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

NAME	SHAREHOLDING		DATE	INCREASE/ DECREASE IN SHARE- HOLDING	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01-04-15 TO 31-03-16)	
	NO. OF SHARES AT THE BEGINNING (01-04-15)/END OF THE YEAR (31-03-16)	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
A. DIRECTORS:							
1. Karan Bhagat, Managing Director	29,60,526	5.05	01-04-15	0	Transfer to General Atlantic Fund Pte Ltd	-	-
	-	-	25-02-16	3,75,000		25,85,526	3.50
	25,85,526	3.50	31-03-16	-		25,85,526	3.50
2. Yatin Shah, Executive Director	29,60,526	5.05	01-04-15	0	Transfer to General Atlantic Fund Pte Ltd	-	-
	-	-	25-02-16	2,45,000		27,15,526	3.68
	27,15,526	3.68	31-03-16	-		27,15,526	3.68
3. Amit Shah, Non- Executive Director	23,68,421	4.04	01-04-15	0	Transfer to General Atlantic Fund Pte Ltd	-	-
	-	-	25-02-16	5,50,000		18,18,421	2.46
	18,18,421	2.46	31-03-16	-		18,18,421	2.46
B. Key Managerial Personnel (KMP's)							
1. Pankaj Fitkariwala, Chief Financial Officer	1,59,590	0.27	01-04-15	-	-	-	-
	-	-	25-02-16	31,918	Transfer to General Atlantic Fund Pte Ltd	1,27,672	0.17
	1,27,672	0.17	31-03-16	-		1,27,672	0.17
2. Mr. Ashutosh Naik	Nil		01-04-15	-		-	-
	Nil		31-03-16	-	-	-	

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

	SECURED LOANS EXCLUDING DEPOSITS (₹)	UNSECURED LOANS (₹)	DEPOSIT (₹)	TOTAL INDEBTEDNESS (₹)
Indebtedness at the beginning of year				
(i) Principal amount	520,190,847.14	1,832,857,169.94	0	2,353,048,017.08
(ii) Int. due but not paid	0	18,024,756.79	0	18,024,756.79
(iii) Int. accrued but not due	9,758,476.19	0	0	9,758,476.19
Total (i+ii+iii)	529,949,323.33	1,850,881,926.73	0	2,380,831,250.06
Changes in Indebtedness during the year				
Addition	5,357,000.00	6,704,209,547.58	0	6,709,566,547.58
Reduction	(4,401,341.08)	(7,667,363,349.30)	0	(7,671,764,690.38)
Net Change	955,658.92	(963,153,801.72)	0	(962,198,142.80)
Indebtedness at the end of the financial year (31.03.2016)				
(i) Principal amount	521,146,506.06	887,728,125.01	0	1,408,874,631.07
(ii) Int. due but not paid	0	0	0	0
(iii) Int. accrued but not due	73,537,088.46	0	0	73,537,088.46
Total (i+ii+iii)	594,683,594.52	887,728,125.01	0	1,482,411,719.53

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 (₹)
	KARAN BHAGAT	YATIN SHAH	
1. Gross salary	3,61,68,972	2,85,52,968	6,47,21,940
(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	7,032	7,032	14,064
(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)	18,24,000	14,40,000	32,64,000
TOTAL (A)	3,80,00,004	3,00,00,000	6,80,00,004
Ceiling as per the Act	₹13.86 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 (₹)
	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	5,25,000	5,85,000	NIL	NIL	NIL	11,10,000
- Commission	NIL	NIL	10,00,000	NIL	NIL	NIL	NIL	10,00,000
- Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL (1)	NIL	NIL	15,25,000	5,85,000	NIL	NIL	NIL	21,10,000
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
TOTAL (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL (B)= (1+2)	NIL	NIL	15,25,000	5,85,000	NIL	NIL	NIL	21,10,000
Total Managerial Remuneration*	₹6,90,00,004/- (includes ₹10,00,000/- 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., ₹13.86 Crore. Ceiling for Total Remuneration to other Directors – 1% of the **Net Profit, i.e., ₹1.38 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		
	CFO (PANKAJ FITKARIWALA)	COMPANY SECRETARY (ASHUTOSH NAIK) (APPOINTED W.E.F. APRIL 30, 2015)	TOTAL AMOUNT (₹)
1. Gross salary			
a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,64,39,777	48,40,416	2,12,80,193
b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7,032	20,414	27,446
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)	21,600	-	21,600
TOTAL	1,64,68,409	48,60,830	2,13,29,239

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE – III

Secretarial Audit Report for the financial year ended March 31, 2016

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 and adherence to good corporate practices 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 officer, 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, 2016, 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, 2016 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 hereunder;
- (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, 2015;
 - (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 (during the year under review not applicable to the Company);
 - (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;
 - (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 (Intermediaries) Regulations, 2008;
- We have examined compliance with the applicable clauses/regulations of the following:
- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
 - b) Listing Agreement entered with National Stock Exchange of India Limited and BSE

Limited for the period from 1st April 2015 to 30th November 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December 2015 to 31st March 2016 (during the year under review not applicable to the Company).

During the period under review 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 of the Board.

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 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.

1. Share Subscription and Share Purchase Agreement (SSPA) entered into between the Company, Mr. Karan Bhagat, Mr. Yatin Shah, Mr. Amit Shah and General Atlantic Singapore Fund Pte. Ltd. for the acquisition of Equity Shares and Warrants of the Company by General Atlantic Singapore Fund Pte. Ltd, through fresh subscription and acquisition of equity shares from

equity shareholders of the Company, involving-

- (i) issue and allotment of 17,04,449 equity shares of the Company at a price of ₹586.7 each for a total consideration of ₹100,00,00,228.30 and 136,35,589 warrants at a floor price of ₹586.70 and a cap price of ₹632.90 each for a total consideration up to ₹863.00 Crore (₹215.75 Crore to be paid upfront); and
 - (ii) transfer of 27,13,012 equity shares at a price of ₹586.70 each for a total consideration of ₹159,17,24,140 to General Atlantic Singapore Fund Pte Ltd, entailing a proposed aggregate investment up to ₹11,22,17,24,368 involving the acquisition of a stake of 21.61%, on fully diluted basis.
2. In reference of Section 61 and 64 of the Companies Act, 2013, the Authorized share capital of the Company increased from ₹14,00,00,000 consisting of 7,00,00,000 equity shares of ₹2 each, to ₹17,00,00,000 consisting of 8,50,00,000 equity shares of ₹2 each at the Extra Ordinary General Meeting held on December 7, 2015.
 3. Approval for limit for Inter corporate Loans, Investment and Corporate Guarantee not exceeding ₹1500 crores under section 186 of the Companies Act, 2013.
 4. Issue and allot the Subscription Securities to General Atlantic Singapore Fund Pte. Ltd. pursuant to Section 42 and 62 of the Companies Act, 2013 and SSPA at the Extra Ordinary General Meeting held on December 7, 2015.

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

Dipti Mehta

Partner

FCS No : 3667

CP No. : 3202

Place : Mumbai

Date : May 05, 2016

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.

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. Where ever 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)

Dipti Mehta
Partner

FCS No : 3667
CP No. : 3202

Place : Mumbai

Date : May 05, 2016



COMPANY FINANCIALS

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 31st March, 2016, 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 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.

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

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

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

The audit of financial statements of the Company for the year ended 31st March, 2015 was carried out by the previous auditors of the Company.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

as required by law have been kept by the Company so far as it appears from our examination of those books

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

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

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

For DELOITTE HASKINS & SELLS LLP

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

Pallavi A. Gorakshakar

Partner
(Membership No. 105035)

MUMBAI, 05th May, 2016
PG/SB/2015-16

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **IIFL WEALTH MANAGEMENT LIMITED** (the “Company”), as of March 31, 2016 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 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, 05th May, 2016
PG/SB/2015-16

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has 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.
 - (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 March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, and Value Added Tax as on March 31, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments)
- (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 188 and 177 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) According to the information and explanations given to us, the Company has made private placement of shares during the year under review. In respect of the above issue, we further report that:
 - (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (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 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 of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Pallavi A. Gorakshakar

Partner

(Membership No. 105035)

MUMBAI, 05th May, 2016

PG/SB/2015-16

BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	NOTE NO.	(₹ in Millions)	
		AS AT MAR 31, 2016	AS AT MAR 31, 2015
EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	147.92	117.24
(b) Reserves and Surplus	4	11,245.67	1,599.04
(c) Money received against share warrants		-	-
Sub total		11,393.59	1,716.28
(2) Share application money pending allotment		-	-
(3) Non Current Liabilities			
(a) Long-term borrowings	5	516.34	516.70
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities	6	73.54	9.76
(d) Long-term provisions		-	-
Sub total		589.88	526.46
(4) Current liabilities			
(a) Short-term borrowings	7	887.73	1,850.89
(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		149.26	293.62
(c) Other current liabilities	9	33.03	58.40
(d) Short-term provisions	10	450.28	576.04
Sub total		1,520.30	2,778.95
TOTAL		13,503.77	5,021.69
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	86.38	46.65
(ii) Intangible assets	12	32.44	17.26
(iii) Capital work-in-progress		15.41	2.77
(iv) Intangible assets under development		-	-
Sub total		134.23	66.68
(b) Non-current investments	13	10,606.10	1,333.42
(c) Deferred Tax Asset (Net)	14	27.99	82.55
(d) Long-term loans & advances	15	76.95	43.42
(e) Other non-current assets		-	-
Sub total		10,711.04	1,459.39
(2) Current assets			
(a) Current investments	16	1,137.16	-
(b) Inventories	17	-	2,138.25
(c) Trade receivables	18	548.64	309.95
(d) Cash and Cash Equivalent	19	903.00	845.30
(e) Short-term loans & advances	20	69.56	202.08
(f) Other current assets	21	0.14	0.04
Sub total		2,658.50	3,495.62
TOTAL		13,503.77	5,021.69

See accompanying notes forming part of the standalone financial statements

1-40

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)

R. VENKATARAMAN
Director
(DIN: 00011919)

Place : Mumbai
Date: May 5, 2016

PANKAJ FITKARIWALA
Chief Financial Officer

ASHUTOSH NAIK
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	NOTE NO.	(₹ in Millions)	
		2015-2016	2014-2015
INCOME:			
Revenue from Operations	22	3,566.60	3,670.18
Other Income	23	480.35	35.36
Total Revenue		4,046.95	3,705.54
EXPENSES:			
Employee Benefit Expenses	24	1,311.68	974.63
Other Expenses	25	1,109.22	1,127.44
Finance Charges	26	165.13	115.08
Depreciation and Amortisation	27	29.43	10.33
Total Expenditure		2,615.46	2,227.48
Profit before tax		1,431.49	1,478.06
Tax expenses :			
Current tax		321.66	573.92
Deferred tax charge/(Credit)		54.56	(75.62)
Short / (excess) provision for income tax		21.21	(11.99)
Total Tax Expenses		397.43	486.31
Profit for the year		1,034.06	991.75
Earning Per Share- Basic (in ₹)	28	17.57	17.27
Earning Per Share- Diluted (in ₹)	28	15.57	17.09
Face Value Per Share (in ₹)		2.00	2.00
See accompanying notes forming part of the standalone financial statements	1-40		

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

PALLAVI A. GORAKSHAKAR
Partner

Place : Mumbai
Date: May 5, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT
Managing Director
(DIN: 03247753)

PANKAJ FITKARIWALA
Chief Financial Officer

R. VENKATARAMAN
Director
(DIN: 00011919)

ASHUTOSH NAIK
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	(₹ in Millions)	
	2015-2016	2014-2015
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	1,431.49	1,478.06
Adjustments for:		
Depreciation	29.43	10.33
Provisions for Gratuity	18.46	8.71
Provisions for Leave Encashment	5.41	1.72
Provision for Doubtful debts	4.37	0.84
Provision for Diminution in Investment	14.67	3.88
Interest Income	(57.61)	(57.05)
Interest expenses	164.57	114.87
Loss on Sale of Fixed Assets	-	0.00
Dividend Income	(293.90)	(0.96)
Profit on sale of Investments	(128.82)	(8.96)
Operating profit before working capital changes	1,188.07	1,551.44
Changes in working capital :		
(Increase)/ Decrease in Current/Non Current Assets	1,900.85	(1,558.94)
Increase/ (Decrease) in Current/Non Current Liabilities	(74.59)	428.41
Cash generated from operations	3,014.33	420.91
Cash flow before extraordinary item	3,014.33	420.91
Net income tax(paid) / refunds	(618.00)	(561.93)
Net cash generated from/(used in) operating activities (A)	2,396.33	(141.02)
B. Cash flows from investing activities		
(Purchase) /Sale of Investments	(10,295.69)	(887.82)
Interest Received	57.61	57.05
Dividend Income	293.90	0.96
Purchase of fixed assets (includes intangible assets)	(96.99)	(51.32)
Loans given	122.28	-
Net cash used in investing activities (B)	(9,918.89)	(881.13)
C. Cash flows from financing activities		
Proceeds from Issuance of Share Capital	30.68	2.39
Securities Premium on issue of shares	9,000.07	16.24
Short Term Borrowings Taken	5,923.21	-
Short Term Borrowings-Repayment	(6,886.36)	1,722.11
Long Term Borrowings-Repayment	0.96	529.95
Interest Paid	(100.79)	(114.87)
Dividend Paid (including Dividend Distribution Tax)	(387.51)	(302.32)
Net cash generated from financing activities (C)	7,580.26	1,853.50
Net increase in cash and cash equivalents (A+B+C)	57.70	831.35
Opening Cash and Cash Equivalents	835.30	3.95
Closing Cash and Cash Equivalents	893.00	835.30
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	893.00	835.30
Add: In Fixed Deposits with maturity more than 3 months	10.00	10.00
Cash and Cash Equivalents (Refer Note 19)	903.00	845.30
See accompanying notes forming part of the standalone financial statements Note No. 1-40		

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

PALLAVI A. GORAKSHAKAR
Partner

Place : Mumbai
Date: May 5, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT
Managing Director
(DIN: 03247753)

PANKAJ FITKARIWALA
Chief Financial Officer

R. VENKATARAMAN
Director
(DIN: 00011919)

ASHUTOSH NAIK
Company Secretary

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 presentation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

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.

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

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 INVENTORIES

Closing stock is valued at cost or market value whichever is lower. Cost is computed on FIFO basis. The comparison of Cost and Market value for arbitrage portfolio is done separately for each scrip.

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. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Income Tax

Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

Deferred Tax

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

Minimum Alternate Tax (MAT)

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

2.10 REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. 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/Commission is recognized on accrual basis in accordance with the terms agreed with the counter party.

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.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

**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 Accountants 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 PRELIMINARY EXPENSES

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

2.17 EARNINGS PER SHARE

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

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

2.18 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.

2.19 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 COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.21 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.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 Millions)

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
	NUMBERS	AMOUNT	AMOUNT
Authorised :			
85,000,000 Equity Shares of ₹2/- each with Voting Rights (Previous Year 70,000,000 Equity Shares of ₹2/- each)		170.00	140.00
Issued, Subscribed and Paid Up:			
73,958,658 (Previous Year 58,618,620 equity shares of ₹2/- each) Equity Shares of ₹2/- each fully paid-up with Voting Rights		147.92	117.24
Total		147.92	117.24

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

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBERS	AMOUNT	NUMBERS	AMOUNT
At the beginning of the year	58,618,620	117.24	57,422,500	114.85
Add: Issued during the year	15,340,038	30.68	1,196,120	2.39
Less: Shares bought back	-	-	-	-
Outstanding at the end of the year	73,958,658	147.92	58,618,620	117.24

- (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 company declares and pays dividend in Indian Rupees. During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹6 (Previous Year ₹4.5).

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, 2016		AS AT MARCH 31, 2015	
	NUMBERS	% HOLDING	NUMBERS	% HOLDING
IIFL Holdings Limited	45,000,000	60.84%	45,000,000	76.77%

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

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBERS	% HOLDING	NUMBERS	% HOLDING
IIFL Holdings Limited	45,000,000	60.84%	45,000,000	76.77%
General Atlantic Singapore Fund Pte Ltd	17,257,531	23.33%	-	-
Karan Bhagat	-	-	2,960,526	5.05%
Yatin Shah	-	-	2,960,526	5.05%

- (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

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

- (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 Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Securities Premium Account		
Opening Balance	209.46	193.22
Premium on shares issued during the year	9,006.95	16.24
Utilized During The Year*	(6.88)	-
Closing Balance	9,209.53	209.46
Debenture Redemption Reserve		
Opening Balance	5.95	-
Addition During The Year**	38.90	5.95
Closing Balance	44.85	5.95
Surplus in the Statement of Profit and Loss		
Opening Balance	1,312.64	629.15
Addition: Profit during the Year	1,034.06	991.75
Less: Appropriations		
Interim Dividend Paid	351.71	258.40
Dividend Distribution Tax	35.80	43.92
General Reserve	-	-
Debenture Redemption Reserve	38.90	5.95
Closing Balance	1,920.29	1,312.63
General Reserve		
Opening Balance:	71.00	71.00
Addition During The Year	-	-
Utilized During The Year	-	-
Closing Balance	71.00	71.00
Total	11,245.67	1,599.04

* 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, ₹38.90 millions (P.Y ₹5.95 millions) has been transferred to debenture redemption reserve account for the financial year ended March 31, 2016.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 5. LONG-TERM BORROWINGS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Secured Loans		
Non Convertible Debentures, 500 units of Face Value ₹1 million Each Redeemable on April 25, 2018 @₹1.41 millions with effective IRR of 11.25% (Refer Note 5.1)	500.00	500.00
Vehicle Loan (Refer Note 5.2)	16.34	16.70
Total	516.34	516.70

Note

- 5.1 The above Debentures are secured by way of first pari passu charge over the current assets in the form of receivables and inventory. The Company has 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.
- 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 Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Interest accrued but not due on NCDs	73.54	9.76
Total	73.54	9.76

NOTE 7. SHORT TERM BORROWINGS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
- Commercial Paper	887.73	1,475.65
- Inter corporate deposits (ICD) - Related Party (Refer note 35)	-	375.24
Total	887.73	1,850.89

NOTE 8. TRADE PAYABLES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Total outstanding dues of micro enterprises and small enterprises- Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.60	2.25
Accrued Salaries and Benefits	15.88	12.35
Provision for Expenses	131.78	279.02
Total	149.26	293.62

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.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 9. OTHER CURRENT LIABILITIES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Current maturities of Long term debt (Refer Note 5.2)	4.81	3.49
Advances from Customer	-	12.00
Contractually reimbursable expenses	0.01	0.22
Statutory Liabilities Payable	28.21	42.15
Payable to Group Companies (Refer note 35)	-	0.54
Total	33.03	58.40

NOTE 10. SHORT TERM PROVISIONS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
(a) Provision for employee benefits:		
- Provision for Leave Encashment	14.82	10.73
- Provision for Gratuity (Refer note 24)	5.34	(3.17)
- Bonus Payable	427.91	320.18
(b) Others:		
- Provision for Tax (Net of Advance Tax and TDS- ₹590.32 Millions) (Previous Year- ₹325.61 Millions)	2.21	248.30
Total	450.28	576.04

NOTE 11. TANGIBLE ASSETS:

(₹ in Millions)

PARTICULARS	FURNITURE FIXTURE	VEHICLES**	OFFICE EQUIPMENT	AIR CONDITIONER	COMPUTERS	ELECTRICAL 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
Net Block as at March 31, 2016	33.58	22.50	3.69	0.84	21.36	4.41	86.38
Net Block as at March 31, 2015	16.55	22.26	1.10	0.55	4.95	1.24	46.65

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

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

TANGIBLE ASSETS (PREVIOUS YEAR):

(₹ in Millions)

PARTICULARS	FURNITURE FIXTURE	VEHICLES**	OFFICE EQUIPMENT	AIR CONDITIONER	COMPUTERS	ELECTRICAL EQUIPMENT	TOTAL
Gross Block as on April 01, 2014	17.29	-	3.25	2.15	14.63	3.86	41.18
Additions	13.29	23.32	0.92	-	4.61	0.69	42.83
Deductions/ Adjustments during the year	0.03	-	-	-	-	-	0.03
As at March 31, 2015	30.55	23.32	4.17	2.15	19.24	4.55	83.98
Depreciation							
Upto April 01, 2014	11.21	-	2.46	1.18	12.43	2.53	29.81
Depreciation for the year	2.81	1.06	0.61	0.42	1.85	0.78	7.53
Deductions/Adjustments during the year	0.03	-	-	-	-	-	0.03
Upto March 31, 2015	13.99	1.06	3.07	1.60	14.28	3.31	37.31
Net Block as at March 31, 2015	16.56	22.26	1.10	0.55	4.96	1.24	46.65
Net Block as at March 31, 2014	6.07	-	0.79	0.97	2.19	1.33	11.35

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

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

(₹ in Millions)

PARTICULARS	AMOUNT
Software/Intangible assets	
Gross Block as at April 01, 2015	22.38
Additions	25.39
Deductions / Adjustments during the year	-
As at March 31, 2016	47.77
Amortisation	
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
Net Block as at March 31, 2016	32.44
Net Block as at March 31, 2015	17.26

INTANGIBLE ASSETS OTHER THAN INTERNALLY GENERATED (PREVIOUS YEAR):

(₹ in Millions)

PARTICULARS	AMOUNT
Software/Intangible assets	
Gross Block as at April 01, 2014	2.32
Additions	20.06
Deductions / Adjustments during the year	-
As at March 31, 2015	22.38
Amortisation	
As at April 1, 2014	2.32
Amortisation for the year	2.80
Deductions / Adjustments during the year	-
Up to March 31, 2015	5.12
Net Block as at March 31, 2015	17.26
Net Block as at March 31, 2014	-

Note: Capital Work in Progress ₹15.42 Millions (Last Year ₹2.77 Millions) Pertain to Assets not yet capitalized.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 13. NON CURRENT INVESTMENTS (AT COST):

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE	QUANTITY	AMOUNT	FACE VALUE	QUANTITY	AMOUNT
Unquoted: Trade Investments:						
Investment in equity shares of Group Company						
India Infoline Limited	₹10	20	0.00##	₹10	20	0.00##
Sub Total			0.00			0.00
Investment in equity shares of Subsidiary companies						
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	225,000	4.00
IIFL Alternate Asset Advisors Ltd.	₹10	50,000	9.15	₹10	50,000	9.15
IIFL Asset Management Company Ltd. (Formerly known as India Infoline Asset Management Co Ltd)	₹10	32,100,000	525.00	₹10	32,100,000	525.00
IIFL Trustee Ltd. (Formerly known as India Infoline Trustee Company Limited)	₹10	500,000	5.00	₹10	500,000	5.00
India Alternatives Investment Advisors Pvt. Ltd. @	₹10	7,100	60.36	₹10	7,100	60.36
IIFL Wealth Finance Limited(Formerly known as Chephis Capital Markets Limited) *	₹10	252,116,400	9,016.30	-	-	-
IIFL Private Wealth (Suisse) SA #	CHK 1000	100	3.40	CHK 1000	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 Private Wealth (Mauritius) Ltd. #	\$1.00	69,975	37.95	\$1.00	69,975	37.95
Sub Total			10,569.45			1,203.15
Investment in preference shares of Subsidiary companies						
India Alternatives Investment Advisors Pvt. Ltd	10	4,046	35.00	-	-	-
Sub Total			35.00			-
Unquoted: Non Trade Investments:						
Investment in Venture capital fund						
Malabar Capital Trust	-	-	-	₹100	621,475	70.00
Blume Venture Capital Fund	-	-	-	₹10,000	1,662	16.62
India Alternatives Private Equity Fund	₹100	5,500	1.65	₹95.07	821,306	43.65
Sub Total			1.65			130.27
Grand Total			10,606.10			1,333.42
Aggregate cost of unquoted investments			10,606.10			1,333.42

* During the current year the company has acquired 100% stake of IIFL Wealth Finance Limited (Previously known as Chephis Capital Markets Limited)

** During the previous year company has received 3,840 shares as bonus from IIFL Distribution Services Ltd

During the previous year company has acquired 100% stake of following companies from its holding company

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

IIFL Holdings Limited (Formerly India Infoline Limited.):

- IIFL Private Wealth (Mauritius) Ltd.
- IIFL Inc. (USA)
- IIFL Private Wealth (Suisse) SA
- IIFL Asia Pte. Ltd.
- IIFL Private Wealth Management Dubai Ltd.
- IIFL Private Wealth Hongkong Ltd.

@ During the previous year company has acquired 71% stake of following company:

- India Alternatives Investment Advisors Pvt. Ltd.

Represents value less than ₹10,000

NOTE 15. DEFERRED TAX (LIABILITY)/ ASSET (NET):

(₹ in Millions)

Particulars	As at March 31, 2016	As at March 31, 2015
On Gratuity	5.67	1.56
On Long Term Capital Loss	-	0.05
On Preliminary Expenses	0.00	0.00
On Unpaid Provisions	25.09	81.58
On Business Loss	17.30	46.00
On Depreciation	0.23	3.16
On Provision for Standard Assets	2.75	-
Total	51.04	132.35

NOTE 16. LONG TERM LOANS AND ADVANCES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Deposits Paid	44.75	37.30
Other Long Term Loans and Advances	1.60	0.73
Prepaid Expense	7.23	18.14
Sub Total	53.58	56.16
Advance Income Tax (Net of provision of tax		
₹1,263.10 Millions, P.Y. ₹401.17 Millions)	69.79	29.82
MAT Credit	2.02	-
Total	125.39	85.98

NOTE 17. CURRENT INVESTMENTS (AT LOWER OF COST AND MARKET VALUE, UNLESS OTHERWISE STATED):

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	AMOUNT	FACE VALUE IN ₹	QUANTITY	AMOUNT
Quoted, Non Trade Investments						
Investment in Mutual funds						
Franklin India Ultra Short Bond Fund-Super Institutional Plan (NAV- ₹20.3709)	10	499.56	0.01	-	-	-

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	AMOUNT	FACE VALUE IN ₹	QUANTITY	AMOUNT
Reliance Money Manager Fund Direct Plan Growth (NAV- ₹2099.6963)	1000	2.423	0.01	-	-	-
Sundaram Ultra Short term Fund-Direct Plan Growth (NAV- ₹20.9792)	10	242.567	0.01	-	-	-
IIFL Mutual Fund-Liquid Fund Direct Plan Growth (NAV- ₹1204.8678)	1000	166095.80	200.00	-	-	-
ICICI Prudential Liquid Fund-Direct Plan-Growth (NAV- ₹224.8328)	100	22.651	0.01	-	-	-
Sub Total			200.04	-	-	-
Unquoted, Non Trade Investments						
Investments in Others (Venture Capital Funds/ Alternate Investment Funds)						
IIFL Cash Opportunities Fund(NAV- ₹10.6507)	10	88,361,602	937.12	-	-	-
IIFL Real Estate Fund(Domestic) Class B(NAV- ₹10)	10	58	0.00##	-	-	-
Investments in NCDs						
Arch Argo India Private Limited	10,000	1,797	17.07	-	-	-
Less: Provision for Diminution			17.07	-	-	-
Sub Total			937.12			
Grand Total			1,137.16			
Aggregate Value of Quoted Investments			200.04			-
Aggregate Value of Unquoted Investments			937.12			-
Market Value of Quoted Investments			200.15			-
Aggregate Provision for diminution in value of Investments			17.07			-

Note:

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

Represents value less than ₹10,000

NOTE 17. INVENTORIES - (AT LOWER OF COST OR NET REALISABLE VALUE):

(₹ in Millions)

SCRIPT NAME	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QTY	AMOUNT	FACE VALUE IN ₹	QTY	AMOUNT
Bonds and NCD						
12% IIFL LTD OPT-I NCD 29SP16	-	-	-	1,000	2,500	2.53
8.91% IIFCL BD 22JN34	-	-	-	1,000	2,000	2.30
8.65% IRFC 18-Feb-29	-	-	-	1,000	1,000	1.17
Arch Agro Ind Pvt Ltd	-	-	-	10,000	1,797	15.36
Wadhwa Holding Pvt. Ltd NCD	-	-	-	100,000	359	36.50
Sub Total	-	-	-			57.86
Unquoted Equity shares						
Fineworthy Software Solutions Ltd	-	-	-	10	3,81,940	91.91
Sub Total	-	-	-			91.91

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

SCRIPT NAME	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QTY	AMOUNT	FACE VALUE IN ₹	QTY	AMOUNT
Venture Capital Fund						
IIFL Real Estate (Domestic) Fund – Series I - Class A	-	-	-	56.90	2,025,000	139.21
IIFL Real Estate (Domestic) Fund – Series I - Class B	-	-	-	10	58	0.00##
IIFL Real Estate (Domestic) Fund – Series I - Class C	-	-	-	100	97,191	7.59
AIF CAT-II IIFL Income Opp Fund Series 1	-	-	-	10	28,048,660	295.53
AIF CAT-II IIFL Income Opp Fund Series Spl. Situations	-	-	-	10	5,330,459	51.77
AIF CAT-III IIFL National Development Agenda Fund	-	-	-	10	5,902,354	62.23
India Alternative Private Equity Fund	-	-	-	95.07	2,628,694	139.70
Sub Total	-	-	-			696.03
Mutual Fund						
IIFL Dynamic Growth Fund	-	-	-	10	102,080	1.00
ICICI Prudential Value Discovery Fund	-	-	-	100	246,514	28.17
HDFC Equity Fund - Growth Option	-	-	-	400	18,568	8.69
IIFL Nifty ETF	-	-	-	800	5,180	4.59
IIFL Dynamic Bond Fund- Regular Plan-Growth Opt	-	-	-	10	867,062	10.00
ICICI Prudential Liquid Fund- Direct Plan – Growth	-	-	-	200	1,642,494	340.00
ICICI Prudential Flexible Income Fund- Direct Plan – Growth	-	-	-	250	3,415,034	900.00
Sub Total	-	-	-			1,292.45
Grand Total	-	-	-			2,138.25
Aggregate market value	-	-	-			2,169.35

Represents value less than ₹10,000

NOTE 18. TRADE RECEIVABLE:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	103.90	84.86
- Considered doubtful	2.53	0.83
Provision for doubtful receivables	(2.53)	(0.83)
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	444.74	225.09
- Considered doubtful	2.50	-
Provision for doubtful receivables	(2.50)	-
Total	548.64	309.95

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 19. CASH AND CASH EQUIVALENT:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Cash In Hand	1.10	1.05
Cheques on Hand	40.93	19.66
Balances with Banks		
- In Current accounts	150.97	814.59
- In Deposit accounts (Maturity less than 3 months)	700.00	-
Total Cash & Cash Equivalents (a) (As per AS-3 Cash Flow Statement)	893.00	835.30
Other Bank Balances:		
- In Deposit account (Maturity from 3 to 12 Months)	10.00	10.00
Total Other Bank Balances (b)	10.00	10.00
Total (a+b)	903.00	845.30

NOTE 20. SHORT TERM LOANS AND ADVANCES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Unsecured, Considered good		
Inter Corporate Deposits (ICD)(Related Party) (Refer Note 35)	-	122.28
Other Loans and Advances		
- Advances recoverable in cash or in kind or for value to be received	15.39	10.12
- Prepaid Expenses	9.96	4.38
- Deposit	5.47	0.24
- Other Loans and Advances	38.74	65.06
Total	69.56	202.08

NOTE 21. OTHER CURRENT ASSETS:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Interest accrued but not due on Fixed Deposits	0.14	0.04
Total	0.14	0.04

NOTE 22. REVENUE FROM OPERATIONS:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Distribution Fees	3,191.63	3,064.24
Commission Income	354.87	338.17
Investment / Fund Management Fees	28.13	61.83
Profit/ (Loss) from Trading Activities	(8.03)	205.94
Total	3,566.60	3,670.18

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 23. OTHER INCOME:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Interest Income	57.61	23.95
Dividend Income on Current Investments	115.42	0.64
Dividend Income from Subsidiary Company (Refer Note 35)	178.48	-
Profit on sale of Current Investments	59.13	8.96
Profit on sale of Non Current Investments	69.69	-
Miscellaneous Income	0.02	1.81
Total	480.35	35.36

NOTE 24. EMPLOYEE BENEFIT EXPENSES:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Salaries and Bonus	1257.00	929.45
Contribution to Provident Fund and Other Funds**	26.03	17.90
Gratuity Expense*	18.46	8.71
Leave Encashment Expenses	5.41	1.72
Staff Welfare Expenses	4.78	16.85
Total	1,311.68	974.63

*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 Millions)

ASSUMPTIONS	2015-2016	2014-2015
Discount rate	7.90%	7.90%
Salary Escalation	5.00%	5.00%
CHANGE IN BENEFIT OBLIGATION	2015-2016	2014-2015
Liability at the beginning of the year	36.27	25.01
Interest Cost	2.87	2.29
Current Service Cost	7.37	5.54
Liability transferred in	0.33	1.65
Liability transferred out	(0.08)	(0.09)
Benefit paid	-	(0.14)
Actuarial (gain)/ Loss on obligations	9.39	2.01
Liability at the end of the year	56.15	36.27
AMOUNT RECOGNISED IN THE BALANCE SHEET	2015-2016	2014-2015
Liability at the end of the year	(56.14)	(36.27)
Fair Value of Plan Assets at the end of the year	50.80	39.44
Differences	(5.34)	3.17
Amount of (liability)/ Asset Recognised in the Balance Sheet	(5.34)	3.17

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS ACCOUNT	2015-2016	2014-2015
Current Service cost	7.37	5.54
Interest Cost	(0.25)	1.13
Actuarial Gain or Loss	11.34	2.03
Expenses Recognised in the Statement of Profit & Loss Account	18.46	8.70

BALANCE SHEET RECONCILIATION	2015-2016	2014-2015
Opening Net liability	(3.17)	11.74
Expense as above	18.46	8.71
Net Transfer In	0.33	1.65
Net Transfer Out	(0.08)	(0.09)
Employers contribution	(10.20)	(25.18)
Liability/(Asset) Recognised in Balance sheet	5.34	(3.17)

EXPERIENCE ADJUSTMENT	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Present Value of the Obligation	(56.14)	(36.27)	(25.01)	(20.21)	(13.91)
Fair Value of Plan Assets	50.80	39.44	13.27	12.25	12.67
(Surplus) or Deficit	(5.34)	3.17	(11.74)	(7.96)	(1.24)
Actuarial (Gains)/ Losses on Obligations - Due to Experience	18.53	5.78	2.96	0.87	1.53
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	1.17	(0.02)	0.05	(1.09)	0.11

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 ₹5.34 millions in F.Y 2016-2017

**Defined Contribution Plans:

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Contribution to Provident and other Fund *	26.03	17.90

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

NOTE 25. OTHER EXPENSES:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Advertisement Expenses	42.59	97.97
Books and Periodicals	-	0.16
Exchange and Statutory Charges	0.14	0.11
Marketing and Commission Expenses	373.91	591.62
Direct Operating Expenses	102.62	84.30
Bank Charges	0.15	0.07
Communication Expenses	11.34	10.03

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

PARTICULARS	2015-2016	2014-2015
Donation	35.36	7.96
Electricity Expenses	9.52	7.23
Legal and Professional Charges	106.60	34.93
Corporate social responsibility(CSR) expenses (Refer Note38)	12.76	3.90
Office Expenses	30.07	18.51
Meeting, Seminar & subscription	42.17	29.38
Postage and Courier Expenses	3.78	3.85
Printing and Stationery	9.51	7.64
Provision for doubtful debts and bad debts	4.37	0.84
Rent Expenses	105.95	69.92
Insurance charges	1.27	0.46
Rates and Taxes	3.24	0.69
Repairs and maintenance:	-	-
Computers	1.48	1.47
Others	2.53	2.09
Remuneration to Auditors	-	-
Statutory Audit	0.30	0.37
Certification work and other matters (excluding service tax input credit of ₹0.14 Millions (PY ₹0.00 Millions)	1.15	0.04
Out of Pocket Expenses	0.03	0.03
Software Charges	16.08	9.04
Commission & sitting fees to non executive directors	2.07	1.24
(Profit)/Loss on Sale of Assets	-	0.00##
Travelling and Conveyance	175.56	139.71
Provision for Diminution in Value of Assets/ Investments	14.67	3.88
Total	1,109.22	1,127.44

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

Represents value less than ₹10,000

NOTE 26. FINANCE COST:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Interest on intercorporate deposits	165.11	115.04
Other borrowing cost	0.02	0.04
Total	165.13	115.08

NOTE 27. DEPRECIATION:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Depreciation on Tangible Assets (Refer Note - 11)	19.22	7.53
Amortisation of Intangible Assets (Refer Note - 12)	10.21	2.80
Total	29.43	10.33

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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.

PARTICULARS		2015-2016	2014-2015
BASIC EPS			
Profit after tax as per Statement of Profit and Loss(₹ in Millions)	A	1,034.06	991.75
Weighted Average Number of Shares Subscribed	B	58,860,782	57,425,777
Face Value of Equity Shares (₹) fully paid		2.00	2.00
Basic EPS (₹)	A/B	17.57	17.27
DILUTED EPS			
Profit after tax as per Statement of Profit and Loss (₹ in Millions)	A	1,034.06	991.75
Weighted Average Number of Shares		58,860,782	57,425,777
Add : Potential Equity Shares on account of conversion of Employee Stock Option		7,557,525	591,580
Weighted Average Number of Shares Outstanding	B	66,418,307	58,017,357
Diluted EPS (₹)	A/B	15.57	17.09

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 ₹64.61 millions (Previous year ₹6.30 millions)

NOTE 31.

The Company does not have any contingent liability not provided for, as on the balance sheet date of preparing financial statement.

NOTE 32.

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

NOTE 33.

The Company has implemented 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.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

(A) THE DETAILS OF VARIOUS EMPLOYEE STOCK OPTION SCHEMES ARE AS UNDER:

PARTICULARS	ESOP 2012	ESOP 2015
No. of options as on March 31, 2016	591,530	6,965,945
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 Dates	March 28, 2012, August 29, 2013, Jun 03, 2014	July 2, 2015
Grant Price (₹ Per Share)	₹10.00, ₹16.00 and ₹19.00	₹282.00
Book Value on the date of Grant of Option (₹ Per Share)	₹10.00, ₹16.00 and ₹19.00	₹282.00

MOVEMENT OF OPTIONS GRANTED:

PARTICULARS	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	591,580	-
Granted during the year	-	6,965,945
Exercised during the year	-	-
Lapsed during the year *	50	-
Options outstanding at the end of the year	591,530	6,965,945

*This can be re-issued again in future years

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 by Companies (Accounting Standard) Rules, 2006. 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.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 35. RELATED PARTY DISCLOSURES.

Related party disclosures for the year ended March 31, 2016

A) LIST OF RELATED PARTIES:

NATURE OF RELATIONSHIP	NAME OF PARTY
Holding Company	IIFL Holdings Limited (Formerly India Infoline Limited)
Subsidiary Companies	IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited) IIFL Investment Advisers and Trustee Services Limited (Formerly IIFL Trustee Services Limited) IIFL Alternate Asset Advisors Limited IIFL Asset Management Limited (Formerly India Infoline Asset Management Company Limited) IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited) India Alternatives Advisors Private Limited IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) IIFL (Asia) Pte Limited IIFL Inc IIFL Private Wealth Management (Dubai) Limited IIFL Private Wealth (Mauritius) Limited IIFL Private Wealth (Suisse) SA IIFL Private Wealth Hong Kong Limited IIFL Securities Pte Limited IIFL Capital Pte Limited
Fellow Subsidiaries	India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Housing Finance Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Facilities Ltd (Formerly IIFL Realty Limited) IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Private Limited) IIFL Asset Reconstruction Limited
Key Managerial Personnel	Karan Bhagat -Managing Director Yatin Shah-Whole Time Director Amit Shah-Non Executive Director
Other Related Parties	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

B) SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(₹ in Millions)

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Investment						
IIFL Holdings Limited	-	-	-	-	-	-
	(446.28)	-	-	-	-	(446.28)
IIFL Asset Management Limited	-	-	-	-	-	-
	-	(340.00)	-	-	-	(340.00)
IIFL Investment Adviser and Trustee Services Limited	-	350.00	-	-	-	350.00
	-	-	-	-	-	-
India Alternatives Investment Advisors Pvt. Ltd	-	35.00	-	-	-	35.00
	-	-	-	-	-	-
IIFL Wealth Finance Limited	-	9,000.00	-	-	-	9,000.00
	-	-	-	-	-	-
Purchase of inventories (Net)						
IIFL Alternate Asset Advisors Limited	-	1,464.16	-	-	-	1,464.16
	-	-	-	-	-	-
India Infoline Limited	-	-	-	-	-	-
	-	-	(53.86)	-	-	(53.86)
India Infoline Finance Limited	-	-	850.06	-	-	850.06
	-	-	(3,941.21)	-	-	(3,941.21)
IIFL Asset Management Limited	-	0.08	-	-	-	0.08
	-	-	-	-	-	-
Sale of inventories (Net)						
India Infoline Finance Limited	-	-	67.53	-	-	67.53
	-	-	(1,162.76)	-	-	(1,162.76)
India Infoline Housing Finance Limited	-	-	-	-	-	-
	-	-	(50.25)	-	-	(50.25)
IIFL Alternate Asset Advisors Limited	-	1,794.89	-	-	-	1,794.89
	-	-	-	-	-	-
India Infoline Media Research Services Limited	-	-	702.50	-	-	702.50
	-	-	-	-	-	-
Commission Income						
IIFL Asset Management Limited	-	0.00##	-	-	-	0.00##
	-	(0.00)##	-	-	-	(0.00)##
Dividend Income						
IIFL Private Wealth (Mauritius) Limited	-	178.48	-	-	-	178.48
	-	-	-	-	-	-
India Infoline Limited	-	-	0.00##	-	-	0.00##
	-	-	-	-	-	-

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Brokerage - Authorised Person/ Brokerage - Fixed Deposit/ Arranger Fees Income/ Management Fees Income						
India Infoline Limited	-	-	354.87	-	-	354.87
	-	-	(338.28)	-	-	(338.28)
India Infoline Housing Finance Limited	-	-	8.94	-	-	8.94
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	2.72	-	-	2.72
	-	-	(0.96)	-	-	(0.96)
India Infoline Finance Limited	-	-	3.42	-	-	3.42
	-	-	-	-	-	-
IIFL Asset Management Limited	-	61.24	-	-	-	61.24
	-	(72.57)	-	-	-	(72.57)
Interest Income on ICD						
India Infoline Finance Limited	-	-	7.27	-	-	7.27
	-	-	(4.30)	-	-	(4.30)
IIFL Alternate Asset Advisors Limited	-	39.17	-	-	-	39.17
	-	(5.21)	-	-	-	(5.21)
IIFL Investment Adviser and Trustee Services Limited	-	5.29	-	-	-	5.29
	-	(1.57)	-	-	-	(1.57)
India Alternatives Investment Advisors Pvt. Ltd	-	1.28	-	-	-	1.28
	-	(2.71)	-	-	-	(2.71)
IIFL Trustee Limited	-	0.00##	-	-	-	0.00##
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	0.05	-	-	0.05
	-	-	-	-	-	-
India Infoline Media & Research Services Ltd	-	-	1.87	-	-	1.87
	-	-	-	-	-	-
Interest Expense on ICD						
IIFL Distribution Services Limited	-	0.51	-	-	-	0.51
	-	(3.45)	-	-	-	(3.45)
IIFL Asset Management Limited	-	8.20	-	-	-	8.20
	-	(16.57)	-	-	-	(16.57)
India Infoline Commodities Limited	-	-	-	-	-	-
	-	-	(0.11)	-	-	(0.11)
India Infoline Finance Limited	-	-	0.78	-	-	0.78
	-	-	(7.74)	-	-	(7.74)
India Infoline Limited	-	-	-	-	-	-
	-	-	(2.03)	-	-	(2.03)
IIFL Holdings Limited	-	-	-	-	-	-
	(1.56)	-	-	-	-	(1.56)

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Referral Expenses						
India Infoline Finance Limited	-	-	226.07	-	-	226.07
	-	-	(42.58)	-	-	(42.58)
IIFL Facilities Services Limited	-	-	15.00	-	-	15.00
	-	-	-	-	-	-
Manpower Outsourcing Expenses						
IIFL Distribution Services Limited	-	78.11	-	-	-	78.11
	-	(67.58)	-	-	-	(67.58)
Rent Expenses						
IIFL Facilities Services Limited	-	-	90.65	-	-	90.65
	-	-	(61.86)	-	-	(61.86)
Advisory Fee Expense						
IIFL Investment Adviser and Trustee Services Limited	-	24.00	-	-	-	24.00
	-	-	-	-	-	-
Guest House Expense						
IIFL Properties Private Limited	-	-	0.16	-	-	0.16
	-	-	-	-	-	-
Remuneration						
Karan Bhagat	-	-	-	-	37.86	37.86
	-	-	-	-	(42.50)	(42.50)
Yatin Shah	-	-	-	-	29.67	29.67
	-	-	-	-	(36.16)	(36.16)
Dividend Paid						
IIFL Holdings Limited	270.00	-	-	-	-	270.00
	(202.50)	-	-	-	-	(202.50)
Karan Bhagat	-	-	-	-	17.76	17.76
	-	-	-	-	(13.32)	(13.32)
Yatin Shah	-	-	-	-	17.76	17.76
	-	-	-	-	(13.32)	(13.32)
Amit Shah	-	-	-	-	14.21	14.21
	-	-	-	-	(10.66)	(10.66)
Other funds received						
India Infoline Limited		-	0.23	-	-	0.23
		-	(0.00)##	-	-	(0.00)##
IIFL Investment Adviser and Trustee Services Limited	-	0.72	-	-	-	0.72
	-	(0.31)	-	-	-	(0.31)
IIFL Alternate Asset Advisors Limited	-	2.54	-	-	-	2.54
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	5.71	-	-	-	5.71
	-	(8.28)	-	-	-	(8.28)

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
India Alternatives Investment Advisors Pvt. Ltd	-	0.72	-	-	-	0.72
	-	(0.34)	-	-	-	(0.34)
IIFL Asset Management Limited	-	1.75	-	-	-	1.75
	-	(0.82)	-	-	-	(0.82)
IIFL Wealth Finance Limited	-	0.02	-	-	-	0.02
	-	-	-	-	-	-
Other funds paid						
India Infoline Limited	-	-	2.78	-	-	2.78
	-	-	(0.01)	-	-	(0.01)
IIFL Holdings Limited	0.57	-	-	-	-	0.57
	(16.33)	-	-	-	-	(16.33)
India Infoline Finance Limited	-	-	0.01	-	-	0.01
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	0.82	-	-	-	0.82
	-	(0.10)	-	-	-	(0.10)
IIFL Asset Management Limited	-	-	-	-	-	-
	-	(0.05)	-	-	-	(0.05)
IIFL Distribution Services Limited	-	0.27	-	-	-	0.27
	-	(1.51)	-	-	-	(1.51)
India Infoline Media & Research Services Limited	-	-	-	-	-	-
	-	-	(3.05)	-	-	(3.05)
ICD Given						
IIFL Investment Adviser and Trustee Services Limited	-	358.61	-	-	-	358.61
	-	(16.80)	-	-	-	(16.80)
IIFL Alternate Asset Advisors Limited	-	4,782.75	-	-	-	4,782.75
	-	(26.91)	-	-	-	(26.91)
India Infoline Finance Limited	-	-	2,750.00	-	-	2,750.00
	-	-	(1,467.58)	-	-	(1,467.58)
India Alternatives Investment Advisors Pvt Ltd	-	35.00	-	-	-	35.00
	-	(57.80)	-	-	-	(57.80)
IIFL Trustee Limited	-	0.05	-	-	-	0.05
	-	-	-	-	-	-
India Infoline Media & Research Services Limited	-	-	270.00	-	-	270.00
	-	-	-	-	-	-
India Infoline Limited	-	-	-	-	-	-
	-	-	(250.00)	-	-	(250.00)
IIFL Facilities Services Limited	-	-	150.00	-	-	150.00
	-	-	-	-	-	-

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
ICD Received back						
IIFL Investment Adviser and Trustee Services Limited	-	378.79	-	-	-	378.79
	-	(1.60)	-	-	-	(1.60)
IIFL Alternate Asset Advisors Limited	-	4,818.21	-	-	-	4,818.21
	-	(25.80)	-	-	-	(25.80)
India Alternatives Investment Advisors Pvt Ltd	-	92.80	-	-	-	92.80
	-	-	-	-	-	-
IIFL Trustee Limited	-	0.05	-	-	-	0.05
	-	-	-	-	-	-
India Infoline Media & Research Services Limited	-	-	270.00	-	-	270.00
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	150.00	-	-	150.00
	-	-	-	-	-	-
India Infoline Finance Limited	-	-	2,750.00	-	-	2,750.00
	-	-	(1,467.58)	-	-	(1,467.58)
India Infoline Limited	-	-	-	-	-	-
	-	-	(250.00)	-	-	(250.00)
ICD taken						
IIFL Distribution Services Limited	-	-	-	-	-	-
	-	(15.50)	-	-	-	(15.50)
IIFL Asset Management Limited	-	7.50	-	-	-	7.50
	-	(220.00)	-	-	-	(220.00)
India Infoline Commodities Limited	-	-	-	-	-	-
	-	-	(50.00)	-	-	(50.00)
India Infoline Finance Limited	-	-	490.00	-	-	490.00
	-	-	(2,543.42)	-	-	(2,543.42)
India Infoline Limited	-	-	-	-	-	-
	-	-	(450.00)	-	-	(450.00)
IIFL Holdings Limited	-	-	-	-	-	-
	(1,000.00)	-	-	-	-	(1,000.00)
ICD Repaid						
IIFL Distribution Services Limited	-	20.22	-	-	-	20.22
	-	(31.42)	-	-	-	(31.42)
IIFL Asset Management Limited	-	341.70	-	-	-	341.70
	-	-	-	-	-	-
India Infoline Commodities Limited	-	-	-	-	-	-
	-	-	(50.00)	-	-	(50.00)
IIFL Holdings Limited	-	-	-	-	-	-
	(1,000.00)	-	-	-	-	(1,000.00)
India Infoline Finance Limited	-	-	490.00	-	-	490.00
	-	-	(2,543.42)	-	-	(2,543.42)
India Infoline Limited	-	-	-	-	-	-
	-	-	(450.00)	-	-	(450.00)

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Allocation / Reimbursement of expenses Paid						
India Infoline Limited	-	-	62.95	-	-	62.95
	-	-	(61.59)	-	-	(61.59)
Allocation / Reimbursement of expenses Received						
IIFL Asset Management Limited	-	36.29	-	-	-	36.29
	-	(28.49)	-	-	-	(28.49)
IIFL Investment Adviser and Trustee Services Limited	-	8.66	-	-	-	8.66
	-	(7.12)	-	-	-	(7.12)
IIFL Alternate Asset Advisors Limited	-	9.86	-	-	-	9.86
	-	(0.67)	-	-	-	(0.67)
IIFL Distribution Services Limited	-	10.12	-	-	-	10.12
	-	(7.12)	-	-	-	(7.12)
IIFL Wealth Finance Limited	-	2.27	-	-	-	2.27
	-	-	-	-	-	-
India Alternatives Investment Advisors Pvt Ltd	-	5.15	-	-	-	5.15
	-	(4.25)	-	-	-	(4.25)

C) AMOUNT DUE TO / FROM RELATED PARTIES (CLOSING BALANCES):

(₹ in Millions)

NATURE OF TRANSACTION	HOLDING COMPANY	SUBSIDIARY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGEMENT PERSONNEL	TOTAL
ICD Taken						
IIFL Distribution Services Ltd	-	-	-	-	-	-
	-	(25.96)	-	-	-	(25.96)
IIFL Asset Management Limited	-	-	-	-	-	-
	-	(349.28)	-	-	-	(349.28)
Sundry payables						
India Infoline Commodities (DMCC)	-	-	-	-	-	-
	-	-	-	(0.54)	-	(0.54)
IIFL Alternate Asset Advisors Limited	-	-	-	-	-	-
	-	(40.28)	-	-	-	(40.28)
India Alternatives Investment Advisors Pvt Ltd	-	-	-	-	-	-
	-	(60.24)	-	-	-	(60.24)
IIFL Investment Adviser and Trustee Services Limited	-	-	-	-	-	-
	-	(21.76)	-	-	-	(21.76)
Sundry receivables						
IIFL Capital Limited	-	-	-	-	-	-
	-	-	(1.56)	-	-	(1.56)
India Infoline Commodities Limited	-	-	-	-	-	-
	-	-	(0.43)	-	-	(0.43)
India Infoline Limited	-	-	28.38	-	-	28.38
	-	-	(75.04)	-	-	(75.04)

Represents value less than ₹10,000

Note :

- I Figures in bracket represents previous year figures.
 - II Related parties are identified and certified by the management.
- IIFL Wealth Management Ltd.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 36. EARNINGS AND EXPENSES IN FOREIGN CURRENCY:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Earnings in Foreign Currency		
Advisory fees	-	0.86
Dividend Income	178.48	-
Total	178.48	0.86
Expenses in Foreign Currency		
Advertisement Expense	0.50	1.22
Legal and professional Charges	1.54	0.46
Marketing and commission Expense	4.80	1.85
Meeting Seminar & subscription	4.47	0.66
Office Expense	1.08	0.42
Travelling and Conveyance Expense	1.56	1.04
Total	13.96	5.65

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, 2016, are as under:

(₹ in Millions)

MINIMUM LEASE RENTALS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Up to one year	168.54	107.88
One to five years	299.04	124.06
Over five years	0.58	NIL

NOTE 38. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2015-16, the Company could spend ₹12.76 millions /-(P.Y ₹3.90 millions) out of the total amount of ₹14.14 millions (P.Y ₹8.49 millions) 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 there is a small portion thereof i.e. ₹1.39 millions 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 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. 35. 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 10% to 12.5% p.a), for the purpose of meeting working capital and business requirements.

STANDALONE FINANCIAL OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 40.

Previous figures are regrouped, reclassified and 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)

R. VENKATARAMAN
Director
(DIN: 00011919)

Place : Mumbai
Date: May 5, 2016

PANKAJ FITKARIWALA
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 31st March, 2016, 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, as applicable. 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. While conducting the 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 paragraph of 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, 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 31st March, 2016, 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 ₹926.40 Million as at 31st March, 2016 total revenues of ₹1,154.91 Million and net cash flows amounting to ₹445.22 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by 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 is based solely on the reports of the other auditors.

The audit of financial statements of the Company for the year ended 31 March, 2015 was carried out by the previous auditors of the Company.

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, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of

the Holding Company and the reports of its subsidiary Companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2016 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 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 internal financial controls over financial reporting of the Holding Company and the subsidiary Companies which are 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, 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) The Group did not have any material foreseeable losses 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.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Pallavi A. Gorakshakar

Partner

(Membership No. 105035)

MUMBAI, 05th May, 2016
PG/SB/2015-16

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of IIFL Wealth Management Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of 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 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. 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 subsidiary Companies which are Companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note 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 internal financial controls system over financial reporting of the Holding Company and 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, 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, 2016, based on the Guidance Note.

For DELOITTE HASKINS & SELLS LLP

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

Pallavi A. Gorakshakar

Partner
(Membership No. 105035)

MUMBAI, 05th May, 2016
PG/SB/2015-16

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS		NOTE NO.	AS AT MAR 31, 2016	AS AT MAR 31, 2015
(₹ in Millions)				
EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a)	Share Capital	3	147.92	117.24
(b)	Reserves and Surplus	4	12,144.72	1,803.98
(c)	Money received against share warrants		0.09	-
Sub total			12,292.73	1,921.22
(2) Share application money pending allotment				
			-	-
(3) Non Current Liabilities				
(a)	Long-term borrowings	5	516.34	516.70
(b)	Deferred Tax Liability		-	-
(c)	Other Long-term liabilities	6	73.84	10.06
(d)	Long-term provisions	7	16.54	9.91
Sub total			606.72	536.67
(4) Current liabilities				
(a)	Short-term borrowings	8	910.05	1,499.08
(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		248.18	352.17
(c)	Other current liabilities	10	66.39	99.79
(d)	Short-term provisions	11	571.22	659.11
Sub total			1,795.84	2,610.15
TOTAL			14,695.29	5,068.04
ASSETS				
(1) Non-current assets				
(a)	Fixed assets			
	(i) Tangible Assets	12	91.16	52.66
	(ii) Intangible Assets	13	34.34	20.25
	(iii) Capital Work-in-Progress		15.42	2.77
	(iv) Goodwill on Consolidation (Refer Note no 39)		339.60	333.38
	(v) Intangible Assets under Development		-	-
Sub total			480.52	409.06
(b)	Non-current investments	14	396.21	242.55
(c)	Deferred Tax Asset	15	51.04	132.35
(d)	Long-term loans & advances	16	125.39	85.98
(e)	Other non-current assets		-	-
Sub total			572.64	460.88
(2) Current assets				
(a)	Current investments	17	9,462.04	233.17
(b)	Inventories	18	-	2,138.25
(c)	Trade receivables	19	867.31	581.17
(d)	Cash and Cash Equivalent	20	2,199.96	1,132.79
(e)	Short-term loans & advances	21	1,111.05	109.31
(f)	Other current assets	22	1.76	3.41
Sub total			13,642.13	4,198.10
TOTAL			14,695.29	5,068.04
See accompanying notes forming part of the financial statements		1-45		

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

PALLAVI A. GORAKSHAKAR
Partner

Place : Mumbai
Date: May 5, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT
Managing Director
(DIN: 03247753)

PANKAJ FITKARIWALA
Chief Financial Officer

R. VENKATARAMAN
Director
(DIN: 00011919)

ASHUTOSH NAIK
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	NOTE NO.	2015-2016	2014-2015
(₹ in Millions)			
INCOME :			
Revenue from Operations	23	5,648.87	4,518.18
Other Income	24	259.87	55.06
Total Revenue		5,908.74	4,573.24
EXPENSES :			
Employee Benefit Expenses	25	1,769.74	1,257.10
Other expenses	26	1,632.85	1,562.72
Finance Charges	27	209.03	97.86
Depreciation & Amortisation	28	33.57	13.61
Total Expenditure		3,645.19	2,931.29
Profit before tax		2,263.55	1,641.95
Tax expenses :			
Current tax		466.13	609.30
Deferred tax expenses		82.47	(80.48)
MAT Credit entitlement		(2.02)	9.15
Short / (excess) provision for income tax		23.12	(11.45)
Total Tax Expenses		569.70	526.52
Profit for the year		1,693.85	1,115.43
Earning Per Share- Basic (in ₹)	29	28.78	19.42
Earning Per Share- Diluted (in ₹)	29	25.50	19.23
Face Value Per Share (in ₹)		2.00	2.00
See accompanying notes forming part of the financial statements	1-45		

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

PALLAVI A. GORAKSHAKAR
Partner

Place : Mumbai
Date : May 5, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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(DIN: 00011919)

ASHUTOSH NAIK
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	2015-2016	2014-2015 (₹ in Millions)
A. Cash flows from operating activities		
Net profit before taxation and extraordinary item	2,263.55	1,641.95
Adjustments for:		-
Depreciation	33.57	13.61
Provisions for Gratuity	15.68	12.20
Provisions for Leave Encashment	5.27	2.56
Interest Income	(13.18)	(30.27)
Interest expenses	209.03	97.65
Loss on Sale of Fixed Assets	-	(0.00)
Dividend Income from current investments	(115.76)	(1.55)
Dividend Income from non-current investments	-	-
Profit on sale of current investments	(68.21)	(19.83)
Profit on sale of non-current investments	(62.44)	-
Operating profit before working capital changes	2,267.51	1,716.32
Changes in working Capital :		
(Increase)/ Decrease in Current/Non Current Assets	1,907.81	(1,778.39)
Increase/ (Decrease) in Current/Non Current Liabilities	(13.53)	559.60
Cash generated from operations	4,161.79	497.53
Cash flow before extraordinary item	4,161.79	497.53
Net income tax(paid) / refunds	(761.64)	(607.00)
Net cash from operating activities (A)	3,400.15	(109.47)
B. Cash flows from investing activities		
(Purchase) /Sale of Investments	(9,251.87)	(221.28)
Dividend Income	115.76	1.55
Interest Received	14.83	30.27
Fixed Deposit placed	(10.00)	(10.00)
Loans	(1,007.73)	-
Sale / (Purchase) of fixed assets (includes intangible assets)	(98.47)	(60.32)
Net cash from investing activities (B)	(10,237.48)	(259.78)
C. Cash flows from financing activities		
Issuance of Share Capital	30.68	2.39
Securities Premium including share warrants	8,990.71	16.24
Issuance of share warrants	0.09	-
Goodwill	(6.22)	(216.51)
Short Term Borrowings - Borrowed	6,711.19	1,523.43
Short Term Borrowings - Repaid	(7,300.22)	-
Long Term Borrowings - Borrowed	5.36	521.15
Long Term Borrowings - Repaid	(4.40)	(0.96)
Interest Paid	(145.25)	(97.65)
Dividend Paid (including Dividend Distribution Tax)	(387.44)	(302.32)
Net cash used in financing activities (C)	7,894.50	1,445.78
Net increase in cash and cash equivalents (A+B+C)	1,057.17	1,076.53
Opening Cash & cash equivalents	1,122.79	46.26
Closing Cash & cash equivalents	2,179.96	1,122.79
Reconciliation of Cash & cash equivalents with the Balance Sheet:		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	2,179.96	1,122.79
Add: In Fixed deposits with maturity more than 3 months	20.00	10.00
Cash & cash equivalents (as per Note 20)	2,199.96	1,132.79
See accompanying notes forming part of the standalone financial statements Note No. 1-45		

In terms of our report attached
FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants

PALLAVI A. GORAKSHAKAR
Partner

Place : Mumbai
Date: May 5, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT
Managing Director
(DIN: 03247753)

R. VENKATARAMAN
Director
(DIN: 00011919)

PANKAJ FITKARIWALA
Chief Financial Officer

ASHUTOSH NAIK
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 (Formerly known as IIFL Distribution Services Private Limited), IIFL Investment Advisers and Trustee Services Limited, IIFL Alternate Asset Advisors Limited, IIFL Asset Management Limited (Formerly known as India Infoline Asset Management Co Ltd), IIFL Trustee Limited (Formerly known as India Infoline Trustee Company Limited), India Alternative Investment Advisors Pvt. Ltd, IIFL Wealth Finance Ltd (Formerly Chephis Capital Markets 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 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, 2016 and Statement of Profit and Loss for the year ended March 31, 2016 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, 2016.
- 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

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 38

2.2 USE OF ESTIMATES:

The presentation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial

statements are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

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.

2.4 INVESTMENTS:

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

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 INVENTORIES:

Closing stock is valued at cost or market value whichever is lower. Cost is computed on FIFO basis. The comparison of Cost and Market value for arbitrage portfolio is done separately for each scrip.

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 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. Current income-tax is measured at the amount

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Income Tax

Provision for current tax is computed based on estimated tax liability computed after adjusting for allowance, disallowance and exemptions in accordance with the applicable tax laws.

Deferred Tax

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

Minimum Alternate Tax (MAT)

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

2.10 REVENUE RECOGNITION:

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

measured. 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 is recognized on accrual basis in accordance with the terms agreed with the counter party.
- Manpower services/ Advisory/ Trustee fees are accounted on accrual basis.

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 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.

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

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 Accountants 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 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.

2.20 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.

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

2.21 BORROWING COSTS:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.22 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.

2.23 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 Millions)

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBERS	AMOUNT	NUMBERS	AMOUNT
Authorised :				
85,000,000 Equity Shares (P.Y. 70,000,000 Equity Shares) of ₹2/- each with voting rights		170.00		140.00
Issued, Subscribed and Paid Up:				
73,958,658 (P.Y. 58,618,620 equity shares of ₹2/- each) Equity Shares of ₹2/- each fully paid-up with Voting Rights		147.92		117.24
Total		147.92		117.24

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

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBERS	AMOUNT	NUMBERS	AMOUNT
At the beginning of the year	58,618,620	117.24	57,422,500	114.85
Add: Issued during the period	15,340,038	30.68	1,196,120	2.39
Less: Equity Shares bought back	-	-	-	-
Outstanding at the End of the year	73,958,658	147.92	58,618,620	117.24

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

(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 company declares and pays dividend in Indian Rupees. During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹6 (Previous Year ₹4.5).

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, 2016		AS AT MARCH 31, 2015	
	NUMBERS	% HOLDING	NUMBERS	% HOLDING
IIFL Holdings Limited	45,000,000	60.84%	45,000,000	76.77%

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

PARTICULARS	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBERS	% HOLDING	NUMBERS	% HOLDING
IIFL Holdings Limited	45,000,000	60.84%	45,000,000	76.77%
General Atlantic Singapore Fund Pte Ltd	17,257,531	23.33%	-	-
Karan Bhagat	-	-	2,960,526	5.05%
Yatin Shah	-	-	2,960,526	5.05%

(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. 34

(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 Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Securities Premium Account		
Opening Balance	209.46	193.22
Premium on shares issued during the year	9,006.95	16.24
Utilised During The Year*	(16.23)	-
Closing Balance	9,200.18	209.46
Debenture Redemption Reserve		
Opening Balance	5.95	-
Addition During the year**	38.90	5.95
Closing Balance	44.85	5.95
Special Reserve		
Opening Balance	-	-

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Addition During The Year	3.48	-
Utilised During The Year	-	-
Closing Balance	3.48	-
Foreign Exchange Fluctuation Reserve		
Opening Balance	(2.81)	-
Add / (Less) Effect of foreign exchange rate variations during the year	43.61	(2.81)
Closing Balance	40.80	(2.81)
Minority Interest		
Opening Balance: As per last Financial Statement	-	-
Addition on account of acquisition of India Alternatives Investment Adviser Pvt. Ltd.	-	3.71
Loss allocated to Minority to the extent absorbable	-	3.71
Closing Balance	-	-
Surplus in the Statement of Profit & Loss		
Opening Balance: As per last Financial Statement	1,520.38	709.51
Addition: Profit during the year	1,693.85	1,115.43
Less: Appropriations		
Interim Dividend Paid	351.64	258.40
Dividend Distribution Tax	35.80	43.92
Minority Interest (Loss)	-	(3.71)
Special Reserve	3.48	-
General Reserve		
Debenture Redemption Reserve	38.90	5.95
Adjustment of Acquisition	-	-
Closing Balance	2,784.41	1,520.38
General Reserve		
Opening Balance	71.00	71.00
Add : Transfer from Reserve & Surplus	-	-
Closing Balance	71.00	71.00
Total	12,144.72	1,803.98

* 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 was required to create debenture redemption reserve of a value equivalent to 25% of the debentures issued. Accordingly, ₹38.90 Millions (P.Y ₹5.95 Millions) has been transferred to debenture redemption reserve account for the financial year ended March 31, 2016.

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 5. LONG-TERM BORROWINGS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Non Convertible Debentures, 500 units of Face Value ₹1 million Each Redeemable on April 25, 2018 @ ₹1.41 Millions with effective IRR of 11.25% (Refer Note 5.1)	500.00	500.00
Vehicle Loan (Refer Note 5.2)	16.34	16.70
Total	516.34	516.70

Note

- 5.1 The above Debentures are secured by way of first pari passu charge over the current assets in the form of receivables and inventory. The Company has 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.
- 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 Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Deposits (Beneficiary)	0.30	0.30
Interest accrued but not due	73.54	9.76
Total	73.84	10.06

NOTE 7. LONG TERM PROVISIONS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Provision for employee benefits:		
- Provision for Gratuity (Refer Note 25)	16.54	9.91
Total	16.54	9.91

NOTE 8. SHORT TERM BORROWINGS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Unsecured Loans		
- Book overdraft*	22.32	23.43
- Commercial Paper	887.73	1,475.65
Total	910.05	1,499.08

*includes cheques in hand of ₹17.04 Millions/- (P.Y ₹2.11 Millions)

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 9: TRADE PAYABLES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Total outstanding dues of micro enterprises and small enterprises- Refer note below	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	75.96	48.65
Accrued Salaries & Benefits	20.34	17.52
Provision for expenses	151.88	286.00
Total	248.18	352.17

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.

NOTE 10: OTHER CURRENT LIABILITIES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Current maturities of long term loans (Refer Note 5.2)	4.81	3.49
Contractually reimbursable expenses	0.01	0.23
Statutory Liabilities Payable	42.50	67.84
Income received in advance	18.17	15.60
Advances from Customer	-	12.00
Payable to Group Companies (Refer Note 36)	0.90	0.63
Total	66.39	99.79

NOTE 11. SHORT TERM PROVISIONS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
(a) Provision for employee benefits:		
- Provision for Compensated Absences	17.77	12.50
- Provision for Gratuity (Refer Note 25)	6.39	(2.66)
- Bonus Payable	525.00	398.98
(b) Others:		
- Provision for Standard Assets	3.02	-
- Provision for Tax (Net of Advance Tax and TDS) ₹47.81 Millions (Previous Year ₹328.92 Millions)	19.04	250.29
Total	571.22	659.11

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 12. TANGIBLE ASSETS:

(₹ in Millions)

PARTICULARS	FURNITURE FIXTURE	VEHICLES**	OFFICE EQUIPMENT	AIR CONDITIONER	COMPUTERS	ELECTRICAL 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 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	8.44	5.84	1.46	0.33	4.74	1.45	22.26
Deductions/Adjustments during the year	(0.77)	-	(0.10)	-	(1.44)	-	(2.31)
Upto March 31, 2016	39.25	6.90	6.26	1.93	39.38	4.76	98.48
Net Block as at March 31, 2016	36.81	22.50	4.28	0.84	22.32	4.41	91.16
Net Block as at March 31, 2015	21.66	22.26	1.50	0.55	5.45	1.24	52.66

TANGIBLE ASSETS (PREVIOUS YEAR):

(₹ in Millions)

PARTICULARS	FURNITURE FIXTURE	VEHICLES**	OFFICE EQUIPMENT	AIR CONDITIONER	COMPUTERS	ELECTRICAL EQUIPMENT	TOTAL
Gross Block as at April 01, 2014	23.62	-	3.53	2.15	15.33	3.86	48.49
Addition on account of acquisition of subsidiary	14.50	-	1.59	-	18.46	-	34.55
Additions	13.93	23.32	1.08	-	4.86	0.69	43.88
Deductions/ Adjustments during the year	0.35	-	-	-	-	-	0.35
As at March 31, 2015	51.70	23.32	6.20	2.15	38.65	4.55	126.57
Depreciation							
Upto April 01, 2014	16.14	-	2.68	1.18	13.14	2.53	35.67
Addition on account of acquisition of subsidiary	8.88	-	1.21	-	17.85	-	27.94
Depreciation	5.24	1.06	0.81	0.42	2.21	0.78	10.52
Deductions/ Adjustments during the year	0.22	-	-	-	-	-	0.22
Upto March 31, 2015	30.04	1.06	4.70	1.60	33.20	3.31	73.91
Net Block as at March 31, 2015	21.66	22.26	1.50	0.55	5.45	1.24	52.66
Net Block as at March 31, 2014	7.48	-	0.85	0.97	2.19	1.33	12.82

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

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 13. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED):

(₹ in Millions)

Particulars	Total
Software/Intangible assets	
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
Net Block as at March 31, 2016	34.34
Net Block as at March 31, 2015	20.25

INTANGIBLE ASSETS OTHER THAN INTERNALLY GENERATED (PREVIOUS YEAR):

(₹ in Millions)

Particulars	Total
Software/Intangible assets	
Gross Block as at April 01, 2014	2.32
Addition on account of acquisition of subsidiary	0.08
Additions	23.32
Deductions / Adjustments during the year	-
As at March 31, 2015	25.72
Amortisation	
As at April 1, 2014	2.32
Addition on account of acquisition of subsidiary	0.06
Amortisation for the year	3.09
Deductions / Adjustments during the year	-
Up to March 31, 2015	5.47
Net Block as at March 31, 2015	20.25
Net Block as at March 31, 2014	-

Note: Capital Work in Progress ₹15.42 Millions/- P.Y ₹2.77 Millions/- pertains to assets not yet capitalized.

NOTE 14. NON CURRENT INVESTMENTS (AT COST):

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS
Unquoted: Trade Investments:						
Investment in equity shares of Group Company						
India Infoline Limited	10	20	0.00##	10	20	0.00##
Sub Total			0.00			0.00

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS
Investment in Equity :						
Fineworthy Software Solutions Ltd.	10	10,000	0.10	10	10,000	0.10
MF Utilities India Pvt. Ltd.	1	500,000	0.50	1	500,000	0.50
Sub Total			0.60			0.60
Investment in others (VCFs/AIFs/PEs):						
IIFL Asset Revival Fund (P.Y. NAV ₹18.9988)	-	-	-	10	9,481,291	100.00
IIFL Real Estate Fund (Domestic) Series 1 - Class B Units (NAV- ₹10.0000, P.Y. ₹10.0000)	10	230	0.00##	10	230	0.00##
IIFL National Development Agenda Fund - Class C Units (NAV- ₹10.7723, P.Y. ₹11.6705)	10	9,466.559	0.10	10	9,466.559	0.10
IIFL Asset Revival Fund - Class C Units	-	-	-	10	6,548	0.10
IIFL Income Opportunities Fund Series - Special Situation- Class C Units (NAV- ₹11.1491, P.Y. ₹10.3422)	10	2,477.357	0.03	10	2,477.357	0.03
Malabar Capital Trust	-	-	-	100	621,475.28	70.00
Blume Venture Capital Fund (NAV ₹20,755)	10,000.00	1,487.50	14.88	10,000	1,662.50	16.63
India Alternative Private Equity Fund	100	5,500	1.65	95.07	821,306	43.65
IIFL Cash Opportunities Fund (NAV- ₹10)	10	1,000	0.01	-	-	-
IIFL Seed Ventures Fund 1 (NAV ₹10.00)	10	37,500,000	37.50	-	-	-
IIFL Real Estate Fund Domestic Series 3 (NAV ₹10.00)	10	25,000,000	250.00	-	-	-
IIFL Investment Opportunities Fund- Spl. Series 1 (NAV- ₹10.0718)	10	7,978,614	80.00	-	-	-
Sub Total			384.17			230.51
Quoted: Non Traded Investment:						
Investment in Mutual Funds:						
IIFL Mutual Fund Dynamic Bond Fund-Direct Plan-Growth (NAV- ₹12.3137, P.Y. ₹11.5501)	10	563,624.612	6.12	10	563,624.612	6.12
IIFL India Growth Fund - Direct Plan- Growth (NAV- ₹10.3330, P.Y. ₹10.9191)	10	533,063.447	5.32	10	533,063.447	5.32
Sub Total			11.44			11.44
Grand Total			396.21			242.55
Aggregate cost of Quoted investments			11.44			11.44
Aggregate cost of Unquoted investments			384.77			231.11
Aggregate market value of Quoted investments			12.45			12.33

Represents value less than ₹10,000

NOTE 15. DEFERRED TAX (LIABILITY)/ ASSET:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
On Gratuity	5.67	1.56
On Long Term Capital Loss	-	0.05
On Preliminary Expenses	0.00##	0.00##
On Unpaid Provisions	25.09	81.58
On Business Loss	17.30	46.00
On Depreciation	0.23	3.16
On Provision for Standard Assets	2.75	-
Total	51.04	132.35

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 16. LONG TERM LOANS AND ADVANCES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Unsecured, Considered good		
Deposits Paid	44.75	37.30
Other Long Term Loans and Advances	1.60	0.73
Prepaid Expense	7.23	18.14
Sub Total	53.58	56.16
Advance Income Tax (Net of provision of tax ₹1,263.10 Millions, P.Y. ₹401.17 Millions)	69.79	29.82
MAT Credit	2.02	-
Total	125.39	85.98

NOTE 17. CURRENT INVESTMENTS (AT LOWER OF COST AND MARKET VALUE, UNLESS OTHERWISE STATED):

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS
Quoted, Non Traded Investment:						
Investment in Mutual Funds						
Franklin India Ultra Short Bond Fund-Super Institutional Plan (NAV- ₹20.3709)	10	499,560	0.01	-	-	-
Reliance Money Manager Fund (NAV- ₹2099.6963)	1,000	2,423	0.01	-	-	-
Sundaram Ultra Short term Fund-Direct Plan Growth (NAV- ₹20.9792)	10	242,567	0.01	-	-	-
ICICI Prudential Liquid Direct Plan Growth(NAV- ₹224.8328)	100	22,651	0.01	-	-	-
JP Morgan FMP SR 38 GR 29AP19(NAV- ₹11.9990)	10	100,000	1.09	-	-	-
Reliance Horizon Fund XXVI SR 21 GR 30MY17 (NAV- ₹11.9569)	10	100,000	1.11	-	-	-
HDFC Debt Fund for Cancer Cure (NAV- ₹10.3525)	10	500,000	5.50	-	-	-
IIFL Liquid Fund- Growth (NAV- ₹1204.8678 P.Y NAV - 1117.7024)	1,000	503,042,471	605.82	1,000	22,906,554	24.24
IIFL India Growth Fund (NAV- ₹10.333)	10	278,028	3.01	-	-	-
HDFC Floating rate Income Fund Short Term Plan(NAV- 26.1002)	10	38,313,883	1,000.00	-	-	-
Birla Sunlife Saving Fund - Weekly Dividend (P.Y. NAV - ₹100.2876)	-	-	-	100	132,939,512	13.32
Less: Provision for Diminution in value of investments			0.49			-
Sub Total			1,616.08			37.56
Unquoted, Non Traded Investment:						
Commercial Papers						
CP - IIFL Realty Limited	-	-	-	500,000	400	195.61
Sub Total			-			195.61

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

PARTICULARS	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS
Investment in Others						
IIFL Cash Opportunities Fund (NAV-₹10.6507)	10	725,875,823	7,692.36	-	-	-
IIFL Real Estate Fund (Domestic) Class B (NAV- ₹10)	10	58	0.00##	-	-	-
IIFL National Development Agenda Fund(NAV- ₹10.7699)	10	5,902,354	64.32	-	-	-
IIFL Best of Class Fund -1(NAV- ₹10)	10	5,000,000	49.68			
IIFL Best of Class Fund -2(NAV- ₹10)	10	5,000,000	49.38			
Arch Argo India Private Limited	10,000	2,936	23.17	-	-	-
Less: Provision for Diminution			32.95	-	-	-
Sub Total			7,845.96			-
Grand Total			9,462.04			233.17
Aggregate cost of Quoted investments			1,613.55			37.56
Aggregate cost of Unquoted investments			7,845.96			195.61
Aggregate market value of Quoted investments			1,614.29			38.93
Aggregate provision for diminution in the value of investments			33.44			-

Note:

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

Represents value less than ₹10,000

NOTE 18. INVENTORIES - (AT LOWER OF COST OR NET REALISABLE VALUE):

(₹ in Millions)

SCRIPT NAME	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS
Bonds & NCD						
Arch Agro Ind Pvt Ltd	-	-	-	10,000	1,797	15.36
8.91% IIFCL BD 22JN34	-	-	-	1,000	2,000	2.30
8.65% IRFC 18-Feb-29	-	-	-	1,000	1,000	1.17
12% IIFL LTD OPT-I NCD 29SP16	-	-	-	1,000	2,500	2.53
Wadhwa Holding Pvt. Ltd NCD	-	-	-		359	36.50
Sub Total			-			57.86
Equity						
Fineworthy Software Solutions Ltd	-	-	-	10	381,940	91.91
Sub Total			-			91.91
Venture Capital Fund/ Alternate Investment Funds						
IIFL Real Estate (Domestic) Fund – Series I - Class A	-	-	-	57	2,025,000	139.21
IIFL Real Estate (Domestic) Fund – Series I - Class C	-	-	-	100	97,191	7.59
IIFL Income Opp Fund Series 1	-	-	-	10	28,048,660	295.53
IIFL Income Opp Fund Series 1 -Carry units Class B	-	-	-	10	58	0.00##
IIFL Income Opp Fund Series Spl. Situations	-	-	-	10	5,330,459	51.77
IIFL National Development Agenda Fund	-	-	-	10	5,902,354	62.23

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

SCRIPT NAME	AS AT MARCH 31, 2016			AS AT MARCH 31, 2015		
	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS	FACE VALUE IN ₹	QUANTITY	₹ IN MILLIONS
India Alternative Private Equity Fund	-	-	-	95	2,628,694	139.70
Sub Total			-			696.03
Mutual Fund						
IIFL Dynamic Growth Fund	-	-	-	10	102,080	1.00
ICICI Prudential Value Discovery Fund	-	-	-	100	246,514	28.17
HDFC Equity Fund	-	-	-	400	18,568	8.69
IIFL Nifty ETF	-	-	-	800	5,180	4.59
IIFL Dynamic Bond Fund	-	-	-	10	867,062	10.00
ICICI Prudential Liquid Fund	-	-	-	200	1,642,494	340.00
ICICI Prudential Flexible Income Fund	-	-	-	250	3,415,034	900.00
Sub Total			-			1,292.45
Total			-			2,138.25
Aggregate Market Value			-			2,169.35

Represents value less than ₹10,000

NOTE 19. TRADE RECEIVABLES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	119.96	84.86
- Considered doubtful	5.18	0.83
Less: Provision for doubtful debts	(5.18)	(0.83)
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	747.35	496.31
- Considered doubtful	2.50	-
Less: Provision for doubtful debts	(2.50)	-
Total	867.31	581.17

NOTE 20. CASH AND CASH EQUIVALENTS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Cash and Cash equivalents (As per AS-3 Cash Flow Statement)		
Cash In Hand	1.20	1.08
Cheques In Hand	95.18	52.55
Bank Balances		
- In Current accounts	1,176.50	1,062.49
- In Deposit accounts (Maturity less than 3 months)	907.08	6.67
Total Cash & Cash Equivalents (a) (As per AS-3 Cash Flow Statement)	2,179.96	1,122.79

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Other Bank Balances:		
- In Deposit account (Maturity from 3 to 12 Months)	20.00	10.00
Total Other Bank Balances (b)	20.00	10.00
Total (a+b)	2,199.96	1,132.79

NOTE 21. SHORT TERM LOANS AND ADVANCES:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Secured, Considered good		
- Loans & advances	1,007.73	-
Unsecured, Considered good		
- Receivable from group companies (Refer Note 36)	4.60	4.28
- Advances recoverable in cash or in kind	15.39	10.14
- Other Loans & Advances	46.62	69.20
- Prepaid Expenses	30.67	24.85
- Deposit	6.04	0.84
Total	1,111.05	109.31

NOTE 22. OTHER CURRENT ASSETS:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Interest accrued and due	1.55	-
Interest accrued but not due	0.21	3.41
Total	1.76	3.41

NOTE 23. REVENUE FROM OPERATIONS:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Distribution Fees	4,162.19	3,238.98
Investment / Fund Management Fees	935.48	721.69
Commission Income	354.88	338.63
Manpower Service Fees	-	4.33
Advisory Fees	9.00	6.26
Trustee Fees	7.99	2.31
Interest Income on Loan	3.04	-
Profit on Trading Activities	176.29	205.98
Total	5,648.87	4,518.18

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 24. OTHER INCOME:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Interest Income	13.18	30.27
Dividend Income on Current investments	115.76	1.55
Profit on sale of Current investments	68.21	19.83
Profit on sale of Non-Current investments	62.44	-
Miscellaneous Income	0.28	3.41
Total	259.87	55.06

NOTE 25. EMPLOYEE BENEFIT EXPENSES:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Salaries and Wages	1,699.11	1,201.57
Contribution to Provident Fund & Other Funds**	33.35	21.29
Gratuity Expense*	24.65	12.20
Leave Encashment Expenses	6.44	2.56
Staff Welfare Expenses	6.19	19.48
Total	1,769.74	1,257.10

*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 Millions)

ASSUMPTIONS	2015-2016	2014-2015
Discount rate	7.90%	7.90%
Salary Escalation	5.00%	5.00%
CHANGE IN BENEFIT OBLIGATION	2015-2016	2014-2015
Liability at the beginning of the year	46.69	31.32
Interest Cost	3.51	2.80
Current Service Cost	11.04	8.65
Liability transferred in	3.44	5.68
Liability transferred out	(1.48)	(3.47)
Benefit paid	(0.92)	(0.17)
Actuarial (gain)/ Loss on obligations	11.28	1.88
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	0.18	-
Liability at the end of the year	73.74	46.69

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AMOUNT RECOGNISED IN THE BALANCE SHEET	2015-2016	2014-2015
Liability at the end of the year	(73.74)	(46.69)
Fair value of plan Assets at the end of the year	50.81	39.44
Funded Status(Surplus/ Deficit)	(22.93)	(7.25)
Amount of (liability)/ Asset Recognised in the balance sheet	(22.93)	(7.25)
EXPENSES RECOGNISED IN THE INCOME STATEMENT	2015-2016	2014-2015
Current Service cost	11.04	8.65
Interest Cost	0.39	1.64
Expected return on plan assets	-	-
Net Transfer In	(0.01)	-
Net Transfer Out	-	-
Employers contribution	-	-
Actuarial Gain or Loss	13.23	1.91
Expense Recognised in the Statement of Profit & Loss	24.65	12.20
BALANCE SHEET RECONCILIATION	2015-2016	2014-2015
Opening Net liability	7.25	18.05
Expense as above	24.65	12.20
Net Transfer In	3.45	5.68
Net Transfer Out	(1.48)	(3.47)
Benefit Paid Directly by the Employer	(0.92)	(0.03)
Employers contribution	(10.20)	(25.17)
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	0.18	-
(Liability)/Asset Recognised in Balance sheet	22.93	7.26

EXPERIENCE ADJUSTMENT	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Present Value of the Obligation	(69.94)	(44.36)	(31.32)	(21.54)	(14.80)
Fair Value of Plan Assets	50.81	39.44	13.27	12.25	12.67
(Surplus) or Deficit	(19.13)	(4.92)	(18.05)	(9.29)	(2.13)
Actuarial (Gains)/ Losses on Obligations - Due to Experience	22.21	7.22	2.78	0.91	1.69
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	1.17	(0.02)	0.05	(1.09)	0.11

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 ₹19.13 Millions in F.Y 2016-2017

****Defined Contribution Plans:**

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

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Contribution to provident and other fund	33.35	21.29

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 26. OTHER EXPENSES:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Advertisement expenses	43.96	98.05
Books and periodicals	0.28	0.26
Exchange and statutory Charges	29.39	2.10
Marketing and commission expenses	510.62	844.23
Direct operating expenses	201.64	124.05
Bank Charges	1.61	0.91
Communication charges	20.59	15.91
Donation	36.13	7.96
Electricity expenses	13.94	10.48
Legal and professional charges	154.43	70.85
Miscellaneous expenses	1.18	0.19
Corporate social responsibility (CSR) expenses (Refer Note- 43)	13.66	3.90
Office expenses	44.42	26.89
Subscription charges	47.17	31.56
Postage and courier	5.03	4.30
Printing and stationery	14.54	10.97
Provision for doubtful debts and bad debts	9.96	2.20
Rent expenses	178.51	111.52
Insurance charges	6.32	2.52
Rates & taxes	4.11	0.79
Repairs and maintenance:		
- Computers	1.55	1.59
- Others	3.15	2.33
Remuneration to Auditors :		
- Statutory Audit	5.40	2.25
- Certification work and other matters (excluding service tax input credit of ₹0.14 Millions (PY ₹0.00 Millions)	1.15	0.04
- Out of pocket expenses	0.11	0.03
Software Charges	26.92	13.18
Commission & sitting fees to non executive directors	9.94	3.09
Profit/(Loss) on sale of assets	-	0.00##
Travelling and conveyance	216.44	166.69
Provision for Diminution in Value of Assets/ Investments	30.70	3.88
Total	1,632.85	1,562.72

The above costs are inclusive of Related party transactions (Refer Note 36)

Represents value less than ₹10,000

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 27. FINANCE CHARGES:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Interest on Inter-Corporate Deposits	209.01	97.82
Other Borrowing Cost	0.02	0.04
Total	209.03	97.86

NOTE 28. DEPRECIATION & AMORTISATION:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Depreciation on Tangible Assets (Refer Note - 12)	22.27	10.52
Amortisation of Intangible Assets (Refer Note - 13)	11.30	3.09
Total	33.57	13.61

NOTE 29. BASIC AND DILUTED EARNINGS PER SHARE ["EPS"] COMPUTED IN ACCORDANCE WITH ACCOUNTING STANDARD (AS) 20 'EARNINGS PER SHARE'.

PARTICULARS		2015-2016	2014-2015
BASIC			
Profit after tax as per Statement of Profit and Loss (₹ in Millions)	A	1,693.85	1,115.43
Weighted Average Number of Shares Subscribed	B	58,860,782	57,425,777
Face Value of Equity Shares (in ₹) fully paid		2	2
Basic EPS (₹)	A/B	28.78	19.42
DILUTED			
Profit after tax as per Statement of Profit and Loss (₹ in Millions)	A	1,693.85	1,115.43
Weighted Number of Shares Subscribed		58,860,782	57,425,777
Add: Potential Equity Shares on account of conversion of Employee Stock Option		7,557,525	591,580
Weighted Average Number of Shares Outstanding	B	66,418,307	58,017,357
Diluted EPS (₹)	A/B	25.50	19.23

NOTE 30.

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 31. CAPITAL AND OTHER COMMITMENTS

At the balance sheet date, the total outstanding commitments of capital expenditure amounts to ₹64.61 Millions (Previous year ₹6.30 Millions)

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 32.

The Company does not have any contingent liability not provided for, as on the balance sheet date of preparing financial statement.

NOTE 33.

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

NOTE 34.

The Company has implemented 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 as on March 31, 2016	591,530	6,965,945
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 Dates	March 28, 2012, August 29, 2013, Jun 03, 2014	July 2, 2015
Grant Price (₹ Per Share)	₹10.00, ₹16.00 and ₹19.00	₹282.00
Book Value on the date of Grant of Option (₹ Per Share)	₹10.00, ₹16.00 and ₹19.00	₹282.00

(B) MOVEMENT OF OPTIONS GRANTED:

PARTICULARS	ESOP 2012	ESOP 2015
Options outstanding at the beginning of the year	591,580	-
Granted during the year	-	6,965,945
Exercised during the year	-	-
Lapsed during the year*	50	-
Options outstanding at the end of the year	591,530	6,965,945

*This can be re-issued again in future years

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
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NOTE 35. 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 Millions)

	DISTRIBUTION	FUND MANAGEMENT/ ADVISORY	FINANCING & LENDING	UNALLOCATED	TOTAL
I Segment Revenue					
A External	4,945.00	891.75	71.99	-	5,908.74
	(4,114.31)	(458.92)	-	-	(4,573.24)
B Inter Segment Revenue	-	-	-	-	-
	-	-	-	-	-
C Total Revenue	4,945.00	891.75	71.99	-	5,908.73
	(4,114.31)	(458.92)	-	-	(4,573.23)
II Results					
a Segment Result	1,899.95	534.28	38.35	-	2,472.58
	(1,548.79)	(191.02)	-	-	(1,739.81)
b Interest Expense	205.40	3.63	-	-	209.03
	(95.06)	(2.80)	-	-	(97.86)
c Profit before Tax	1,694.55	530.66	38.35	-	2,263.56
	(1,453.73)	(188.22)	-	-	(1,641.95)
d Provision for Tax	450.68	98.35	20.68	-	569.71
	(505.06)	(21.46)	-	-	(526.52)
e Net Profit after Tax	1,243.87	432.31	17.67	-	1,693.85
	(948.67)	(166.76)	-	-	(1,115.43)
III Segment Assets	4,525.49	684.70	9,022.64	462.44	14,695.27
	(4,074.72)	(513.61)	-	(479.71)	(5,068.04)
IV Segment Liabilities	2,232.34	148.22	3.79	18.20	2,402.55
	(2,760.47)	(137.47)	-	(248.88)	(3,146.82)
V Capital Expenditure	100.75	0.52	-	-	101.27
	63.19	4.00	-	-	67.19
VI Depreciation	32.00	1.57	-	-	33.57
	(11.61)	(1.99)	-	-	(13.60)
VII Non Cash Expenses	37.64	-	3.02	-	40.66
	(5.83)	(0.25)	-	-	(6.08)

Secondary segmentation information based on geography is as per below:

(₹ in Millions)

	INDIA	MAURITIUS	OTHERS	UNALLOCATED	TOTAL
Segment Revenue	4,753.83	852.74	302.17	-	5,908.74
	(4,058.75)	(392.78)	(121.71)	-	(4,573.24)
Segment Assets	13,429.27	427.05	499.35	339.60	14,695.27
	(4,272.91)	(125.03)	(336.72)	(333.38)	(5,068.04)
Capital Expenditure	100.06	0.56	0.64	-	101.26
	(66.88)	(0.27)	(0.04)	-	(67.19)

Note:

I) Figures in bracket represents previous year figures.

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
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NOTE 36. RELATED PARTY DISCLOSURES:

Related party disclosures for the year ended March 31, 2016

A) LIST OF RELATED PARTIES:

NATURE OF RELATIONSHIP	NAME OF PARTY
Holding Company	IIFL Holdings Limited (Formerly India Infoline Ltd)
Fellow Subsidiaries	India Infoline Limited (Formerly India Infoline Distribution Co. Limited) India Infoline Commodities Limited India Infoline Finance Limited India Infoline Media and Research Services Limited India Infoline Commodities DMCC India Infoline Insurance Brokers Limited India Infoline Insurance Services Limited IIFL Facilities Services Limited (Formerly IIFL Realty Limited) IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc India Infoline Foundation IIFL Properties Private Limited (Formerly Ultra Sign & Display Pvt Limited) IIFL Asset Reconstruction Limited
Group Company	India Infoline Housing Finance Limited
Key Managerial Personnel	Karan Bhagat -Managing Director Yatin Shah-Whole Time Director Amit Shah-Non Executive Director
Other Related Parties	Nirmal Jain R. Venkataraman Orpheus Trading Pvt. Limited Ardent Impex Pvt. Limited

B) SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

NATURE OF TRANSACTION	(₹ in Millions)				
	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Investment					
IIFL Holdings Limited	-	-	-	-	-
	(446.28)	-	-	-	(446.28)
Purchase of inventories					
India Infoline Finance Limited	-	850.06	-	-	850.06
	-	(3,941.21)	-	-	(3,941.21)
India Infoline Limited	-	-	-	-	-
	-	(53.86)	-	-	(53.86)
India Infoline Media Research Services Ltd	-	64.32	-	-	64.32
	-	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
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						(₹ in Millions)
NATURE OF TRANSACTION	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL	
Sale of inventories						
India Infoline Finance Limited	-	67.53	-	-	67.53	
	-	(1,162.76)	-	-	(1,162.76)	
India Infoline Media Research Services Ltd	-	702.50	-	-	702.50	
	-	-	-	-	-	
India Infoline Housing Finance Limited	-	-	-	-	-	
	-	(50.25)	-	-	(50.25)	
Dividend Income						
India Infoline Limited	-	0.00##	-	-	0.00##	
	-	-	-	-	-	
India Infoline Finance Limited	-	1.53	-	-	1.53	
	-	-	-	-	-	
Arranger Fees Income/ Marketing Support Income/ Management Fees/ Brokerage - Authorised Person/ Brokerage - Fixed Deposit						
India Infoline Limited	-	383.39	-	-	383.39	
	-	(352.94)	-	-	(352.94)	
IIFL Facilities Services Limited	-	2.72	-	-	2.72	
	-	(0.96)	-	-	(0.96)	
India Infoline Finance Limited	-	3.42	-	-	3.42	
	-	(0.95)	-	-	(0.95)	
India Infoline Commodities Limited	-	0.01	-	-	0.01	
	-	(0.46)	-	-	(0.46)	
India Infoline Housing Finance Limited	-	8.94	-	-	8.94	
	-	-	-	-	-	
Interest Income on ICD						
India Infoline Finance Limited	-	7.35	-	-	7.35	
	-	(5.28)	-	-	(5.28)	
IIFL Facilities Services Limited	-	0.05	-	-	0.05	
	-	-	-	-	-	
India Infoline Media Research Services Ltd	-	1.87	-	-	1.87	
	-	-	-	-	-	
Interest Income on CP						
IIFL Facilities Services Limited	-	1.08	-	-	1.08	
	-	(13.94)	-	-	(13.94)	
Interest Expense on ICD						
India Infoline Commodities Limited	-	-	-	-	-	
	-	(0.11)	-	-	(0.11)	
India Infoline Finance Limited	-	49.75	-	-	49.75	
	-	(10.53)	-	-	(10.53)	

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

(₹ in Millions)					
NATURE OF TRANSACTION	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
India Infoline Limited	-	-	-	-	-
	-	(2.03)	-	-	(2.03)
IIFL Holdings Limited	2.68	-	-	-	2.68
	(1.56)	-	-	-	(1.56)
IIFL Facilities Services Limited	-	0.85	-	-	0.85
	-	-	-	-	-
Brokerage & Commission Expenses					
India Infoline Limited	-	0.04	-	-	0.04
	-	(0.05)	-	-	(0.05)
Marketing Support Expenditure/ Incentive Fees					
IIFL Wealth (UK) Ltd	-	40.24	-	-	40.24
	-	(38.13)	-	-	(38.13)
Referral Expenses					
India Infoline Finance Limited	-	226.07	-	-	226.07
	-	(42.58)	-	-	(42.58)
IIFL Private Wealth Management Hong Kong Ltd (Prior to Consolidation with IIFLW)	-	-	-	-	-
	-	(28.37)	-	-	(28.37)
IIFL Private Wealth Management Dubai Ltd (Prior to Consolidation with IIFLW)	-	-	-	-	-
	-	(54.99)	-	-	(54.99)
IIFL Facilities Services Limited	-	15.00	-	-	15.00
	-	-	-	-	-
Research Fees - Expenses					
IIFL Facilities Services Limited	-	20.77	-	-	20.77
	-	(39.14)	-	-	(39.14)
Guest House - Expenses					
IIFL Properties Private Limited	-	0.16	-	-	0.16
	-	-	-	-	-
Manpower Outsourcing Expenses					
IIFL Capital Pte Ltd (Prior to Consolidation with IIFLW)	-	-	-	-	-
	-	-	(2.16)	-	(2.16)
IIFL Securities Pte Ltd (Prior to Consolidation with IIFLW)	-	-	-	-	-
	-	-	(2.16)	-	(2.16)
Rent Expenses					
IIFL Facilities Services Limited	-	100.97	-	-	100.97
	-	(61.86)	-	-	(61.86)

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(₹ in Millions)					
NATURE OF TRANSACTION	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Remuneration					
Karan Bhagat	-	-	-	37.86	37.86
	-	-	-	(42.50)	(42.50)
Yatin Shah	-	-	-	29.67	29.67
	-	-	-	(36.16)	(36.16)
Dividend Paid					
IIFL Holdings Limited	270.00	-	-	-	270.00
	(202.50)	-	-	-	(202.50)
Karan Bhagat	-	-	-	17.76	17.76
	-	-	-	(13.32)	(13.32)
Yatin Shah	-	-	-	17.76	17.76
	-	-	-	(13.32)	(13.32)
Amit Shah	-	-	-	14.21	14.21
	-	-	-	(10.66)	(10.66)
Other funds received					
IIFL Facilities Services Limited	-	3.73	-	-	3.73
	-	-	-	-	-
India Infoline Limited	-	1.40	-	-	1.40
	-	-	-	-	-
Other funds paid					
IIFL Holdings Limited	-	-	-	-	-
	(18.05)	-	-	-	(18.05)
India Infoline Limited	-	3.31	-	-	3.31
	-	(12.67)	-	-	(12.67)
India Infoline Finance Limited	-	0.01	-	-	0.01
	-	-	-	-	-
IIFL Facilities Services Limited	-	2.02	-	-	2.02
	-	-	-	-	-
India Infoline Media & Research Services Limited	-	-	-	-	-
	-	(3.87)	-	-	(3.87)
ICD Given					
India Infoline Limited	-	-	-	-	-
	-	(250.00)	-	-	(250.00)
India Infoline Finance Limited	-	2,900.00	-	-	2,900.00
	-	(1,467.58)	-	-	(1,467.58)
IIFL Facilities Services Limited	-	150.00	-	-	150.00
	-	-	-	-	-
India Infoline Media & Research Services Ltd	-	270.00	-	-	270.00
	-	-	-	-	-

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(₹ in Millions)

NATURE OF TRANSACTION	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
ICD Received back					
India Infoline Limited	-	-	-	-	-
	-	(250.00)	-	-	(250.00)
India Infoline Finance Limited	-	2,900.00	-	-	2,900.00
	-	(1,467.58)	-	-	(1,467.58)
IIFL Facilities Services Limited	-	150.00	-	-	150.00
	-	-	-	-	-
India Infoline Media & Research Services Ltd	-	270.00	-	-	270.00
	-	-	-	-	-
ICD taken					
IIFL Holdings Limited	366.80	-	-	-	366.80
	(1,000.00)	-	-	-	(1,000.00)
India Infoline Commodities Limited	-	-	-	-	-
	-	(50.00)	-	-	(50.00)
India Infoline Finance Limited	-	5,324.00	-	-	5,324.00
	-	(2,583.42)	-	-	(2,583.42)
India Infoline Limited	-	-	-	-	-
	-	(750.00)	-	-	(750.00)
IIFL Facilities Services Limited	-	472.40	-	-	472.40
	-	-	-	-	-
ICD Repaid					
IIFL Holdings Limited	366.80	-	-	-	366.80
	(1,000.00)	-	-	-	(1,000.00)
India Infoline Commodities Limited	-	-	-	-	-
	-	(50.00)	-	-	(50.00)
India Infoline Finance Limited	-	5,324.00	-	-	5,324.00
	-	(2,583.42)	-	-	(2,583.42)
India Infoline Limited	-	-	-	-	-
	-	(750.00)	-	-	(750.00)
IIFL Facilities Services Limited	-	472.40	-	-	472.40
	-	-	-	-	-
CP Bought					
IIFL Facilities Services Limited (Formerly IIFL Realty Limited)	-	-	-	-	-
	-	(195.61)	-	-	(195.61)
Advances repaid/given					
India Infoline Limited	-	4.48	-	-	4.48
	-	(0.92)	-	-	(0.92)
IIFL Holdings Limited	-	0.13	-	-	0.13
	-	-	-	-	-
India Infoline Commodities DMCC Limited	-	-	-	-	-
	-	(0.06)	-	-	(0.06)

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

(₹ in Millions)

NATURE OF TRANSACTION	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGERIAL PERSONNEL	TOTAL
Allocation / Reimbursement of expenses Paid					
India Infoline Limited	-	64.19	-	-	64.19
	-	(64.26)	-	-	(64.26)
IIFL Capital Inc	-	2.60	-	-	2.60
	-	(5.47)	-	-	(5.47)
Allocation / Reimbursement of expenses Received					
IIFL Capital Inc	-	6.09	-	-	6.09
	-	(1.30)	-	-	(1.30)
India Infoline Limited	-	-	-	-	-
	-	(0.00)##	-	-	(0.00)##

C) AMOUNT DUE TO / FROM RELATED PARTIES (CLOSING BALANCES):

(₹ in Millions)

NATURE OF TRANSACTION	HOLDING COMPANY	FELLOW SUBSIDIARIES	GROUP COMPANIES	KEY MANAGEMENT PERSONNEL	TOTAL
Sundry payables					
India Infoline Commodities DMCC Limited	-	-	-	-	-
	-	(0.54)	-	-	(0.54)
IIFL Cap Inc. (US)	-	0.90	-	-	0.90
	-	(0.09)	-	-	(0.09)
India Infoline Limited	-	-	-	-	-
	-	(17.72)	-	-	(17.72)
IIFL Wealth (UK) Limited	-	5.71	-	-	5.71
	-	(2.78)	-	-	(2.78)
Sundry receivables					
India Infoline Commodities Limited	-	-	-	-	-
	-	(0.45)	-	-	(0.45)
IIFL Capital Limited	-	-	-	-	-
	-	(1.56)	-	-	(1.56)
India Infoline Limited	-	35.54	-	-	35.54
	-	(75.04)	-	-	(75.04)
Loans & Advances					
India Infoline Commodities Limited	-	-	-	-	-
	-	(0.06)	-	-	(0.06)
India Infoline Limited	-	4.48	-	-	4.48
	-	(4.22)	-	-	(4.22)
IIFL Holdings Limited	-	0.13	-	-	0.13
	-	-	-	-	-
CP - Receivable					
IIFL Facilities Services Limited	-	-	-	-	-
	-	(195.61)	-	-	(195.61)

Represents value less than ₹10,000

Note :

- I Figures in bracket represents previous year figures.
- II Related parties are identified and certified by the management.

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 37. EARNINGS AND EXPENSES IN FOREIGN CURRENCY:

(₹ in Millions)

PARTICULARS	2015-2016	2014-2015
Earnings in Foreign Currency		
Manpower Service Fee	5.98	6.02
Advisory fees	-	0.86
Dividend income	178.48	-
Sub Total	184.46	6.88
Expenses in Foreign Currency		
Travelling Expense	0.30	1.04
Advertisement Expense	0.50	1.22
Legal and professional Charges	3.00	0.85
Marketing and commission Expense	4.80	1.85
Meeting Seminar & subscription	4.47	0.66
Office Expense	1.08	0.42
Sub Total	14.15	6.04

NOTE 38.

The summary of Consolidated Financial Statements represents consolidation of accounts of the Company with its following subsidiaries, all incorporated within India, as detailed below:

SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST	
		AS ON MARCH 31, 2016	AS ON MARCH 31, 2015
IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private 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 (Formerly India Infoline Asset Management Company Limited)	India	100%	100%
IIFL Trustee Limited (Formerly India Infoline Trustee Company Limited)	India	100%	100%
India Alternatives Investment Advisors Private Limited	India	71%	71%
IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) w.e.f February 13, 2016	India	100%	Nil
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%

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 39. GOODWILL ON CONSOLIDATION

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Goodwill	344.68	338.46
Capital Reserve	5.09	5.09
Net	339.59	333.37

NOTE 40.

The financial position and results (after eliminations) of IIFL Wealth Finance Limited (Formerly Chephis Capital Markets Limited) which became subsidiary during the year ended March 31, 2016 and India Alternatives Investment Advisors Private Limited, IIFL Private Wealth (Mauritius) Limited, IIFL Private Wealth (Suisse) SA, IIFL Inc, IIFL (Asia) Pte Limited, IIFL Securities Pte. Limited, IIFL Capital Pte. Limited, IIFL Private Wealth Management (Dubai) Limited, IIFL Private Wealth Hong Kong Limited which became subsidiaries during the year ended March 31, 2015 are given below:

(₹ in Millions)

PARTICULARS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Liabilities		
Non-current liabilities	-	4.17
Current liabilities	4.89	81.73
Assets		
Non-current assets	281.00	69.81
Current assets	8,742.64	453.97
	2015-2016	2014-2015
Revenue for the period ended	71.99	485.52
Expenses for the period ended	33.64	400.01
Profit / (Loss) before tax for the period ended	38.35	85.51
Profit / (Loss) after tax for the period ended	17.67	72.12

NOTE 41.

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, 2016, are as under:

(₹ in Millions)

MINIMUM LEASE RENTALS	AS AT MARCH 31,2016	AS AT MARCH 31,2015
Up to one year	221.69	129.70
One to five years	396.87	146.97
Over five years	0.58	NIL

CONSOLIDATED FINANCIAL STATEMENTS OF IIFL WEALTH MANAGEMENT LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016.

NOTE 42.

Figures pertaining to subsidiary companies have been reclassified wherever necessary to bring them in line with parent company's financial statements.

NOTE 43. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2015-16, the Group could spend ₹13.66 Millions (P.Y. ₹3.90 Millions) out of the total amount of ₹15.09 millions (P.Y. ₹9.19 millions) 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 a small amount of ₹1.44 millions 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 44. DETAILS OF INTER CORPORATE DEPOSITS

- a) During the year, the Company has placed Inter Corporate Deposits the details of which are mentioned in Note No. 36. 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 10% to 12% p.a), for the purpose of meeting working capital and business requirements.
- b) The Outstanding balance of Inter Corporate Deposits as on March 31, 2016, with related parties is detailed under the table of related party transactions appearing under Note. No 36.

NOTE 45.

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)

R. VENKATARAMAN
Director
(DIN: 00011919)

Place : Mumbai
Date: May 5, 2016

PANKAJ FITKARIWALA
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

(₹ in millions)

SR. NO.	PARTICULARS	REPORTING CURRENCY	SHARE CAPITAL	RESERVES & SURPLUS	EXCHANGE RATE	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENTS	TOTAL TURNOVER	PROFIT/(LOSS) BEFORE TAXATION	PROVISION FOR TAXATION (INCLUDING DEFERRED TAX)	PROFIT AFTER TAXATION	PROPOSED DIVIDEND	% OF SHAREHOLDING
1	IIFL Trustee Limited	INR	5.00	(1.89)	-	3.56	3.56	-	4.98	0.70	0.24	0.45	-	100.00%
2	IIFL Distribution Services Limited (Formerly IIFL Distribution Services Private Limited)	INR	0.51	44.81	-	76.42	76.42	30.10	101.77	4.29	1.99	2.31	-	100.00%
3	IIFL Asset Management Limited (Formerly IIFL Asset Management Company Limited)	INR	321.00	506.05	-	954.66	954.66	162.90	661.27	303.32	83.28	220.03	-	100.00%
4	IIFL Alternate Asset Advisors Limited	INR	0.50	145.12	-	952.92	952.92	936.84	290.77	106.63	21.21	85.42	-	100.00%
5	IIFL Investment Adviser and Trustee Services Limited (Formerly IIFL Trustee Services Limited)	INR	352.25	(14.52)	-	346.18	346.18	125.00	51.37	7.71	3.81	3.90	-	100.00%
6	India Alternatives Investment Advisors Private Limited	INR	0.14	(26.24)	-	25.36	25.36	-	20.79	(41.31)	10.71	(52.03)	-	71.00%
7	IIFL Wealth Finance Limited (Formerly Chephris Capital Markets Limited)	INR	2,521.16	6,497.59	-	9,023.64	9,023.64	7,472.10	73.93	38.09	20.68	17.41	-	100.00%
8	IIFL (Asia) Pte Limited	INR	473.17	(155.99)	-	317.85	317.85	311.10	0.00	(1.00)	16.48	(17.48)	-	100.00%
		S \$	14.00	(7.55)	49.15	6.47	6.47	6.33	0.00	(0.02)	0.35	(0.37)	-	

SR. NO.	PARTICULARS	REPORTING CURRENCY	SHARE CAPITAL	RESERVES & SURPLUS	EXCHANGE RATE	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENTS	TOTAL TURNOVER	PROFIT / (LOSS) BEFORE TAXATION	PROVISION FOR TAXATION (INCLUDING DEFERRED TAX)	PROFIT AFTER TAXATION	PROPOSED DIVIDEND	% OF SHAREHOLDING
9	IIFL Securities Pte. Limited	INR	49.15	47.84	-	109.12	109.12	-	95.26	13.66	-	13.66	-	100.00%
		S \$	1.03	0.94	49.15	2.22	2.22	-	2.01	0.29	-	0.29	-	-
10	IIFL Capital Pte. Limited	INR	252.91	(62.38)	-	232.61	232.61	-	255.77	104.95	-	104.95	-	100.00%
		S \$	5.30	(1.42)	49.15	4.73	4.73	-	5.41	2.22	-	2.22	-	-
11	IIFL Inc	INR	61.69	(8.01)	-	60.73	60.73	-	37.05	0.88	(0.54)	1.43	-	100.00%
		USD	1.03	(0.22)	66.18	0.92	0.92	-	0.58	0.01	(0.01)	0.02	-	-
12	IIFL Private Wealth Management (Dubai) Limited	INR	57.99	4.21	-	69.01	69.01	-	77.11	25.68	-	25.68	-	100.00%
		AED	3.37	0.08	18.02	3.83	3.83	-	4.41	1.47	-	1.47	-	-
13	IIFL Private Wealth Hong Kong Limited	INR	51.90	5.23	-	59.52	59.52	-	19.88	5.00	0.96	4.04	-	100.00%
		HKD	6.48	0.23	8.52	6.98	6.98	-	2.40	0.60	0.12	0.49	-	-
14	IIFL Private Wealth (Mauritius) Limited	INR	4.19	343.27	-	427.05	427.05	-	852.74	448.70	13.46	435.25	-	100.00%
		USD	0.07	5.18	66.18	6.45	6.45	-	13.27	6.98	0.21	6.77	-	-
15	IIFL Private Wealth (Suisse) SA	INR	6.68	(0.77)	-	6.35	6.35	-	2.00	1.06	-	1.06	-	100.00%
		CHF	0.10	(0.01)	69.08	0.09	0.09	-	0.03	0.02	-	0.02	-	-

Note 1 - All subsidiaries have common year end of March 31, 2016 hence no additional information under Section 129(3) read with rule 5 has been disclosed.

Note 2 - There are no subsidiaries which are yet to commence operations

Note 3 - There are no subsidiaries which have been liquidated or sold during the year

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT
Managing Director
(DIN: 03247753)

R. VENKATARAMAN
Director
(DIN: 00011919)

PANKAJ FITKARIWALA
Chief Financial Officer

ASHUTOSH NAIK
Company Secretary

Place : Mumbai
Date: May 5, 2016

FORM AOC-I (PURSUANT TO FIRST PROVISIO 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 "B": ASSOCIATES AND JOINT VENTURES

Name of Associates/Joint Ventures	NA
1. Latest audited Balance Sheet Date	NA
2. Shares of Associate/Joint Ventures held by the company on the year end.	
Number	NA
Amount of Investment in Associates/Joint Venture	NA
Extend of Holding %	NA
3. Description of how there is significant influence	NA
4. Reason why the associate/joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	NA
6. Profit / (Loss) for the year	
i) Considered in Consolidation	NA
ii) Not Considered in Consolidation	NA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

KARAN BHAGAT
Managing Director
(DIN: 03247753)

R. VENKATARAMAN
Director
(DIN: 00011919)

Place : Mumbai
Date: May 5, 2016

PANKAJ FITKARIWALA
Chief Financial Officer

ASHUTOSH NAIK
Company Secretary

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

Pankaj Fitkariwala

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.

