

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IIFL WEALTH FINANCE LIMITED
Report on the Financial Statements**

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

Management's Responsibility for the 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 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 financial statements based on our audit.

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

We conducted our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in



accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016.

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

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

MUMBAI, 3 May 2017
PG/SB-2017



Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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

MUMBAI, 3 May 2017
PG/SB-2017



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (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) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed provided to us, we report that, the title deed, comprising the immovable property of land which is freehold, is held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO 2016 is not applicable.



- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, income-tax, service tax, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, excise duty, sales tax, custom duty, and employees' state insurance dues are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of provident fund, income-tax, service tax, value added tax, cess and other material statutory dues in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Service Tax and Value Added Tax as on 31 March 2017 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) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

Pallavi A. Gorakshakar
(Partner)

(Membership No. 105035)

MUMBAI, 3 May 2017
PG/SB-2017



IIFL WEALTH FINANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

Particulars	Note No.	As at Mar 31,2017	As at Mar 31,2016
EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	3	2,624,497,330	2,521,164,000
(b) Reserves and Surplus	4	8,018,119,165	6,497,589,211
(c) Money received against share warrants		-	-
Sub total		10,642,616,495	9,018,753,211
(2) Non Current Liabilities			
(a) Long-term borrowings	5	19,818,600,001	-
(b) Deferred Tax Liability		-	-
(c) Other Long-term liabilities	6	366,602,349	-
(d) Long-term provisions	7	44,852,240	-
Sub total		20,230,054,590	-
(3) Current liabilities			
(a) Short-term borrowings	8	30,009,049,987	-
(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		23,394,013	715,000
(c) Other current liabilities	10	2,856,808,554	53,528
(d) Short-term provisions	11	468,040,324	4,119,713
Sub total		33,357,292,878	4,888,241
TOTAL		64,229,963,963	9,023,641,452
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	1,074,435	-
(ii) Intangible assets	13	3,351,836	-
(iii) Capitalwork-in-progress		-	-
(iv) Intangible assets under development		1,572,106	-
Sub total		5,998,377	-
(b) Non-current investments	14	1,388,916,085	280,000,000
(c) Deferred Tax Assets	15	82,300,850	999,557
(d) Long-term loans & advances	16	12,631,395,481	-
(e) Other non-current assets	17	56,606,330	-
Sub total		14,159,218,746	280,999,557
(2) Current assets			
(a) Current investments	18	17,398,733,268	7,192,102,352
(b) Inventories		-	-
(c) Trade receivables	19	857,159,289	-
(d) Cash and Cash Equivalents	20	7,266,647,948	541,023,984
(e) Short-term loans & advances	21	23,546,210,618	1,007,898,903
(f) Other current assets	22	995,995,717	1,616,656
Sub total		50,064,746,840	8,742,641,895
TOTAL		64,229,963,963	9,023,641,452
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Pallavi A. Gorakshakar
Partner

For and on behalf of Board of Directors


Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)


Yatin Shah
Non-executive Director
(DIN: 03231090)



Place : Mumbai
Date : May 03, 2017


Mihir Nanavati
Chief Financial Officer


Manoj Gujran
Company Secretary



IIFL WEALTH FINANCE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	Note No.	2016-2017	2015-2016
INCOME :			
Income From Operations	23	4,614,718,982	73,877,587
Other Income	24	-	52,546
Total Revenue		4,614,718,982	73,930,133
EXPENSES :			
Employee benefit expenses	25	284,140,746	-
Other Expenses	26	89,978,364	30,889,731
Finance Charges	27	2,360,272,304	-
Depreciation and Amortisation	12-13	672,129	-
Provision & Write off	28	304,797,424	4,955,174
Total expenses		3,039,860,967	35,844,905
Profit before tax		1,574,858,015	38,085,228
Tax expenses/(benefits) :			
Current tax		652,296,724	21,850,312
Deferred tax expenses		(81,301,293)	(1,062,122)
Short / (excess) provision for income tax		(720)	(111,804)
Net Tax Expenses/ (benefits)		570,994,711	20,676,386
Profit for the year		1,003,863,304	17,408,842
Earnings Per Share - Basic (Rs.)	29	3.93	0.98
Earnings Per Share - Diluted (Rs.)	29	3.93	0.98
Face Value Per Share (Rs.)		10.00	10.00
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

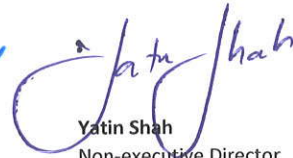
For and on behalf of Board of Directors



Pallavi A. Gorakshakar
Partner



Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)



Yatin Shah
Non-executive Director

(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer



Manoj Gujran
Company Secretary

Place : Mumbai
Date : May 03, 2017



IIFL WEALTH FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
A. Cash flows from operating activities		
Net profit before taxation	1,574,858,016	38,085,228
Adjustments for:		
Depreciation	672,129	-
Provisions for Gratuity	493,784	-
Provisions for Leave Encashment	410,597	-
Provision for Doubtful debts	-	4,955,174
Provision for Diminution in Investment	167,228,312	-
Provision for Mark to Market on Option Contract	12,321,120	-
Interest Expenses	2,360,272,304	-
Contingent Provision against standard assets	125,247,992	-
Interest Income on Investments	(784,197,939)	-
Interest Income on Loans	(2,584,626,760)	-
Dividend Income	(8,016,269)	(120,149)
Profit on sale of Investments	(961,561,818)	(7,989,321)
Interest Received	2,376,347,066	-
Interest Paid	(1,540,226,370)	-
Dividend Received	6,147,900	120,149
Operating profit before working capital changes	745,370,064	35,051,081
Adjustments for :		
(Increase)/ Decrease in Current/Non Current Assets	(927,446,590)	(1,138,337)
Increase/ (Decrease) in Current/Non Current Liabilities	246,992,567	3,113,909
Cash generated from operations	64,916,041	37,026,653
Net income tax(paid) / refunds	(490,460,773)	(20,677,685)
Cash generated from/ (used in) operating activities	(425,544,732)	16,348,968
(Increase)/ Decrease in Long Term Loans and Advances	(12,631,195,131)	-
(Increase)/ Decrease in Short Term Loans and Advances	(22,524,864,153)	(1,007,729,227)
Net cash used in operating activities (A)	(35,581,604,016)	(991,380,259)
B. Cash flows from investing activities		
Fixed Deposits other than those considered as Cash & Cash Equivalents		
- Fixed Deposits placed	(22,694,955,543)	(10,000,000)
- Fixed Deposits matured	20,209,955,543	-
Purchase of Investments	(942,104,591,568)	(31,650,346,888)
Sale of Investments	931,583,378,072	24,190,849,655
Purchase of fixed assets (includes intangible assets)	(6,670,506)	320,762
Net cash used in investing activities (B)	(13,012,884,002)	(7,469,176,471)
C. Cash flows from financing activities		
Proceeds from Issuance of Share Capital	103,333,330	2,513,888,890
Securities Premium on issue of shares	516,666,650	6,477,111,125
Proceeds from Issuance of Non Convertible Debentures	22,460,200,001	-
Net Proceeds from Issuance of Commercial Paper	29,754,912,001	-
Net cash generated from financing activities (C)	52,835,111,982	8,991,000,015
Net increase in cash and cash equivalents (A+B+C)	4,240,623,964	530,443,285
Opening Cash and Cash Equivalents (Refer Note 20)	531,023,984	580,699
Closing Cash and Cash Equivalents (Refer Note 20)	4,771,647,948	531,023,984
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per AS 3 Cash Flow Statements	4,771,647,948	531,023,984
Add: Fixed Deposits other than those considered as Cash & Cash Equivalents	2,495,000,000	10,000,000
Cash and Cash Equivalents (Refer Note 20)	7,266,647,948	541,023,984
See accompanying notes forming part of the standalone financial statements		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors


Pallavi A. Gorakshakar
Partner


Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)


Yatin Shah
Non-executive Director
(DIN: 03231090)



Place : Mumbai
Date : May 03, 2017


Mihir Nanavati
Chief Financial Officer


Manoj Gujran
Company Secretary



Note 1. Corporate information:

IIFL Wealth Finance Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and is a systemically important non-deposit accepting Non-Banking Financial Company ("NBFC ND-SI") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 having a valid certificate of registration dated March 18, 1998 bearing registration no. B-13.00361 enabling the Company to carry on business as Non-Banking Financial Company, and primarily engaged in the financing and investing activities. IIFL Wealth Management Limited acquired 100% equity shares capital of the Company on February 13, 2016. The Company offers broad suite of financial products such as loan against securities, loan against property/ mortgage loans, etc. to Corporate and High Net worth clients.

Note 2. Significant accounting policies:**2.1 Basis of preparation of financial statements:**

The financial statements 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 notified under section 133 of the Companies Act 2013, (The "Act") and the relevant provisions of the Companies Act 2013 along with the guidelines issued by Reserve bank of India (RBI) as applicable to NBFC's. The financial statements have been prepared on accrual basis under the historical cost convention.

2.2 Prudential norms:

The Company follows the Reserve Bank of India ("RBI") Master direction – Non Banking Financial Company - Systemically important Non-Deposit taking company and Deposit taking company (Reserve Bank) Directions, 2016, as amended from time to time ("RBI Directions") in respect of income recognition, income from investments, accounting of investments, asset classification, provisioning and disclosures in the Balance Sheet. Accounting Standards (AS) under section 133 of the Companies Act 2013 and Guidance Note issued by The Institute of Chartered Accountants of India ("ICAI") are followed in so far as they are not inconsistent with the RBI directions.

2.3 Use of estimates:

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

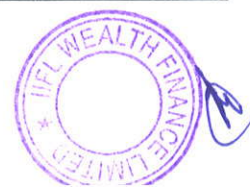
2.4 Fixed assets:

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 case of transfer of used fixed assets from group companies, depreciation is charged over the remaining useful life of the asset.

Individual assets / group of similar assets costing up to ₹ 5,000 has been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight line basis over the leasehold period.

Estimated useful life of the assets are as under:

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



Class of assets	Useful life
Vehicles*	5 years
Software	3 years

*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 this assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

2.6 Investments:

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

Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management, 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.

2.7 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.

2.8 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.

2.9 Impairment of assets

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

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

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

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

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



2.10 Taxation:

Tax expense comprises current and deferred tax.

Income Tax

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

Deferred Tax

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

2.11 Revenue recognition:

The Company complies, in all material respects, with the Accounting Standard -9, specified u/s 133 of the Companies Act, 2013, prudential norms relating to income recognition, asset classification and the minimum provisioning for bad and doubtful debts and standard assets, specified in the directions issued by the RBI, as applicable to it, and

- Interest income is recognised on the time proportionate basis as per agreed terms.
- Interest income recognised and remaining due for 120 days or more for all the loans is reversed after 120 days and is accounted as income when these are actually realised.
- Dividend income is recognised when the right to receive payment is established.
- Processing fees is recognised when there is no uncertainty of collection.
- In respect of the other heads of income, the Company accounts the same on accrual basis.

2.12 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.

2.13 Operating leases:

Lease rentals in respect of operating lease arrangements are charged to the Statement of Profit & Loss in accordance with Accounting Standard 19, specified u/s 133 of the Companies Act, 2013.

2.14 Earnings per share:

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

2.15 Provisions, contingent liabilities and contingent assets:

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per RBI Directions. Provision on standard assets is also made as per the RBI Directions as applicable to Company from time to time.



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

The provision is recognised if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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.

2.16 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.

2.17 Borrowings:

Borrowings are bifurcated under long term, current maturity of long term and short term liabilities. Commercial papers are recognised at face value net of unexpired discount. Any difference between the proceeds and the redemption value is recognised in profit & loss account over the period of the borrowings.

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

2.18 Debenture issue expenses:

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

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

2.20 Derivative Policy:

Mark To Market (MTM) valuation of the embedded derivative portion of borrowings by way of Market Linked Bonds and outstanding position in Market Linked derivatives are recorded in accordance with principles enunciated in Accounting Standard 30 'Financial Instruments: Recognition and Measurement' and Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India. MTM Valuation is determined based on quotes available from exchange/ counter party/ rating agency.

Note 3. Share Capital :

(i) Authorised, Issued, Subscribed and Paid-up Share Capital:

(Amount in ₹)

Authorised Share Capital:	As at March 31, 2017	As at March 31, 2016
300,000,000 Equity Shares (Previous Year 300,000,000) of ₹ 10 each	3,000,000,000	3,000,000,000
Issued, Subscribed and Paid-up Share Capital:		
262,449,733 Equity Shares (Previous Year 252,116,400) of ₹ 10 each with voting rights	2,624,497,330	2,521,164,000
Total	2,624,497,330	2,521,164,000



(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares:				
At the beginning of the year	252,116,400	2,521,164,000	727,511	7,275,110
Add: Issued during the year	10,333,333	103,333,330	251,388,889	2,513,888,890
Outstanding at the end of the year	262,449,733	2,624,497,330	252,116,400	2,521,164,000

(iii) Terms / Rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of the preferential amounts in proportion to their shareholdings.

(iv) Details of shares held by holding company:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holdings	No. of Shares	% Holdings
IIFL Wealth Management Limited and its nominees	262,449,733	100%	252,116,400	100%

(v) Details of shareholders Holdings more than 5% shares in the company:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holdings	No. of Shares	% Holdings
Equity shares of ₹ 10 each fully paid up				
IIFL Wealth Management Limited and its nominees	262,449,733	100%	252,116,400	100%

(vi) 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:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Reserve		
Opening balance	6,477,111,125	-
Premium on shares issued during the year	516,666,650	6,486,111,125
Utilization - Share issue expenses (Refer Note 4.1)	-	9,000,000
Closing balance	6,993,777,775	6,477,111,125
Capital Redemption Reserve		
Opening balance	2,300,000	2,300,000
Addition during the year	-	-
Closing balance	2,300,000	2,300,000
General Reserve		
Opening balance	1,430,000	1,430,000
Addition due to transfer during the year from surplus in the statement of profit and loss	-	-
Closing balance	1,430,000	1,430,000



Particulars	As at March 31, 2017	As at March 31, 2016
Special Reserve (Pursuant to Section 45-IC of Reserve Bank of India Act, 1934)		
Opening balance	3,481,768	-
Addition due to transfer during the year from surplus in the Statement of profit and loss	200,772,661	3,481,768
Closing balance	204,254,429	3,481,768
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	13,266,318	(660,756)
Addition: Profit for the year	1,003,863,304	17,408,842
Less: Appropriations		
Transfer to special reserve as per section 45-IC of the RBI Act, 1934	200,772,661	3,481,768
Closing balance	816,356,961	13,266,318
Total	8,018,119,165	6,497,589,211

4.1 Share issue expenses have been adjusted against the securities premium account as per Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account in previous year.

4.2 There is no Debenture Redemption Reserve (DRR) created as the Non-Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.

Note 5. Long Term Borrowings :

(Amount in ₹)

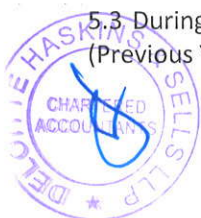
Particulars	As at March 31, 2017	As at March 31, 2016
Secured Loans		
Non Convertible Debentures (Refer Note 5.1 & 5.4)	15,383,600,001	-
Sub Total	15,383,600,001	-
Unsecured Loans		
Perpetual Debt (Refer Note 5.2 & 5.4)	1,500,000,000	-
Subordinated Debt (Refer Note 5.3 & 5.4)	2,935,000,000	-
Sub Total	4,435,000,000	-
Total	19,818,600,001	-

Note:

5.1 During the current year the company has issued secured debentures amounting to ₹ 15,383,600,001 (Previous year ₹ Nil). These debentures are secured by way first pari passu mortgage and charge over the Company's identified immovable Property and first charge on present and future receivables to the extent equal to the principal and interest amount of the Debentures outstanding at any point of time

5.2 During the current year the company has issued Perpetual debentures amounting to ₹ 1,500,000,000 (Previous year Nil).

5.3 During the current year the company has issued Subordinated debentures amounting to ₹ 2,935,000,000 (Previous Year Nil)



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)
5.4 Interest and repayment terms of long-term borrowings (including its current maturities):

Residual Maturity	As at March 31, 2017		As at March 31, 2016	
	Balance Outstanding	Interest Rate % *(p.a)	Balance Outstanding	Interest Rate % (p.a)
Non- Convertible Debentures				
Above 5 years	12,164,700,001	Market Linked	-	-
1-5 years	3,218,900,000	8.03% - 10.87% linked to underlying structures	-	-
Less than 1 year	2,641,600,000	9% - 12%	-	-
Perpetual Debt				
Above 5 years	1,500,000,000	10%	-	-
Subordinated Debt				
Above 5 years	2,935,000,000	9.1% - 11.42%	-	-

* Interest rates in accordance with the provisions of the respective placement memorandums.

Note 6. Other Long Term Liabilities :
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on Debentures	366,602,349	-
Total	366,602,349	-

Note 7. Long Term Provisions :
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Provision for Gratuity (Refer Note 25)	643,057	-
Contingent Provision against Standard Assets	44,209,183	-
Total	44,852,240	-

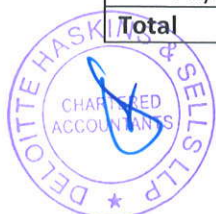
Note 8. Short Term Borrowings :
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured Loans		
Commercial Paper	30,250,000,000	-
Less: Unexpired Discount *	(240,950,013)	-
Total	30,009,049,987	-

* Unexpired discount on Commercial paper is net of ₹ 254,137,986 (Previous year- ₹ Nil) towards discount accrued but not due

Note 9. Trade Payables:
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Sundry Creditors for expenses	3,189,249	-
- Accrued Salaries and Benefits	39,352	-
- Provision for expenses	5,508,256	715,000
- Payable to Holding/ Group Companies (Refer Note 36)	14,657,156	-
Total	23,394,013	715,000



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

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 company during the year to “Suppliers” referred under the act. The aforementioned is based on the response received by the Company to its inquiries with suppliers with regards to applicability under the said act. This has been relied upon by the auditors

Note 10. Other current liabilities:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term borrowings (Refer Note 5.4)		
- Secured	2,641,600,000	-
Interest accrued but not due on Debentures	199,305,599	-
Statutory Liabilities Payable	420,229	53,528
Payables to Customers	15,439,406	-
Option Premium (Net)(Refer Note 38 (iii))	43,320	-
Total	2,856,808,554	53,528

Note 11. Short term provisions:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Provision for Leave Encashment	523,746	-
- Provision for Gratuity (Refer Note 25)	2,277	-
- Salaries and Bonus Payable	220,520,548	-
Provision for tax (Net of advance tax & tax deducted at source- ₹ 511,215,282, P.Y. ₹ 20,753,789)	162,931,754	1,096,523
Contingent Provision against Standard Assets	84,061,999	3,023,190
Total	468,040,324	4,119,713

Note 12. Tangible Assets:

(Amount in ₹)

Particulars	Land	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
Gross Block as on April 01,2016	-	-	-	-	-	-
Additions	998,000	-	-	-	80,400	1,078,400
Deductions / Adjustments		-	-	-	-	-
As at March 31,2017	998,000	-	-	-	80,400	1,078,400
Depreciation						
Upto April 01,2016	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	3,965	3,965
Deductions / Adjustments	-	-	-	-	-	-
Upto March 31,2017	-	-	-	-	3,965	3,965
Net Block as at March 31,2017	998,000	-	-	-	76,435	1,074,435
Net Block as at March 31,2016	-	-	-	-	-	-



Tangible Assets (Previous Year):

(Amount in ₹)

Particulars	Land	Computer	Electrical Equipment	Furniture And Fixture	Office Equipment	Total
Gross Block as on April 01,2015	-	491,570	59,906	342,274	238,988	1,132,738
Additions	-	-	-	-	-	-
Deductions / Adjustments	-	491,570	59,906	342,274	238,988	1,132,738
As at March 31,2016	-	-	-	-	-	-
Depreciation						
Upto April 01,2015	-	479,896	53,735	78,731	199,613	811,975
Depreciation for the year	-	-	-	-	-	-
Deductions / Adjustments	-	479,896	53,735	78,731	199,613	811,975
Upto March 31,2016	-	-	-	-	-	-
Net Block as at March 31,2016	-	-	-	-	-	-
Net Block as at March 31,2015	-	11,674	6,171	263,543	39,375	320,763

Note 13. Intangible Assets: Other than internally generated

(Amount in ₹)

Particulars	Total
Computer Software/Intangible assets	
Gross Block as on April 01,2016	-
Additions	4,020,000
Deductions / Adjustments	-
As at March 31,2017	4,020,000
Depreciation	
Upto April 01,2016	-
Depreciation for the year	668,164
Deductions / Adjustments	-
Upto March 31,2017	668,164
Net Block as at March 31,2017	3,351,836
Net Block as at March 31,2016	-

Intangible Assets: Other than internally generated (Previous year)

(Amount in ₹)

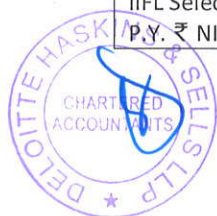
Particulars	Total
Computer Software/Intangible assets	
Gross Block as on April 01,2015	-
Additions	-
Deductions / Adjustments	-
As at March 31,2016	-
Depreciation	
Upto April 01,2015	-
Depreciation for the year	-
Deductions / Adjustments	-
Upto March 31,2016	-
Net Block as at March 31,2016	-
Net Block as at March 31,2015	-



Note 14. Non – Current Investments (At Cost) :

(Amount in ₹)

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Unquoted, Non Trade Investments					
Non Convertible Debentures					
19% Debentures Of Arch Argo Industries Pvt. Ltd.	10,000	2,457	10,000,000	-	-
Reliance Capital Limited RCL MLD SERIES B/367-A 28-NOV-19	100,000	137	13,700,000	-	-
Reliance Capital Limited SR-B/359A TYPE III BR NCD 21OT19 FVRS1LAC	100,000	629	62,900,000	-	-
Reliance Capital Limited SR-B/359A TYPE IV BR NCD 24OT19 FVRS1LAC	100,000	704	70,400,000	-	-
Reliance Capital Limited SR-B/364A TYPE I BR NCD 04NV19 FVRS1LAC	100,000	336	33,600,000	-	-
Reliance Capital Limited RCL MLD SERIES B/369-A TYPE II 02-DEC-19	100,000	60	6,000,000	-	-
Less: Provision for Diminution			(10,000,000)		
Sub-total (A)			186,600,000		
Alternate Investment Funds					
IIFL Investment Opportunities Fund- Spl. Series 1 Class S (NAV- ₹ 11.3352, P.Y. ₹ 10.0718)	10	7,635,711	80,000,000	2,978,614	30,000,000
IIFL Cash Opportunities Fund - Class A (NAV- ₹ 11.3851, P.Y. ₹ NIL)	10	9,326,357	100,000,000	-	-
IIFL Real Estate Fund (Domestic) Series 3 - Class S (NAV- ₹ 10.6376, P.Y. ₹ 10)	10	25,000,000	250,000,000	25,000,000	250,000,000
IIFL Real Estate Fund (Domestic) Series 4 - Class S (NAV- ₹ 10.2414, P.Y. ₹ NIL)	10	10,000,000	100,000,000	-	-
IIFL Best of Class Fund - Series I - Class S (NAV- ₹ 11.6781, P.Y. ₹ NIL)	10	5,000,000	48,394,000	-	-
IIFL Best of Class Fund - Series II - Class S (NAV- ₹ 12.8327, P.Y. ₹ NIL)	10	5,000,000	54,092,500	-	-
IIFL Seed Venture Fund- Class S (NAV- ₹ 15.5103, P.Y. ₹ NIL)	10	6,242,543	67,500,000	-	-
IIFL Asset Revival Fund Series 2- Class S (NAV- ₹ 13.1915, P.Y. ₹ NIL)	10	10,000,000	100,000,000	-	-
IIFL Asset Revival Fund Series 3- Class S (NAV- ₹ 12.1916, P.Y. ₹ NIL)	10	4,714,192	50,000,000	-	-
IIFL Yield Enhancer Fund- Class S (NAV- ₹ 10.224, P.Y. ₹ NIL)	10	12,500,000	125,000,000	-	-
IIFL Phoenix Cash Opportunities Fund- Class S (NAV- ₹ 10.239, P.Y. ₹ NIL)	10	1,000,000	10,000,000	-	-
Blume Ventures Fund (NAV ₹ 18,511, P.Y. ₹ NIL)	10,000	1,488	30,873,063	-	-
IIFL Focused Equity Strategy Fund - Class S1 (NAV- ₹ 11.2892, P.Y. ₹ NIL)	10	833,333	8,333,333	-	-
IIFL Focused Equity Strategy Fund - Class S2 (NAV- ₹ 12.1451, P.Y. ₹ NIL)	10	833,333	8,333,333	-	-
IIFL Focused Equity Strategy Fund - Class S3 (NAV- ₹ 10.7403, P.Y. ₹ NIL)	10	833,333	8,333,334	-	-
IIFL Income Opportunities Series Debt Advantage - Class S (NAV- ₹ 10.2633, P.Y. ₹ NIL)	10	4,956,271	50,000,000	-	-
IIFL Select Series I - Class S (NAV- ₹ 10.9935, P.Y. ₹ NIL)	10	1,676,041	17,000,000	-	-
IIFL Select Equity Fund - Class S (NAV- ₹ 10.0000, P.Y. ₹ NIL)	10	2,000,000	20,000,000	-	-



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
IIFL Special Opportunities Fund - Class S (NAV- ₹ 10.0154, P.Y. ₹ NIL)	10	1,250,000	12,500,000	-	-
IIFL Income Opportunities Series Regular Income - Class S (NAV- ₹ 10.0076, P.Y. ₹ NIL)	10	3,695,652	36,956,522	-	-
IIFL Re Organize India Equity Fund (NAV- ₹ 10.0378, P.Y. ₹ NIL)	10	2,500,000	25,000,000	-	-
Sub-Total (B)			1,202,316,085		280,000,000
Grand Total (A+B)			1,388,916,085		280,000,000
Aggregate Book Value of Quoted Investments			-		-
Aggregate Book Value of Unquoted Investments			1,388,916,085		280,000,000
Aggregate Market Value of Quoted Investments			-		-

Note 15. Deferred tax assets:

The Company has recognized deferred tax assets since the management is reasonably certain of its profitable operations in future. As per Accounting Standard 22 'Accounting for Taxes on Income' as specified u/s 133 of the Companies Act 2013, the timing differences mainly relates to following items and results in a net deferred tax asset:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets		
On Provision for standard assets	36,993,409	999,557
On Gratuity	110,802	-
On Long Term Capital Loss	5,963	-
On Provision for diminution of Investments	45,344,645	-
Sub Total	82,454,819	999,557
Deferred Tax Liabilities		
On Depreciation	(153,969)	-
Sub Total	(153,969)	-
Total	82,300,850	999,557

Note 16. Long Term Loans and Advances :

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans & Advances		
- Secured, considered good	12,278,953,753	-
- Unsecured, considered good	352,241,378	-
Less : Provision for doubtful Loans	-	-
Sub total	12,631,195,131	-
Others loans & advances		
Unsecured Considered good		
- Deposits-Unsecured Considered Good (Refer Note 36)	200,000	-
- Others	350	-
Total	12,631,395,481	-



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Note 17. Other Non-Current Assets :

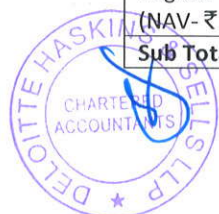
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Receivable on Market linked products	56,606,330	-
Total	56,606,330	-

Note 18. Current Investments: (At lower of Cost and Market Value unless stated otherwise):

(Amount in ₹)

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Unquoted, Non-Trade Investments					
Investment in Equity Shares					
Shankara Building Products Limited	10	36,577	16,825,420	-	-
Subtotal (A)			16,825,420		
Alternate Investment Funds					
IIFL Cash Opportunities Fund (NAV- ₹ 11.3851, P.Y. ₹ 10.6507)	10.00	375,197,826	4,271,664,771	569,703,306	6,042,102,352
IIFL Income Opportunities Fund (NAV- ₹ 0.6567, P.Y. ₹ NIL)	10.00	57,057,309	41,762,398	-	-
IIFL Income Opportunities Fund Series – Special Situation– Class B (NAV- ₹ 9.6751, P.Y. ₹ NIL)	10.00	932,923	8,133,504	-	-
IIFL Income Opportunities Series Debt Advantage - Class S (NAV- ₹ 10.2633, P.Y. ₹ NIL)	10.00	41,224,092	420,213,655	-	-
IIFL Real Estate Fund(Domestic) Series 1 - Class A (NAV- ₹ 16.0223, P.Y. ₹ NIL)	10.00	136,067	2,181,195	-	-
IIFL Real Estate Fund(Domestic) Series 1 - Class C (NAV- ₹ 16.0223, P.Y. ₹ NIL)	10.00	2,025,000	32,461,358	-	-
IIFL Real Estate Fund(Domestic) Series 3 - Class B (NAV- ₹ 10.6369, P.Y. ₹ NIL)	10.00	970,964	10,377,279	-	-
IIFL Real Estate Fund(Domestic) Series 3 - Class C (NAV- ₹ 9.2645, P.Y. ₹ NIL)	10.00	3,680,000	35,536,288	-	-
IIFL Seed Venture Fund- Class B (NAV- ₹ 15.5103, P.Y. ₹ NIL)	10.00	7,206,866	89,748,507	-	-
Malabar Value Fund (NAV- ₹ 108.088, P.Y. ₹ NIL)	100.00	386,786	40,000,000	-	-
IIFL Income Opportunities Series Regular Income - Class A3 (NAV- ₹ 10.0076, P.Y. ₹ NIL)	10.00	196,304,348	1,963,043,532	-	-
Subtotal (B)			6,915,122,478		6,042,102,352
Quoted, Non-Trade Investments					
Mutual Funds:					
IIFL Liquid Fund - Direct Plan Growth (NAV- ₹ 1284.9729 P.Y. ₹ 1204.8678)	1,000	8	10,000	124,538	150,000,000
IIFL India Growth Fund -Regular Plan - Growth (NAV- ₹ 13.2428, P.Y. ₹ NIL)	10	278,028	3,081,579	-	-
HDFC Liquid Fund - Growth Option (NAV- ₹ 3208.9181, P.Y. ₹ NIL) *	1,000	8,806	27,998,366	-	-
IIFL India Growth Fund - Regular Plan - Growth Option (NAV- ₹ 13.2428, P.Y. ₹ NIL)	10	38,378,812	500,000,000	-	-
IIFL Dynamic Bond Fund - Regular Plan - Growth Option (NAV- ₹ 12.9627, P.Y. ₹ NIL)	10	3,107,375	40,000,000	-	-
HDFC Floating rate Income Fund Short Term Plan (NAV- ₹ NIL, P.Y. ₹ 26.1002)		-	-	38,313,883	1,000,000,000
HDFC Charity Fund For Cancer Cure - Debt Plan - Regular Option - 50% Dividend Payout Option (NAV- ₹ 10.0265, P.Y. ₹ NIL)	10	1,000,000	10,000,000	-	-
Sub Total (C)			581,089,945		1,150,000,000



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Particulars	Face Value in ₹	As at March 31, 2017		As at March 31, 2016	
		Number	Amount	Number	Amount
Debentures and Bonds					
ECL Finance Ltd B9C603 Option C 10-April-17 (NAV- ₹ 109338.00, P.Y. ₹ NIL)	100,000	100	10,931,300	-	-
Corporation Bank SR-II 10.28 LOA Perpetual FVRS10LAC (NAV- ₹ 972399.49, P.Y. ₹ NIL)	1,000,000	1,500	1,500,000,000	-	-
Bank Of India SR-I 11 BD Perpetual FVRS10LAC (NAV- ₹ 1052621.08, P.Y. ₹ NIL)	1,000,000	1,336	1,406,434,286	-	-
Allahabad Bank SR-I 11.15 LOA Perpetual FVRS10LAC (NAV- ₹ 999912.29, P.Y. ₹ NIL)	1,000,000	275	275,000,000	-	-
Andhra Bank SR-III 10.99 LOA Perpetual FVRS10LAC (NAV- ₹ 1026443.18, P.Y. ₹ NIL)	1,000,000	1,385	1,440,802,600	-	-
Bank Of India SR-III 11.5 BD Perpetual FVRS10LAC (NAV- ₹ 1074580.75, P.Y. ₹ NIL)	1,000,000	12	12,955,546	-	-
IDBI Bank Limited SR-II 10.75 BD Perpetual FVRS10LAC (NAV- ₹ 984553.11, P.Y. ₹ NIL)	1,000,000	1,417	1,468,926,172	-	-
Oriental Bank Of Commerce SR-2 10.95 BD Perpetual FVRS10LAC (NAV- ₹ 1034034, P.Y. ₹ NIL)	1,000,000	1,400	1,457,226,000	-	-
Punjab National Bank SR-VII 9.15 LOA Perpetual FVRS10LAC (NAV- ₹ 998173.49, P.Y. ₹ NIL)	1,000,000	500	487,084,000	-	-
State Bank Of India SR-1 9 BD Perpetual FVRS10LAC (NAV- ₹ 1012858.48, P.Y. ₹ NIL)	1,000,000	203	210,144,987	-	-
State Bank Of India SR-III 8.39 BD Perpetual FVRS10LAC (NAV- ₹ 990987.51, P.Y. ₹ NIL)	1,000,000	730	721,425,080	-	-
Syndicate Bank SR-I 11.25 LOA Perpetual FVRS10LAC (NAV- ₹ 1047039.23, P.Y. ₹ NIL)	1,000,000	20	21,339,180	-	-
Syndicate Bank SR-III 11.25 LOA Perpetual FVRS10LAC (NAV- ₹ 1045406.78, P.Y. ₹ NIL)	1,000,000	683	726,659,486	-	-
Vijaya Bank SR-IV 10.49 LOA Perpetual FVRS10LAC (NAV- ₹ 981792, P.Y. ₹ NIL)	1,000,000	300	303,995,100	-	-
Less: Provision for Diminution			(157,228,312)		
Subtotal (D)			9,885,695,425		
Grand Total {A+B+C+D}			17,398,733,268		7,192,102,352
Aggregate Book Value of Quoted Investments			10,466,785,370		1,150,000,000
Aggregate Book Value of Unquoted Investments			6,931,947,898		6,042,102,352
Aggregate Market Value of Quoted Investments			10,476,197,310		1,150,051,826

* Placed as collateral against Derivative

Note:

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

Note 19. Trade Receivable:
(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Receivables outstanding for a period less than six months from the date they were due for payment		
- Considered good	857,159,289	-
- Considered doubtful	-	-
Total	857,159,289	-



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Note 20. Cash and Cash equivalents:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)		
Cash on hand	-	2,813
Cheques on hand	8,430,297	-
Balance with Banks:		
- In Current accounts	4,763,217,651	331,021,171
- In Fixed Deposits (Original Maturity less than 3 months)	-	200,000,000
Total Cash & Cash Equivalents (a) (As per AS-3 Cash Flow Statements)	4,771,647,948	531,023,984
Other Bank Balances:		
In Fixed Deposits (Original maturity more than 3 months but upto 12 months)		
- Under Lien for Overdraft facility	2,490,000,000	10,000,000
- Others	5,000,000	-
Total Other Bank Balances (b)	2,495,000,000	10,000,000
Total (a + b)	7,266,647,948	541,023,984

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

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Note 21. Short Term Loans & advances

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans & Advances		
- Secured, considered good	21,197,880,280	1,007,729,227
- Unsecured, considered good	2,334,713,100	-
Less : Provision for doubtful Loans	-	-
Sub-total	23,532,593,380	1,007,729,227
Others loans & advances		
Unsecured Considered good		
Prepaid Expenses	5,503,468	-
Deposits	250,000	-
Service tax Receivable	1,078,069	169,676
Other Receivables	6,785,701	-
Sub-total	13,617,238	169,676
Total	23,546,210,618	1,007,898,903



Note 22. Other Current Assets

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on Investments	450,008,649	-
Interest accrued and due on Investments	5,037,485	-
Interest accrued but not due on Fixed Deposits	34,001,491	65,656
Interest accrued and due on Loans	485,120,605	1,551,000
Income accrued on AIF	21,794,437	-
Receivable from Group Company (Refer Note 36)	33,050	-
Total	995,995,717	1,616,656

Note 23. Revenue from Operations:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Interest Income		
- On Loans	2,584,626,760	3,043,637
- On Current Investments	561,272,128	-
- On Long Term Investments	21,450,803	-
- On Inter-Corporate Deposits (Refer Note 36)	92,635,203	-
- On Fixed Deposits	106,070,386	72,951
- On Commercial Paper	2,769,420	-
Profit from sale of Current investments	961,561,816	7,989,321
Dividend Income	8,016,269	120,149
Distribution income from AIF	149,501,768	62,651,529
Fees Income		
- Processing Fees	35,376,099	-
- Distribution Fees	91,438,330	-
Total	4,614,718,982	73,877,587

Note 24. Other Income:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Interest on Income Tax Refund	-	52,546
Total	-	52,546

Note 25. Employee Benefit Expenses:

(Amount in ₹)

Particulars	2016-2017	2015-2016
Salaries and Bonus	281,895,411	-
Contribution to Provident Fund and Other Funds**	1,230,407	-
Gratuity Expense*	493,784	-
Leave Encashment Expenses	410,597	-
Staff Welfare Expenses	110,547	-
Total	284,140,746	-

*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:



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

(Amount in ₹)

Assumptions	2016-2017	2015-2016
Discount rate	7.26%	-
Salary Escalation	5%	-
Attrition Rate	For Service 4 years and below 7.5% p.a. & thereafter 5% p.a.	-
Change in Benefit Obligation	2016-2017	2015-2016
Liability at the beginning of the year	-	-
Liability transferred in	261,140	-
Liability transferred out	(109,590)	-
Benefit paid	-	-
Actuarial (gain)/ Loss on obligations	493,784	-
Liability at the end of the year	645,334	-
Amount Recognised in the Balance Sheet	2016-2017	2015-2016
Liability at the end of the year	645,334	-
Fair Value of Plan Assets at the end of the year	-	-
Differences	-	-
Amount of Liability/ (Asset) Recognised in the Balance Sheet	645,334	-
Expenses Recognised in the Income Statement	2016-2017	2015-2016
Current Service cost	-	-
Interest Cost	-	-
Actuarial Gain or Loss	493,784	-
Expenses Recognised in the Statement of Profit & Loss Account	493,784	-
Balance Sheet Reconciliation	2016-2017	2015-2016
Opening Net liability	-	-
Expense as above	493,784	-
Net Transfer In	261,140	-
Net Transfer Out	(109,590)	-
Employers contribution	-	-
Liability/(Asset) Recognised in Balance sheet	645,334	-

Experience Adjustment	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Present Value of the Obligation	645,334	-	-	-	-
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) or Deficit	-	-	-	-	-
Actuarial (Gains)/ Losses on Obligations - Due to Experience	493,784	-	-	-	-
Actuarial Gains/ (Losses) on Plan Assets - Due to Experience	-	-	-	-	-

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

****Defined Contribution Plans:**

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

(Amount in ₹)

Particulars	2016-2017	2015-2016
Contribution to Provident and other Fund *	1,230,407	-



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

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

Note 26. Other expenses:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Brokerage Related Expenses	354,091	5,000
Bank charges	54,662	2,977
Communication	2,389,357	22,029
Donation	141,250	-
Electricity charges	1,861,394	64,009
Direct Operating Expenses	9,640,469	1,174,952
Exchange & statutory charges	122,276	27,404,290
Legal & professional fees	12,298,680	60,500
Membership & subscription charges	-	126,427
Miscellaneous expenses	9,293	17,504
Office expenses	2,395,697	562
Postage & Courier	431,432	-
Printing & stationery	1,466,573	62,770
Manpower Outsource Expenses*	27,419,855	-
Rent*	11,827,911	698,219
Rates and taxes	4,878,505	169,676
Sitting fees paid to Director	355,574	-
Repairs & Maintenance	279,677	-
Remuneration to Auditors:		
- Audit fees (net of Service Tax)	1,200,000	700,000
- Other service (net of Service Tax)	300,000	-
- Swatch Bharat Cess	12,250	-
- Certification expenses	140,700	-
- Out of pocket expenses	-	-
Software charges & Technology Cost	6,206,205	168,882
Travelling & conveyance	5,931,713	211,934
Corporate Social Responsibility Expenses* (Refer Note 37)	260,800	-
Total	89,978,364	30,889,731

* includes related party transactions (Refer Note 36)

Note 27. Finance Charges:

Particulars	(Amount in ₹)	
	2016-2017	2015-2016
Discount on Commercial Papers	1,778,114,587	-
Interest on Inter-corporate Deposits (Refer Note 36)	23,546,481	-
Interest on Debentures *	509,301,618	-
Interest on delayed payment of Taxes	513,839	-
Interest on Others	1,125,811	-
Other Borrowing costs	47,669,968	-
Total	2,360,272,304	-

* includes net MTM of ₹ 127,642,790/- on market linked products



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Note 28. Provision and Write Off :

(Amount in ₹)

Particulars	2016-2017	2015-2016
Bad debts written off	-	1,931,984
Provision for diminution in value of Investments	167,228,312	-
Mark to Market on Option Contracts (Net)	12,321,120	-
Contingent Provision against Standard assets	125,247,992	3,023,190
Total	304,797,424	4,955,174

Notes:

a. Movement in Provisions during the year is as under:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	3,023,190	-
Additions during the year	304,797,424	3,023,190
Closing Balance	307,820,614	3,023,190

The above table includes provision on Investments which is netted off from the cost of investments (Refer Note 14 & 18), contingent provision against Standard Assets (Refer Note 7 & 11) and MTM on option contracts (Refer Note 10)

Note 29. 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.

(Amount in ₹)

Particulars		As at March 31, 2017	As at March 31, 2016
Basic EPS			
Profit after tax as per statement of profit and loss	A	1,003,863,304	17,408,842
Weighted average number of equity shares outstanding	B	255,541,971	17,778,209
Basic EPS (Rupees)	A/B	3.93	0.98
Diluted EPS			
Profit after tax as per statement of profit and loss	C	1,003,863,304	17,408,842
Weighted average number of equity shares outstanding	D	255,541,971	17,778,209
Diluted EPS (Rupees)	C/D	3.93	0.98
Face value per share		10	10

Note 30. The Company does not have any contingent liability not provided for, as on the balance sheet date.

Note 31. There are no pending litigations by and on the Company as on the balance sheet date.

Note 32. Undisbursed Sanctioned Loans:

As on the balance sheet date there were undisbursed sanctioned loans of ₹ 23,711,333,970/- (Previous Year ₹ Nil). These sanctioned amounts are cancellable at the option of the company.

Note 33. Capital and Other Commitments:

At the balance sheet date, the total outstanding commitments capital expenditure amounts to ₹ 1,136,729,353 (Previous Year ₹ NIL)

Note 34. The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its holding Company/group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable 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 35. Segment Reporting:

In the opinion of the management, there is only one reportable business segment (Financing & Investing) as envisaged by Accounting Standard - 17 'Segment Reporting', as prescribed under section 133 of the Act. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Secondary segment based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 36. Disclosures in respect of applicability of AS – 18 Related Party Disclosures:**(a) Related parties where control exists:**

Nature of relationship	Name of party
Ultimate Holding Company	IIFL Holdings Limited
Holding Company	IIFL Wealth Management Limited
Fellow Subsidiaries	IIFL Investment Adviser and Trustee Services Limited India Alternatives Advisors Private Limited (Upto March 31, 2017) IIFL Asset Management Limited IIFL Trustee Limited IIFL Alternate Asset Advisors Limited IIFL Distribution Services Limited IIFL Private Wealth Management (Dubai) Limited IIFL (Asia) Pte. Limited IIFL Inc. IIFL Private Wealth Hong Kong Limited IIFL Asset Management (Mauritius) Limited (Formerly IIFL Private Wealth (Mauritius) Ltd) IIFL Private Wealth (Suisse) SA IIFL Securities Pte. Limited IIFL Capital Pte. Limited
Group Companies	India Infoline 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 Realty Limited IIFL Capital Limited IIFL Wealth (UK) Limited IIFL Capital Inc. India Infoline Foundation IIFL Properties Private Limited IIFL Asset Reconstruction Limited
Key Management Personnel	Mr. Himanshu Jain – Whole Time Director
Other related Parties	Mr. Karan Bhagat Mr. Yatin Shah Mr. Amit Shah Mrs. Piyusha Jain Mrs. Shilpa Bhagat Mrs. Ami Shah Mrs. Dhara Shah



	Probability Sports LLP Naykia Realty Private Limited Kyrush Investments Yatin Investment
--	---

(b) Significant Transaction with Related Parties:

(Amount in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Share Capital Issued						
IIFL Wealth Management Limited	103,333,330 (2,513,888,875)	- -	- -	- -	- -	103,333,330 (2,513,888,875)
Share Premium						
IIFL Wealth Management Limited	516,666,670 (6,486,111,125)	- -	- -	- -	- -	516,666,670 (6,486,111,125)
Purchase of Investment/Inventory (Net)						
IIFL Asset Advisors Limited	-	253,093,440	-	-	-	253,093,440
Redemption of NCD						
IIFL Wealth Management Limited	500,000,000 -	- -	- -	- -	- -	500,000,000 -
Sell of Investment/Inventory (Net)						
IIFL Wealth Management Limited	2,750,000,000 -	- -	- -	- -	- -	2,750,000,000 -
Karan Bhagat	-	-	-	42,622,000	-	42,622,000
Yatin Shah	-	-	-	10,000,187	-	10,000,187
Remuneration to Director						
Himanshu Jain	-	-	-	6,909,006	-	6,909,006
Interest Income on NCD						
IIFL Wealth Management Limited	2,613,878 -	- -	- -	- -	- -	2,613,878 -
Interest Income						
India Infoline Finance Limited	-	-	637,792	-	-	637,792
India Infoline Housing Finance Limited	-	-	197,836	-	-	197,836
Yatin Investments	-	-	-	-	2,827,342	2,827,342
Loan Given						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
Loan Received Back						
Yatin Investment	-	-	-	-	1,366,873,700	1,366,873,700
ICD Given						
India Infoline Finance Limited	-	-	(150,000,000)	-	-	(150,000,000)



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
IIFL Investment Adviser & Trustee Services Limited	-	2,901,200,000	-	-	-	2,901,200,000
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	200,000,000	-	-	200,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,352,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,61,25,00,000	-	-	-	-	9,61,25,00,000
	-	-	-	-	-	-
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
ICD Received Back						
India Infoline Finance Limited	-	-	-	-	-	-
	-	-	(150,000,000)	-	-	(150,000,000)
IIFL Investment Adviser & Trustee Services Limited	-	2,901,000,000	-	-	-	2,901,000,000
	-	-	-	-	-	-
5 Paisa Capital Limited	-	-	20,00,00,000	-	-	20,00,00,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	4,352,000,000	-	-	-	4,35,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	6,890,000,000	-	-	-	6,890,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	9,612,500,000	-	-	-	-	9,612,500,000
	-	-	-	-	-	-
India Infoline Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
ICD Taken						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
	-	-	-	-	-	-
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
	-	-	-	-	-	-
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
	-	-	-	-	-	-
ICD Repaid						
India Infoline Finance Limited	-	-	1,500,000,000	-	-	1,500,000,000
	-	-	-	-	-	-
IIFL Distribution Services Limited	-	20,000,000	-	-	-	20,000,000
	-	-	-	-	-	-
IIFL Investment Adviser & Trustee Services Limited	-	340,000,000	-	-	-	340,000,000
	-	-	-	-	-	-
IIFL Facilities Services Limited	-	-	500,000,000	-	-	500,000,000
	-	-	-	-	-	-



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
IIFL Alternate Asset Advisors Limited	-	1,022,000,000	-	-	-	1,022,000,000
IIFL Asset Management Limited	-	1,175,000,000	-	-	-	1,175,000,000
IIFL Wealth Management Limited	1,750,000,000	-	-	-	-	1,750,000,000
Interest Income on ICD						
India Infoline Finance Limited	-	-	(81,967)	-	-	(81,967)
IIFL Investment Adviser & Trustee Services Limited	-	7,195,342	-	-	-	7,195,342
5 Paisa Capital Limited	-	-	801,644	-	-	801,644
IIFL Alternate Asset Advisors Limited	-	26,888,416	-	-	-	26,888,416
IIFL Asset Management Limited	-	22,893,890	-	-	-	22,893,890
IIFL Wealth Management Limited	34,705,227	-	-	-	-	34,705,227
India Infoline Limited	-	-	150,685	-	-	150,685
Interest Expense on ICD						
India Infoline Finance Limited	-	-	3,452,055	-	-	3,452,055
IIFL Distribution Services Limited	-	337,534	-	-	-	337,534
IIFL Investment Adviser & Trustee Services Limited	-	409,863	-	-	-	409,863
IIFL Facilities Services Limited	-	-	452,055	-	-	452,055
IIFL Alternate Asset Advisors Limited	-	8,504,357	-	-	-	8,504,357
IIFL Asset Management Limited	-	2,705,685	-	-	-	2,705,685
IIFL Wealth Management Limited	7,684,932	-	-	-	-	7,684,932
Manpower Outsourcing Expenses						
IIFL Distribution Services Limited	-	26,895,461	-	-	-	26,895,461
Guest House Rent Expense						
IIFL Properties Private Limited	-	-	575,000	-	-	575,000
Corporate Social Responsibility (CSR)						
India Infoline Foundation Limited	-	-	260,800	-	-	260,800
Other funds paid						
IIFL Wealth Management Limited	2,221,942	-	-	-	-	2,221,942
	(16,030)	-	-	-	-	(16,030)
India Infoline Limited	-	-	7,204	-	-	7,204



IIFL WEALTH FINANCE LIMITED
Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Person	Other Related Parties	Total
Other funds received						
IIFL Wealth Management Limited	225,753	-	-	-	-	225,753
India Infoline Finance Limited	-	-	17,066	-	-	17,066
India Infoline Limited	-	-	210,820	-	-	210,820
Allocation / Reimbursement of expenses Paid						
India Infoline Limited	-	-	1,000,000	-	-	1,000,000
IIFL Distribution Services Limited	-	5,04,022	-	-	-	5,04,022
IIFL Wealth Management Limited	24,758,528 (2,273,976)	-	-	-	-	24,758,528 (2,273,976)

(h) Amount due to / from related parties (Closing Balance):
(Amount in ₹)

Nature of Transaction	Holding Company	Fellow Subsidiaries	Group Companies	Key Managerial Personnel	Other Related Parties	Total
Sundry payables						
IIFL Distribution Services Limited	-	40,58,428	-	-	-	40,58,428
IIFL Properties Private Limited	-	-	1,15,500	-	-	1,15,500
IIFL Wealth Management Limited	1,04,83,229	-	-	-	-	1,04,83,229
Sundry receivables						
India Infoline Finance Limited	-	-	17,066	-	-	17,066
India Infoline Limited	-	-	15,984	-	-	15,984
IIFL Investment Adviser & Trustee Services Limited	-	2,00,000	-	-	-	2,00,000

Note 37. Corporate Social Responsibility:

During the financial year 2016-17, the Company has spent ₹ 260,800/- (Previous Year ₹ Nil) as against ₹ 260,800 /-(Previous Year ₹ Nil) required to be spent as per section 135 of the Companies Act 2013 in respect of Corporate Social Responsibility (CSR). The Company was focused on implementing the projects identified by the CSR Committee and had successfully completed most of the projects.

Note 38. Disclosure as required under Annexure XII of RBI Directions:
i. Capital Adequacy Ratio:
(₹ in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016
CRAR (%)	30.52	106.36
CRAR - Tier I Capital (%)	24.04	0.04
CRAR - Tier II Capital (%)	6.48	106.32
Amount of subordinate debt raised as Tier- II capital	293.50	-
Amount raised by issue of perpetual debt Instruments.	150.00	-



ii. Disclosure of Investments:

(₹ in Crores)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
(1)	Value of Investments		
	(i) Gross value of Investments		
	(a) In India	1,895.48	747.21
	(b) Outside India	-	-
	(ii) Provision for depreciation/diminution		
	(a) In India	16.72	-
	(b) Outside India	-	-
	(iii) Net value of Investments		
	(a) In India	1,878.76	747.21
(b) Outside India	-	-	
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening Balance	-	-
	(ii) Add: Provision made during the year	16.72	-
	(iii) Less: Write -off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	16.72	-

iii. Derivatives

Disclosure of Risk Exposure in Derivatives

The company undertakes transactions in derivative products in the role of a user with counter parties. The company deals in derivatives for balance sheet management i.e. hedging its liabilities and assets exposure. All derivatives are accounted in accordance with Guidance Note on Accounting for Derivative Contracts issued by the Institute of Chartered Accountants of India.

Dealing in derivatives is carried out by the treasury department of the company. The department is also responsible for assessing counterparty and market risk. The company has put in place policy framework which cover various aspects of derivatives business.

Options Contract Outstanding as at 31st March 2017:

Option Contract	As at March 31, 2017	As at March 31, 2016
Total Premium Carried forward on Buy Option (Net of Provisions)	10,766,730	-
Total Premium Carried forward on Sell Option (Net of Provisions)	10,810,050	-

iv. The Company has not securitised any of its exposures during the year (Previous Year: Nil).

v. Asset Liability management maturity pattern:

(₹ in Crores)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	148.28	544.41	206.39	442.77	1,011.41	1,193.12	70.0	-	3,616.38
Investments	475.86	-	196.31	-	1067.71	18.66	-	120.23	1,878.77
Borrowings	547.2	2,453.8	-	109.4	154.8	321.9	-	1,660.0	5,246.9
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Note: The above figures are on the basis of assumptions made by the Management.



vi. Exposure to Real Estate Sector:

(₹ in Crores)

Sr. no.	Category	March 31, 2017	March 31, 2016
a) Direct Exposure			
(i)	Residential Mortgages-		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	119.47	-
(ii)	Commercial Real Estate-		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	127.36	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures-		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector		246.83	-

vii. Exposure to Capital Market:

(₹ in Crores)

Sr. no.	Category	March 31, 2017	March 31, 2016
(i)	Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	118.00	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds;	513.59	-
(iii)	Advances for any other purpose where shares or convertible bonds or convertibles debentures or units of equity-oriented mutual funds are taken as primary security;	1,867.79	100.77
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or unit or equity-oriented mutual funds i.e. where the primary security other than shares/ convertible bonds / convertible debentures / units of equity-oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbroker and market makers;	47.04	-
(vi)	Loan sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		2,546.42	100.77

viii. Details of financing of parent company products.

There is no financing during the current year

ix. As at the respective month ends during the year, the Company has not exceeded the prudential exposure limits in respect of Single Borrower and Group Borrower.



x. Unsecured Advances

The company has not obtained any intangible security towards the advance.

xi. Registration obtained from other financial sector regulators

The company has obtained the 'Corporate Agency License for Composite Insurance' from Insurance Regulatory and Development Authority of India (IRDAI) during the financial year 2016-17.

xii. Details of penalties imposed by RBI or other regulators:

- No penalty has been imposed during the year.
- No adverse comments have been received in writing from Reserve Bank of India or any other regulator on regulatory compliances.

xiii. Details of Credit Ratings:**A) Ratings assigned by Credit Rating Agencies:**

(₹ in Crores)

Rating Agency	Product	Amount	Rating Assigned
ICRA	Commercial Paper	4000.00	"[ICRA]A1+"
ICRA	Non Convertible Debenture	300.00	"[ICRA]AA"
ICRA	Commercial Paper	4000.00	"[ICRA]A1+"
ICRA	Market Linked Debentures	2550.00	"[ICRA]AA"
ICRA	Subordinated Debentures	350.00	"[ICRA]AA"

xiv. Directors Remuneration

(₹ in Crores)

Particulars	2016-2017	2015-2016
Salary	0.69	-
Commission and sitting fees	0.07	-
Total	0.76	-

xv. Details of Provisions and Contingencies :

(₹ in Crores)

Particulars	2016-2017	2015-2016
Provision for depreciation on Investment	16.72	-
Provision towards NPA	-	-
Other Provision and Contingencies:		
Bad debts written off/(back)	-	0.19
Mark to Market on Option contracts	1.23	-
Provision for standard assets	12.53	0.30
Total	30.48	0.49
Provision made towards Income Tax	57.10	2.07

xvi. Draw Down from Reserves :

The company has not made any drawdown from existing reserves.

xvii. Details of concentration of deposits, advances, exposures & NPA:**a) Concentration of Advances:**

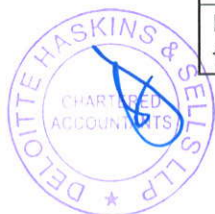
(₹ in Crores)

Particulars	2016-2017	2015-2016
Total advances to twenty largest borrowers	1,853.86	100.77
Percentage of advances to twenty largest borrowers to total advances	51.26%	100%

b) Concentration of Exposures:

(₹ in Crores)

Particulars	2016-2017	2015-2016
Total exposure to twenty largest borrowers / customers	2,292.28	100.77
Percentage of exposure to twenty largest borrowers / customers to total exposure	49.00%	100%



c) Concentration of NPAs:

The Company does not have any NPAs as at 31st March 2017 (Previous Year Nil).

d) Details of Sector wise NPA:

The Company does not have any NPAs as at 31st March 2017 (Previous Year Nil).

xviii. Movement of NPAs:

The Company does not have any NPAs as at 31st March 2017 (Previous Year Nil).

xix. Disclosure of Complaints:

Sr. No.	Particulars	2016-2017	2015-2016
i	Number of complaints pending at the beginning of year	-	-
ii	Number of complaints received during the year	-	-
iii	Number of complaints redressed during the year	-	-
iv	Number of complaints pending at the end of the year	-	-

xx. The Company does not have any Overseas Assets

xxi. The Company has not sponsored any Off-Balance Sheet SPVs

Note 39. Disclosure of restructured accounts:

The Company does not have any Restructured Accounts

Note 40. Asset classification:

(₹ in Crores)

Particulars	Outstanding Balance	Provision
Standard Assets	3,616.38	12.83
	(100.77)	(0.30)
Sub-Standard Assets	-	-
	(-)	(-)
Doubtful Assets	-	-
	(-)	(-)
Loss Assets	-	-
	(-)	(-)
Total	3,616.38	12.83
	(100.77)	(0.30)

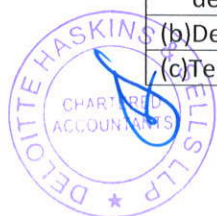
Note:

- a. In terms of RBI circular a general provision of ₹12.83 crores (Previous Year ₹ 0.30 crores) has been made at 0.35 % of the standard assets under the head 'Contingent Provision on Standard Assets' in Note 7 & Note 11.
- b. Figures in bracket represent previous year's figure.

Note 41. Particulars as per paragraph 18 of RBI Directions:**Liabilities Side****1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:****Current year**

(₹ in Crores)

Particulars	Amount outstanding	Amount overdue
(a) Debentures:		
Secured	1,850.31	-
Unsecured (Other than falling within the meaning of public deposits)	446.64	-
(b) Deferred credits	-	-
(c) Term loans	-	-



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

Particulars	Amount outstanding	Amount overdue
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	3,000.90	-
(f) Public Deposits	-	-
(g) Other Loans (Overdraft)	-	-

Previous year (₹ in Crores)

Particulars	Amount outstanding	Amount overdue
(a) Debentures:		
Secured	-	-
Unsecured (Other than falling within the meaning of public deposits)	-	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other Loans (Overdraft)	-	-

2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

Current year (₹ in Crores)

Particulars	Amount Outstanding	Amount overdue
a) In the form of Unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c) Other public deposits	-	-

Previous year (₹ in Crores)

Particulars	Amount Outstanding	Amount overdue
a) In the form of Unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c) Other public deposits	-	-

Assets Side

3. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]:

(₹ in Crores)

Amount Outstanding	2016-2017	2015-2016
Assets Side:		
(a) Secured	3,347.68	100.77
(b) Unsecured	268.70	



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

4. Break- up of leased assets and stock on hire and other assets counting towards AFC activities:

(₹ in Crores)

Particulars	2016-2017	2015-2016
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5. Break-up of Investments:

(₹ in Crores)

Particulars	2016-2017	2015-2016
Current Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	988.57	-
(iii) Units of mutual funds	58.11	115.00
(iv) Government Securities	-	-
(v) Others (Certificate of Deposits)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	1.68	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Units of Alternate Investment Funds	691.51	604.21
Long Term Investments :		
1 Quoted :		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	18.66	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Units of Alternate Investment Funds	120.23	28.00



6. Borrower Group-wise Classification of all assets financed as in (3) and (4) above:

Current Year		(₹ in Crores)		
Category	Amount Net of Provisions			
	Secured	Unsecured	Total	
1. Related Parties				
a) Subsidiaries	-	-	-	
b) Companies in the same group	-	-	-	
c) Other related parties	-	-	-	
2. Other than related parties	3,347.68	268.70	3,616.38	
Total	3,347.68	268.70	3,616.38	

Previous Year		(₹ in Crores)		
Category	Amount Net of Provisions			
	Secured	Unsecured	Total	
1. Related Parties				
a) Subsidiaries	-	-	-	
b) Companies in the same group	-	-	-	
c) Other related parties	-	-	-	
2. Other than related parties	100.77	-	100.77	
Total	100.77	-	100.77	

7. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted):

Current Year		(₹ in Crores)	
Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)	
1 Related Parties			
a) Subsidiaries	-	-	
b) Companies in the same group	-	-	
c) Other related parties	-	-	
2 Other than related parties	1,894.58	1,878.76	
Total	1,894.58	1,878.76	

Previous year		(₹ in Crores)	
Category	Market Value/ breakup or fair value or NAV	Book value (Net of provisions)	
1 Related Parties			
a) Subsidiaries	-	-	
b) Companies in the same group	-	-	
c) Other related parties	-	-	
2 Other than related parties	747.22	747.21	
Total	747.22	747.21	



IIFL WEALTH FINANCE LIMITED

Notes forming part of Financial Statements for the year ended March 31, 2017 (Continued)

8. Other information:

Particulars	₹ in Crores)	
	2016-2017	2015-2016
(i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

Note 42. Previous year's figure are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

For and on behalf of Board of Directors



Himanshu Jain
Whole Time Director
and Chief Executive Officer
(DIN: 02052409)



Yatin Shah
Non-executive
Director
(DIN: 03231090)



Mihir Nanavati
Chief Financial Officer



Manoj Gujran
Company Secretary

Place : Mumbai
Dated : 3rd May 2017

